

Domestic Market Recap:

- Guar seed and gum prices declined sharply during last week. Despite of sharp decline in arrivals, artificial panic created by punters led the prices down.
- Reportedly, big groups are now entering to build up the guar stocks at current levels which clearly indicate long term bullishness in the commodity.
- Increase in open interest in the next month contract i.e. January 2015 gives clear idea that market participants are presently shifting their current holding from December contract. However, speculators are watching it very closely and likely to give them a shock in the coming week as expected.
- Prices of guar seed likely to test its resistance level i.e. Rs 4860 from where selling should come. With lower crude oil targets, we expect prices of guar seed to test Rs. 4220 to Rs 4330 in the coming days.
- Punters are currently hedge their positions in NCDEX platform which will result in sudden decline in prices in the coming days.
- With decrease in guar seed prices, farmers are losing hopes for any sharp hike in guar seed prices in the future. Farmers are now thinking to shift to other alternative crops like Cotton, Pulses etc.
- Guar products export demand declined this week compared to last week. In the third week of November, India has exported 5121 tons of guar meal, 1780 tons of guar splits and 9687 tons of Guar gum as reported.

Current Market Dynamics

Guar seed average prices declined slightly last week despite of weak arrivals in Ganganagar region. We expect prices to decline in the coming week owing to increasing arrival pressure. Meanwhile, the sentiments remained bullish for guar seed for the medium to long term. Lower guar seed acreage and expected lower yield and production compared to last year change the fundamentals altogether.

In the major Jodhpur market, arrivals were reported around 2600 bags of guar seed last week which was around 4600 bags prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported higher arrivals (15500 bags) compared to prior week i.e. 14500 bags.

Crop Update:

Gujarat:

Guar seed crop in Gujarat have not get affected with recent Nilofer cyclone. Some scattered rainfall in coastal regions of Gujarat reported.

However, overall crop is not so good in Banaskantha, Sabarkantha and Mehsana region. Late sowing and lack of rainfall at the time of Germination affected the crop much. Reportedly around 30% crop dry or damage due to lack of rainfall this year in Gujarat.

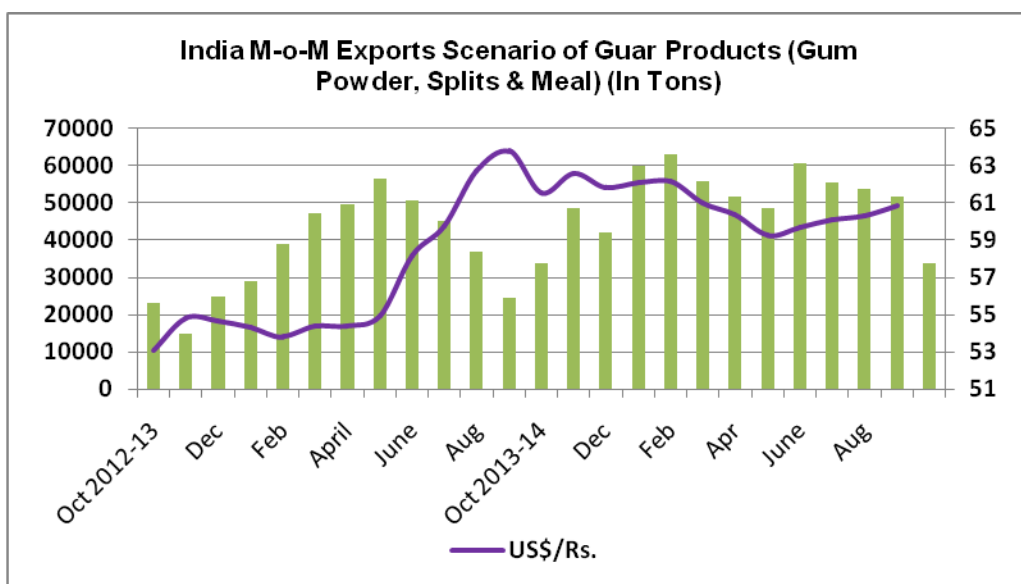
Export and Import Scenario

India has exported around 33867 tons of guar products (Splits, Meal & Powder) in October 2014. Out of the total guar seed export figures, around 9884 tons of Guar Meal, 7253 tons of Guar Splits and 16730 tons of Guar Gum Powder. It is notable that India has exported 51723 tons of Guar products in September 2014.

Demand Side of Guar and Guar Gum:

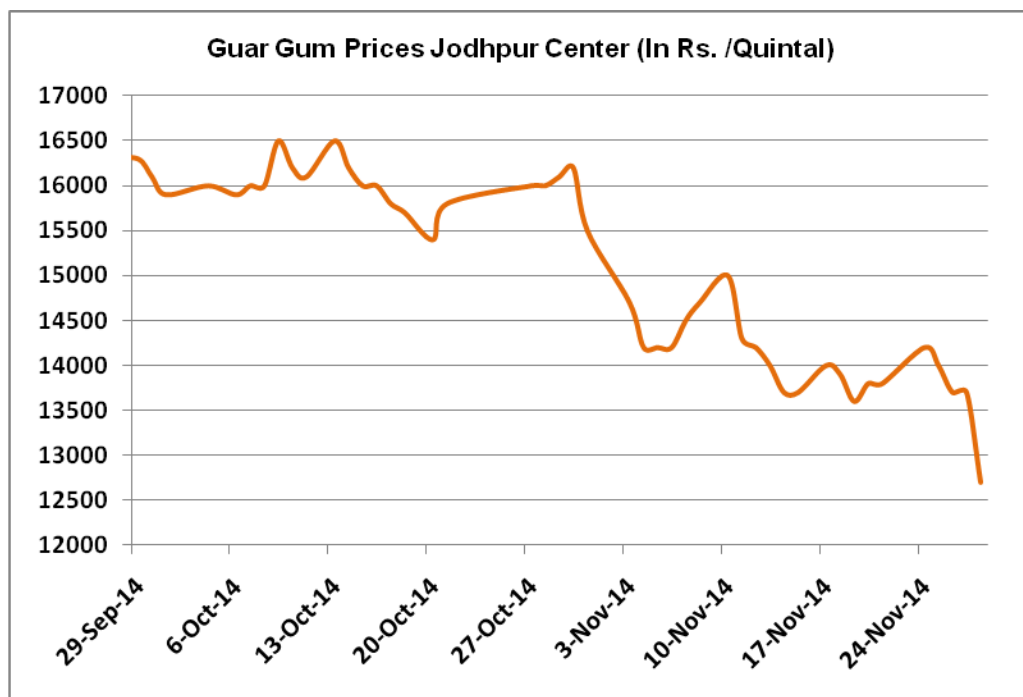
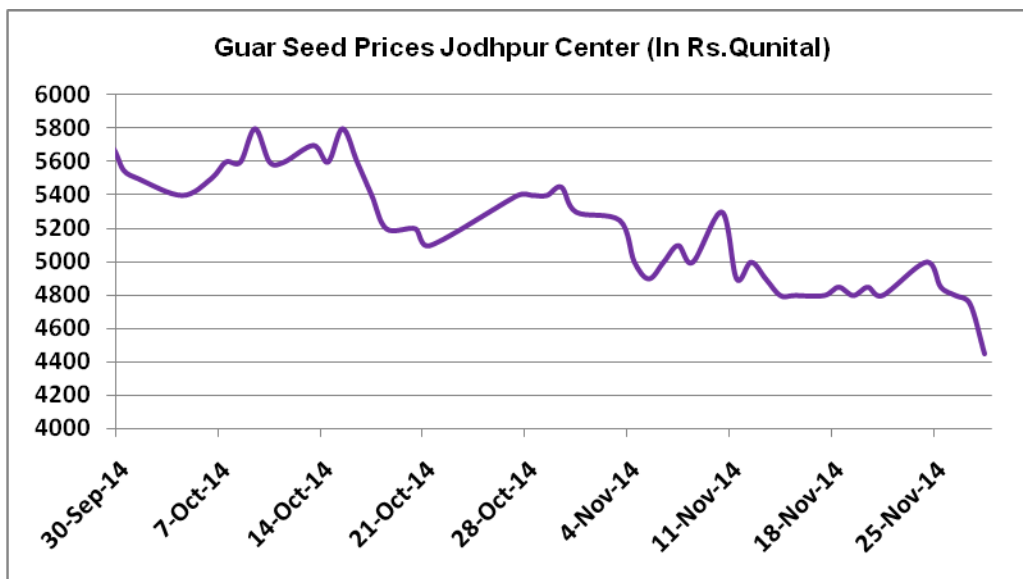
On export front, demands of guar products have decreased in October in line with depreciation in Rupee. Also, demand of guar products among major importers has increased.

Below are the Rupee Monthly movement and its impact on monthly guar products export figures.

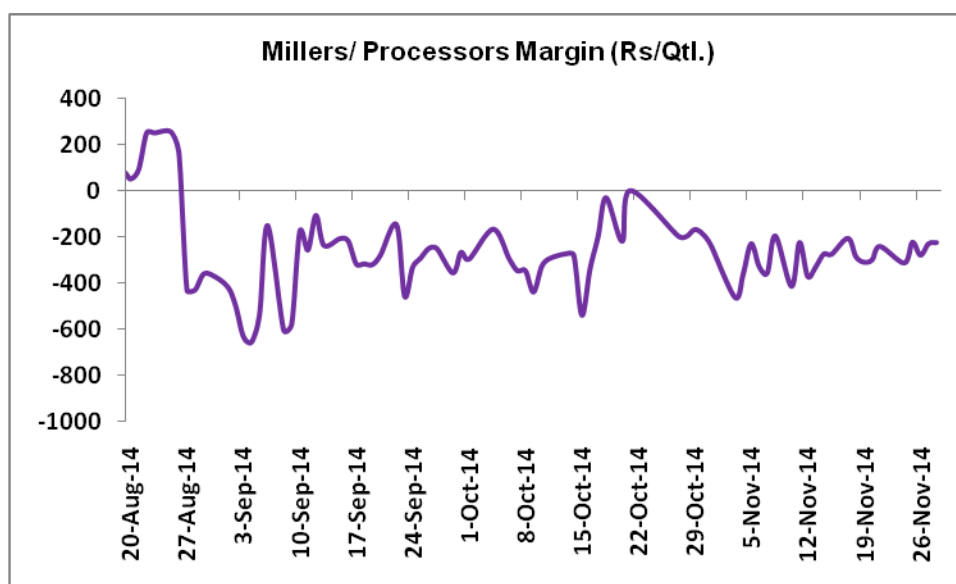


Price Scenario

In the first week of Nov, the average price of guar seed declined by 1% to Rs.4770/Qtl compared to prior week. Also, guar gum prices declined last week by 1% to Rs.13660/Qtl compared to previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.



Millers/Processors Margin



As seen in the chart above, the average crushing margin of guar seed improved compared to previous week. In the fourth week of Nov 2014, average crush margin stood at Rs. -250/Quintal which were -266 per quintal last week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	29th TO 5th Dec 14	22th TO 28th Nov 14	Change
Churi	Jodhpur	933	848	85
Korma	Jodhpur	1229	1125	104
Churi	Sri-Ganganagar	787	800	-13
Korma	Sri-Ganganagar	1158	1092	66
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	29th TO 5th Dec 14	22th TO 28th Nov 14	Change
Guargum Split		2089	2267	-178
Guargum Powder	200 Mesh 5000 CPS	2407	2536	-129
	200 Mesh 3500 CPS	2312	2461	-149
Guargum Meal	40%	267	247	20
	50%	343	323	20
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		29th TO 5th Dec 14	22th TO 28th Nov 14	
	Guar Seeds			
Rajasthan	Jodhpur (Loose)	4425	4570	-145
	Jodhpur(Delivery)	4625	4770	-145
	Sri-Ganganagar(Loose)	4493	4721	-228
	Sri-Ganganagar (Delivery)	4718	4913	-195
	Nagaur (Loose)	4375	4550	-175
	Alwar (loose)	4345	4586	-241
	Churu (Delivery)	4600	4825	-225
	Bikaner (Loose)	4471	4630	-159
	Bikaner (Delivery)	4671	4830	-159
	Khajuwala Bikaner (Loose)	4489	4662	-173
	Khajuwala Bikaner(Delivery)	4669	4848	-179
	Nokha(Loose)	4498	4668	-170
	Nokha (Delivery)	4660	4836	-176
	Hanumangarh (Loose)	4471	4640	-169
	Hanumangarh (Delivery)	4670	4840	-170
Haryana	Adampur (Loose)	4492	4745	-253
	Adampur (Delivery)	4708	4945	-237
	Sirsa (Loose)	4554	4733	-179
	Bhiwani (Delivery)	4613	4850	-237
	Dhabwali (Loose)	4479	4730	-251
	Dhabwali (Delivery)	4679	4930	-251
	Siwani (Loose)	4592	4825	-233
	Ellanabad (Loose)	4528	4691	-163
Gujarat	Deesa (Loose)	4419	4573	-154
	Patan (Loose)	4466	4753	-287
	Rajkot (Loose)	4540	4672	-132
Madhya pradesh	Dabra (Loose)	NA	5000	-
	Guar Gum			
Rajasthan	Jodhpur	13016	13660	-644
	Alwar	12900	13950	-1050
Haryana	Sirsa	12950	13817	-867
	Bhiwani	13267	14050	-783
	Dhabwali	12692	13850	-1158
	Ellanabad	12867	13817	-950

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	5-Dec-14	28-Nov-14	5-Nov-14	5-Dec-13
Rajasthan	Jodhpur (Loose)	4500	4250	4700	4500
	Jodhpur(Delivery)	4700	4450	4900	4800
	Sri-Ganganagar(Loose)	4600	4400	NR	4650
	Sri-Ganganagar (Delivery)	4800	4600	NR	4850
	Nagaur (Loose)	4500	4200	4600	4600
	Alwar (loose)	4400	NR	4500	4500
	Churu (Delivery)	4700	NR	4800	4800
	Bikaner (Loose)	4600	4350	4725	4700
	Bikaner (Delivery)	4800	4550	4900	4900
	Khajuwala Bikaner (Loose)	4600	4420	4800	4600
	Khajuwala Bikaner(Delivery)	4784	4597	4992	4784
	Nokha(Loose)	4640	4400	4750	4650
	Nokha (Delivery)	4807	4558	4921	4920
	Hanumangarh (Loose)	4625	4400	4800	4400
	Hanumangarh (Delivery)	4825	4600	5000	4750
Haryana	Adampur (Loose)	4600	4500	4700	4700
	Adampur (Delivery)	4800	4700	4900	4850
	Sirsa (Loose)	4625	4525	4780	4750
	Bhiwani (Delivery)	4700	4550	4800	4800
	Dhabwali (Loose)	4650	NR	4740	4600
	Dhabwali (Delivery)	4850	NR	4900	4800
	Siwani (Loose)	4700	4525	4850	4850
	Ellanabad (Loose)	4600	4400	4800	4730
Gujarat	Deesa (Loose)	4465	4500	4500	4480
	Patan (Loose)	4395	4650	5000	4380
	Rajkot (Loose)	4545	NR	4635	4450
Madhya pradesh	Dabra (Loose)	NA	NR	4800	4000
Guar Gum					
Rajasthan	Jodhpur	13200	12700	14200	13700
	Alwar	13100	NR	14200	14000
Haryana	Sirsa	13250	12750	14200	12800
	Bhiwani	13700	13200	13900	14000
	Dhabwali	13250	NR	14300	13900
	Ellanabad	13300	12700	15000	13900

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		29th TO 5th Dec 14	22th TO 28th Nov 14	
Rajasthan	Jodhpur	2050	2600	-550
	Sri-Ganganagar	12500	25000	-12500
	Nagaur	1800	3400	-1600
	Alwar	3100	7000	-3900
	Churu	4420	6100	-1680
	Bikaner	10700	11500	-800
	Khajuwala Bikaner	12000	15000	-3000
	Nokha	3100	4000	-900
	Hanumangarh	3200	3700	-500
Haryana	Adampur	11000	15500	-4500
	Sirsa	11000	12500	-1500
	Bhiwani	3100	7500	-4400
	Dhabwali	1950	2300	-350
	Siwani	9500	11500	-2000
	Ellanabad	5600	4900	700
Gujarat	Deesa	6139	7494	-1355
	Patan (Loose)	3277	4408	-1131
	Rajkot	3382	3895	-513
Madhya pradesh	Dabra	NA	350	-
Total Arrival		107818	148647	-40829



Commodity: Guar Seed 10MT
Contract: Dec

Exchange: NCDEX
Expiry: Dec 20, 2014

Guar Seed 10MT (Weekly Dec Contract Chart)



Technical Commentary:

- Guar prices are moving near to very crucial levels.
- RSI is moving towards oversold region.
- Last candlestick depicts bearishness in the market.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Dec	3750	4220	4570	5314	5576
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Dec	Sell	Below 4750	4450	4300	4930

Commodity: Guar Gum
Contract: Dec

Exchange: NCDEX
Expiry: Dec 20, 2014

Guar Gum (Nov Weekly Chart)



Technical Commentary:

- Guar prices are showing some correction after sharp downfall in the prices.
- However, RSI is hovering at neutral region.
- Last candlestick depicts bearishness

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Dec	11183	11830	12730	16540	17026
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Dec	Sell	Below 13100	12300	11900	14800

Spot Market Outlook:

Fundamentally, prices of guar seed looks bearish for short term due to weak demand and panic selling by traders and farmers. However, considering lower production of guar seed for this marketing year, sentiments remained bullish for medium term.

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