

## **Domestic Market Recap:**

- Guar prices continue its downward movement last week. Major downside in crude oil prices, manipulation and weak demand led the prices down of guar seed.
- Guar seed area likely to go up in the coming year as farmers are likely to shift their cropping pattern from Cotton to Guar. Farmers are currently holding Cotton this year and are not able to fetch satisfactory remuneration from Cotton. In the meantime, less guar seed crop and less water availability for sowing of Guar seed for the coming marketing year likely to surge the prices up. Higher prices of guar seed in the month of April to May urge farmers to plant more guar seed in the next marketing year.
- Only 45000 bags of Guar seed arrived in various mandis of India on an average daily which is considered pretty low despite of peak arrival season. Recent sharp decline in arrivals of guar seed will give some boost to the prices as expected in the coming days.
- As far as export demand is concerned, it is weak considering upcoming Christmas festival. However, demand should come for guar splits and powder at current levels. Also, weak rupee also likely to boost the export operations of guar seed.
- With lower crude oil targets, we expect prices of guar seed to test Rs. 4355 to Rs 4100 in the coming days for January contract.
- Reportedly, big groups are now entering to build up the guar stocks at current levels which clearly indicate long term bullishness in the commodity.

## **Current Market Dynamics**

Guar seed average prices declined last week despite of weak arrivals in Ganganagar region. Speculation and weak crude oil prices drag the guar seed prices down this week. We expect prices to decline in the coming week. 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 1950 bags of guar seed last week which was around 2050 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.

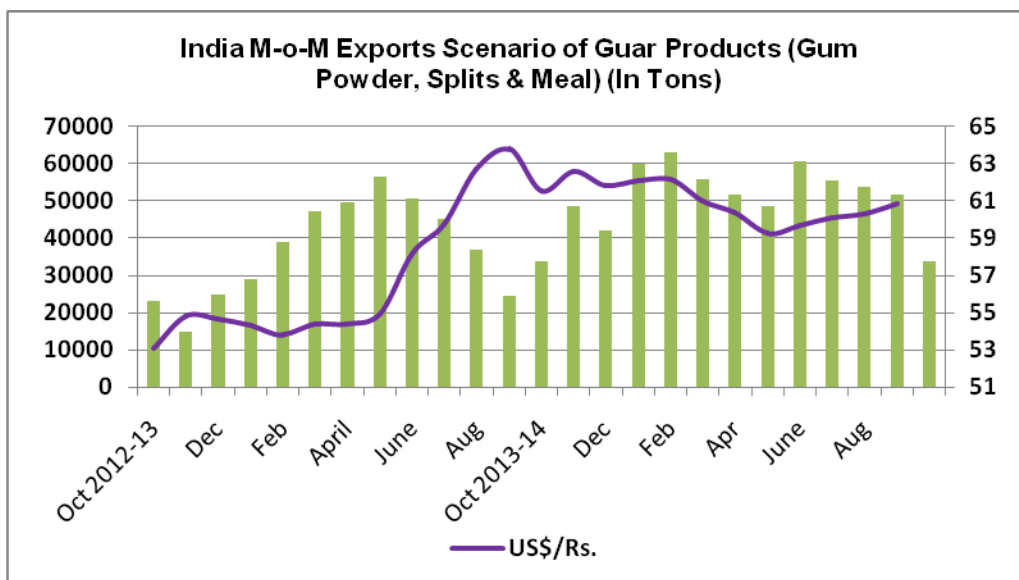
## Export and Import Scenario

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:

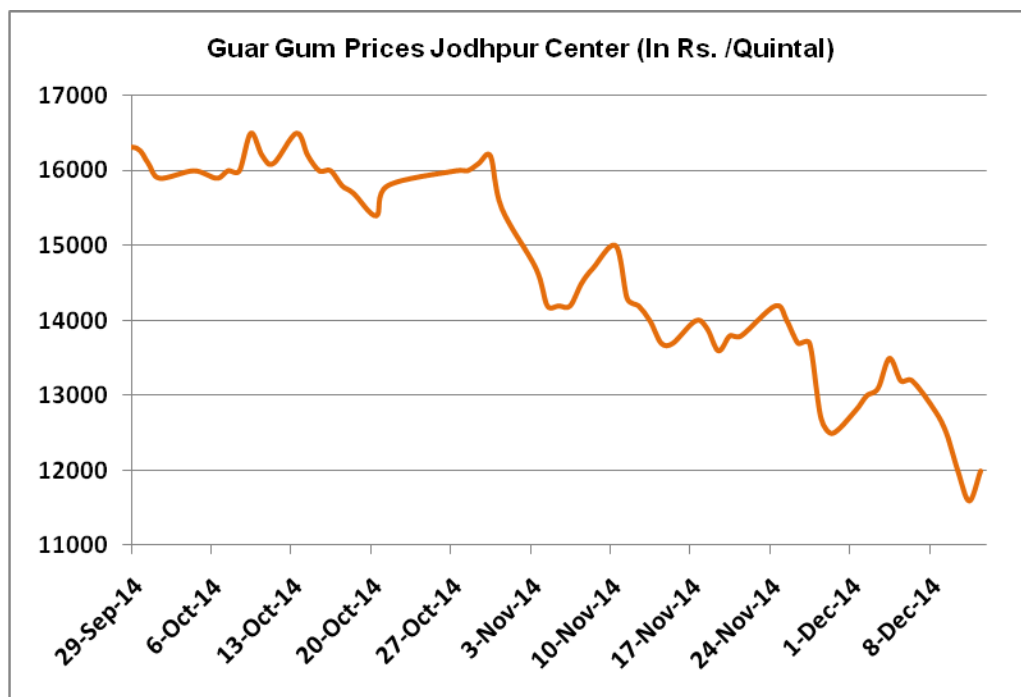
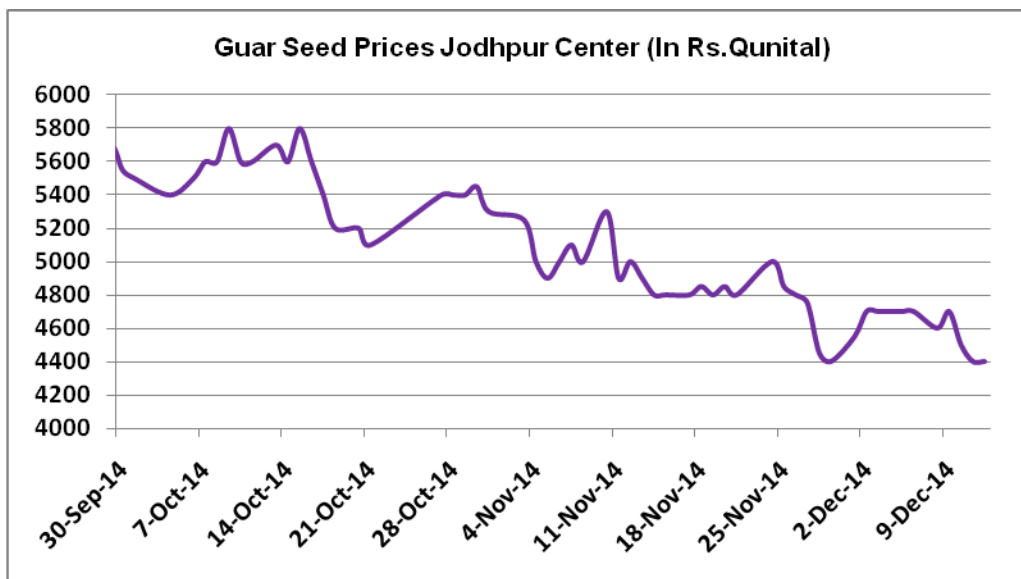
On export front, demands of guar products have decreased in October in line with depreciation in Rupee. Also, demand of guar products among major importers has increased.

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

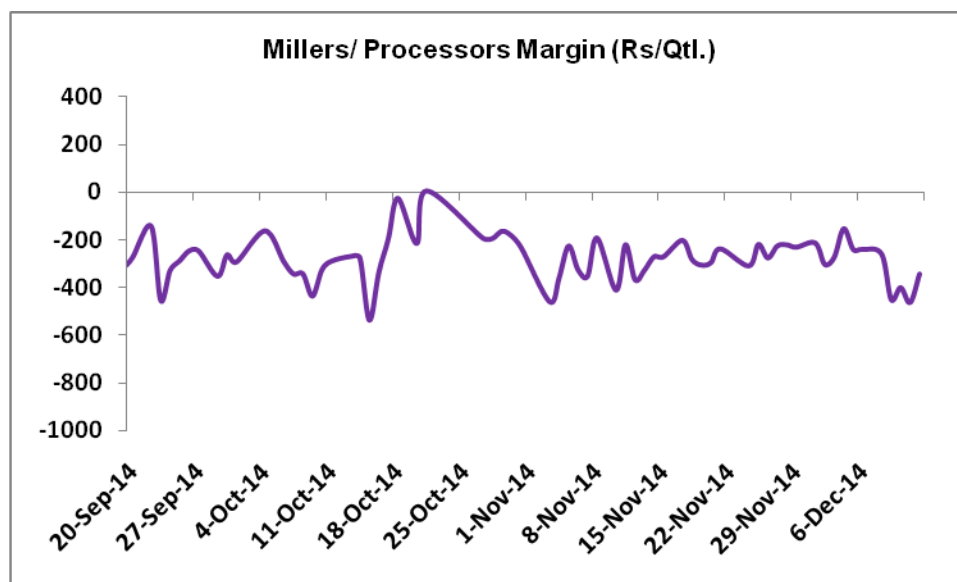


### Price Scenario

In the first week of Nov, the average price of guar seed declined by 2% to Rs.4550/Qtl compared to prior week. Also, guar gum prices declined last week by 5% to Rs.12350/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 declined compared to previous week. In the second week of Dec 2014, average crush margin stood at Rs. -360/Quintal which were -236 per quintal last week. Higher degree of decrease in guar gum prices compared to guar seed led the margin down.

### Guar by – Products Weekly Average Prices:

Commodity	Centre	6th TO 12th Dec14	29th TO 5th Dec 14	Change
Churi	Jodhpur	907	933	-26
Korma	Jodhpur	1217	1229	-12
Churi	Sri-Ganganagar	775	787	-12
Korma	Sri-Ganganagar	1100	1158	-58
Prices in Rs/75kg				

### Guar Export Weekly Average Prices:

Commodity	Variety	6th TO 12th Dec14	29th TO 5th Dec 14	Change
Guargum Split		1988	2089	-101
Guargum Powder	200 Mesh 5000 CPS	2310	2407	-97
	200 Mesh 3500 CPS	2216	2313	-97
Guargum Meal	40%	223	215	8
	50%	295	277	18
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	6th TO 12th Dec14	29th TO 5th Dec 14	
Rajasthan	Jodhpur (Loose)	4350	4425	-75

	Jodhpur(Delivery)	4550	4625	-75
	Sri-Ganganagar(Loose)	4358	4493	-135
	Sri-Ganganagar (Delivery)	4575	4718	-143
	Nagaur (Loose)	4308	4375	-67
	Alwar (loose)	4288	4345	-58
	Churu (Delivery)	4513	4600	-88
	Bikaner (Loose)	4370	4471	-101
	Bikaner (Delivery)	4570	4671	-101
	Khajuwala Bikaner (Loose)	4350	4489	-139
	Khajuwala Bikaner(Delivery)	4524	4669	-145
	Nokha(Loose)	4326	4498	-172
	Nokha (Delivery)	4482	4660	-179
	Hanumangarh (Loose)	4408	4471	-63
	Hanumangarh (Delivery)	4608	4670	-62
Haryana	Adampur (Loose)	4367	4492	-125
	Adampur (Delivery)	4567	4708	-141
	Sirsa (Loose)	4403	4554	-151
	Bhiwani (Delivery)	4496	4613	-117
	Dhabwali (Loose)	4350	4479	-129
	Dhabwali (Delivery)	4550	4679	-129
	Siwani (Loose)	4450	4592	-142
	Ellanabad (Loose)	4358	4528	-170
Gujarat	Deesa (Loose)	4401	4419	-18
	Patan (Loose)	4273	4466	-193
	Rajkot (Loose)	4403	4540	-138
Madhya pradesh	Dabra (Loose)	NA	NA	-
<b>Guar Gum</b>				
Rajasthan	Jodhpur	12350	13016	-666
	Alwar	12600	12900	-300
Haryana	Sirsa	12625	12950	-325
	Bhiwani	12600	13267	-667
	Dhabwali	12558	12692	-134
	Ellanabad	12767	12867	-100

### Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	<b>Guar Seeds</b>	<b>12-Dec-14</b>	<b>5-Dec-14</b>	<b>12-Nov-14</b>	<b>12-Dec-13</b>
Rajasthan	Jodhpur (Loose)	4200	4500	4800	4400
	Jodhpur(Delivery)	4400	4700	5000	4650
	Sri-Ganganagar(Loose)	4250	4600	4700	4550
	Sri-Ganganagar (Delivery)	4450	4800	4900	4700

	Nagaur (Loose)	4200	4500	4750	4300
	Alwar (loose)	4250	4400	4500	4200
	Churu (Delivery)	4350	4700	4800	4600
	Bikaner (Loose)	4250	4600	4850	4650
	Bikaner (Delivery)	4450	4800	5050	4900
	Khajuwala Bikaner (Loose)	4220	4600	4800	4500
	Khajuwala Bikaner (Delivery)	4389	4784	4992	4680
	Nokha (Loose)	4175	4640	4800	4450
	Nokha (Delivery)	4325	4807	4973	4610
	Hanumangarh (Loose)	4300	4625	4850	4450
	Hanumangarh (Delivery)	4500	4825	5050	4650
Haryana	Adampur (Loose)	4250	4600	4750	4500
	Adampur (Delivery)	4450	4800	4950	4700
	Sirsa (Loose)	4275	4625	4700	NR
	Bhiwani (Delivery)	4300	4700	4900	4600
	Dhabwali (Loose)	4200	4650	4700	4500
	Dhabwali (Delivery)	4400	4850	4900	4750
	Siwani (Loose)	4300	4700	4925	4650
	Ellanabad (Loose)	4250	4600	4850	4600
Gujarat	Deesa (Loose)	4315	4465	4690	4225
	Patan (Loose)	4195	4395	4850	4450
	Rajkot (Loose)	4305	4545	4695	4615
Madhya pradesh	Dabra (Loose)	NA	NA	Closed	4000
Guar Gum					
Rajasthan	Jodhpur	12000	13200	14200	13050
	Alwar	12000	13100	14000	13000
Haryana	Sirsa	11900	13250	14300	NR
	Bhiwani	11900	13700	13900	13200
	Dhabwali	12150	13250	14300	13200
	Ellanabad	12500	13300	14700	13600

### Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		6th TO 12th Dec14	29th TO 5th Dec 14	
Rajasthan	Jodhpur	1950	2050	-100
	Sri-Ganganagar	17000	12500	4500
	Nagaur	1300	1800	-500
	Alwar	2400	3100	-700
	Churu	2600	4420	-1820
	Bikaner	11500	10700	800
	Khajuwala Bikaner	11400	12000	-600

	Nokha	3500	3100	400
	Hanumangarh	3750	3200	550
Haryana	Adampur	10700	11000	-300
	Sirsa	11000	11000	Unch
	Bhiwani	4700	3100	1600
	Dhabwali	1400	1950	-550
	Siwani	7700	9500	-1800
	Ellanabad	6100	5600	500
Gujarat	Deesa	3044	6159	-3115
	Patan (Loose)	3312	3277	35
	Rajkot	3835	3382	453
Madhya pradesh	Dabra	NA	200	-
Total Arrival		107191	108038	-847



Commodity: Guar Seed 10MT  
Contract: Jan

Exchange: NCDEX  
Expiry: Jan 20, 2014

### Guar Seed 10MT (Weekly Jan 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	Jan	-	3860	4364	5314	5576
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Jan	<b>Sell</b>	Below 4500	4200	4050	4680



**Commodity:** Guar Gum  
**Contract:** Jan

**Exchange:** NCDEX  
**Expiry:** Jan 20, 2014

## Guar Gum (Jan 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	Jan	-	11183	11840	13550	14087
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Jan	<b>Sell</b>	Below 12000	11500	11300	12300

**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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