

Domestic Market Recap:

- Guar prices take an upward correction from lower levels. Good demand at lower levels by new entrants, lower arrivals and crude oil prices stabilize became the major influencing factors which drive the prices upside.
- Prices likely to take a short correction from here as sellers are still not withdrawn their selling positions
- With higher degree of increase in guar seed prices compared to gum prices, market is losing its bullish strength. Fresh selling is expected in the coming days ahead considering weak demand of guar seed and lower crude oil price expectations.
- 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.

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.

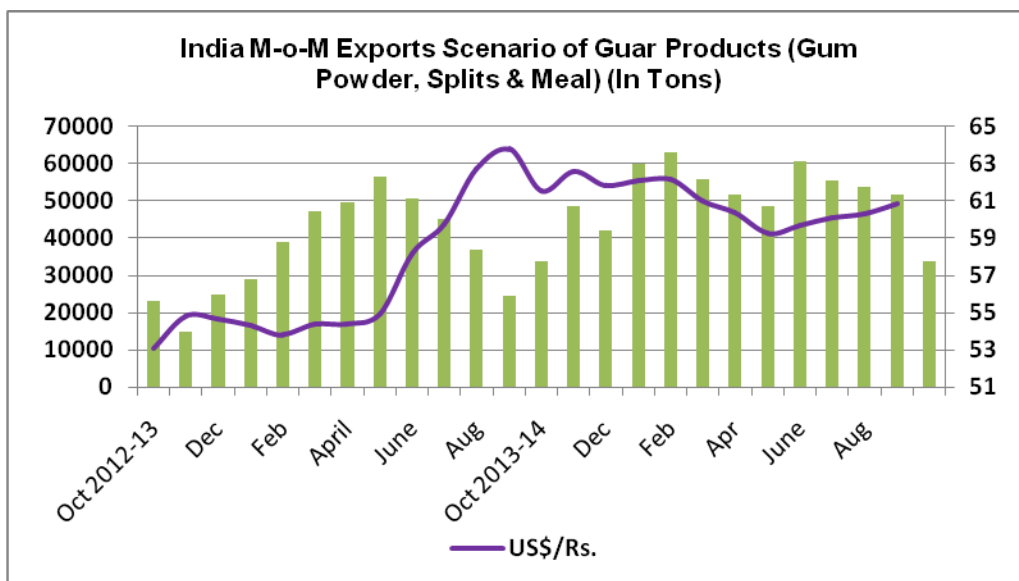
Export and Import Scenario

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:

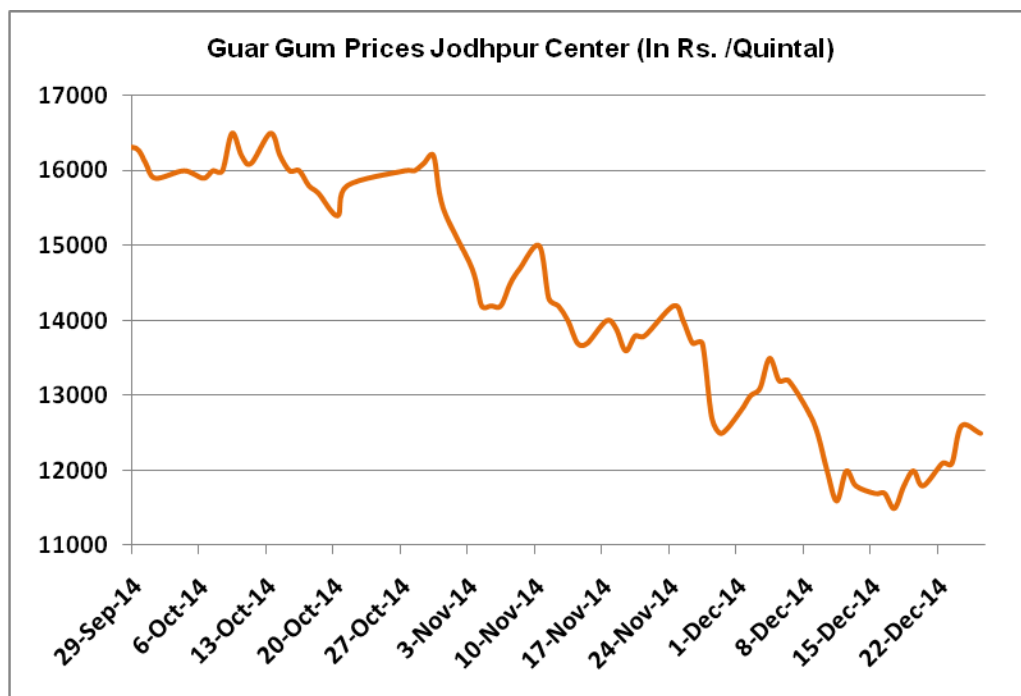
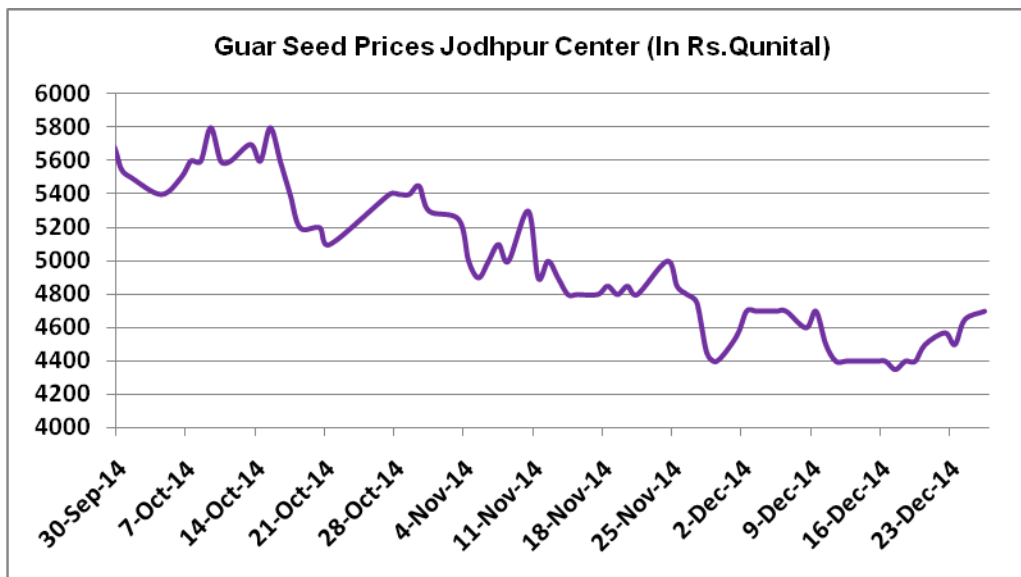
On export front, demands of guar products have decreased in October in line with depreciation in Rupee. Also, demand of guar products among major importers has increased.

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

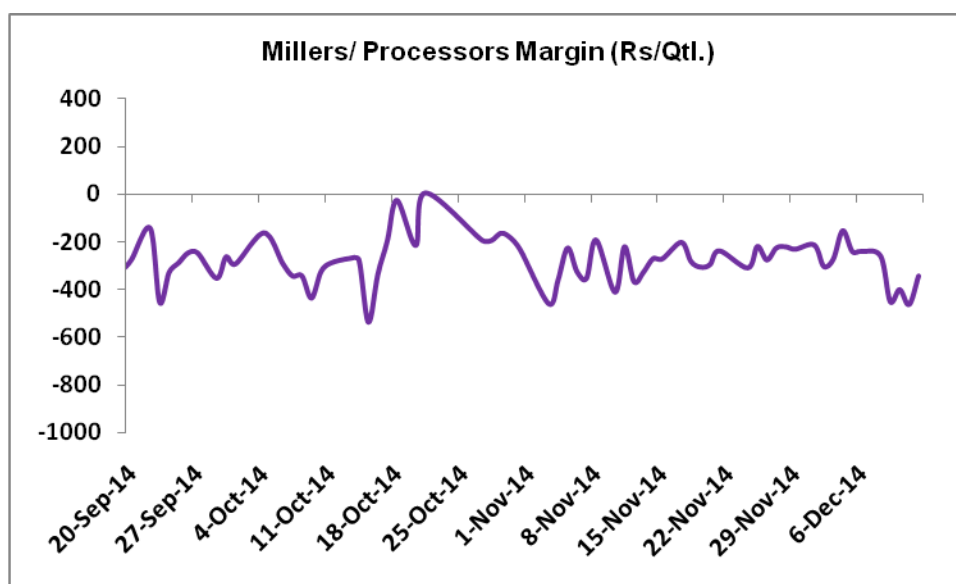


Price Scenario

In the third week of Dec, the average price of guar seed improved by 4% to Rs.4584/Qtl compared to prior week. Also, guar gum prices declined last week by 4% to Rs.12220/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	20th TO 26th Dec14	13th TO 19th Dec14	Change
Churi	Jodhpur	1025	903	122
Korma	Jodhpur	1305	1251	54
Churi	Sri-Ganganagar	940	867	73
Korma	Sri-Ganganagar	1326	1148	178
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	20th TO 26th Dec14	13th TO 19th Dec14	Change
Guargum Split		1905	1859	46
Guargum Powder	200 Mesh 5000 CPS	2221	2176	45
	200 Mesh 3500 CPS	2142	2097	45
Guargum Meal	40%	227	224	3
	50%	306	296	10
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	20th TO 26th Dec14	13th TO 19th Dec14	
Rajasthan	Jodhpur (Loose)	4384	4192	192

	Jodhpur(Delivery)	4584	4392	192
	Sri-Ganganagar(Loose)	4416	4214	202
	Sri-Ganganagar (Delivery)	4620	4413	207
	Nagaur (Loose)	4385	4188	197
	Alwar (loose)	4375	4165	210
	Churu (Delivery)	4525	4330	195
	Bikaner (Loose)	4415	4242	173
	Bikaner (Delivery)	4590	4442	148
	Khajuwala Bikaner (Loose)	4455	4223	232
	Khajuwala Bikaner(Delivery)	4633	4396	237
	Nokha(Loose)	4386	4232	154
	Nokha (Delivery)	4544	4384	160
	Hanumangarh (Loose)	4378	4204	174
	Hanumangarh (Delivery)	4570	4408	162
Haryana	Adampur (Loose)	4450	4258	192
	Adampur (Delivery)	4650	4458	192
	Sirsa (Loose)	4425	4242	183
	Bhiwani (Delivery)	4530	4354	176
	Dhabwali (Loose)	4365	4213	152
	Dhabwali (Delivery)	4565	4417	148
	Siwani (Loose)	4525	4313	212
	Ellanabad (Loose)	NR	4200	-
Gujarat	Deesa (Loose)	4336	4248	88
	Patan (Loose)	4335	4265	70
	Rajkot (Loose)	4348	4308	40
Madhya pradesh	Dabra (Loose)	4413	4350	63
Guar Gum				
Rajasthan	Jodhpur	12220	11750	470
	Alwar	12175	11720	455
Haryana	Sirsa	12260	11767	493
	Bhiwani	12460	11958	502
	Dhabwali	12220	11800	420
	Ellanabad	NR	12000	-

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	26-Dec-14	19-Dec-14	26-Nov-14	26-Dec-13
Rajasthan	Jodhpur (Loose)	4500	4200	4650	4260
	Jodhpur(Delivery)	4700	4400	4850	4500
	Sri-Ganganagar(Loose)	4600	4325	4700	4300
	Sri-Ganganagar (Delivery)	4800	4525	4900	4450

	Nagaur (Loose)	4550	4250	4550	4150
	Alwar (loose)	4600	NR	4600	4150
	Churu (Delivery)	4700	NR	4700	4400
	Bikaner (Loose)	4550	4300	4650	4300
	Bikaner (Delivery)	4700	4500	4850	4500
	Khajuwala Bikaner (Loose)	4650	4260	4620	4300
	Khajuwala Bikaner (Delivery)	4836	4430	4805	4472
	Nokha (Loose)	4550	4240	4600	4300
	Nokha (Delivery)	4714	4393	4766	4450
	Hanumangarh (Loose)	4525	4250	4700	4450
	Hanumangarh (Delivery)	4725	4450	4900	4500
Haryana	Adampur (Loose)	4600	4300	4700	4400
	Adampur (Delivery)	4800	4500	4900	4600
	Sirsa (Loose)	4575	4270	4700	4300
	Bhiwani (Delivery)	4725	4450	4900	4250
	Dhabwali (Loose)	4500	4200	4675	4500
	Dhabwali (Delivery)	4700	4400	4875	4700
	Siwani (Loose)	4650	4375	4800	4450
	Ellanabad (Loose)	NR	NR	4700	4430
Gujarat	Deesa (Loose)	4470	4310	4595	4195
	Patan (Loose)	4540	4250	4550	4250
	Rajkot (Loose)	4510	4285	4660	4375
Madhya pradesh	Dabra (Loose)	4500	NA	NR	3900
Guar Gum					
Rajasthan	Jodhpur	12500	12000	14000	12100
	Alwar	12300	NR	13700	13000
Haryana	Sirsa	12600	11900	13800	11500
	Bhiwani	12900	12200	14000	12400
	Dhabwali	12400	11700	13700	12500
	Ellanabad	NR	NR	13900	12500

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		20th TO 26th Dec14	13th TO 19th Dec14	
Rajasthan	Jodhpur	950	1390	-440
	Sri-Ganganagar	5500	10500	-5000
	Nagaur	1450	1225	225
	Alwar	2900	3300	-400
	Churu	1500	2500	-1000
	Bikaner	12000	14000	-2000
	Khajuwala Bikaner	6800	11300	-4500

	Nokha	1400	2800	-1400
	Hanumangarh	1150	1300	-150
Haryana	Adampur	7500	9000	-1500
	Sirsa	5000	9600	-4600
	Bhiwani	6000	3700	2300
	Dhabwali	800	1150	-350
	Siwani	5700	6300	-600
	Ellanabad	NR	1000	-
Gujarat	Deesa	2132	2244	-112
	Patan (Loose)	2011	2628	-617
	Rajkot	2295	3004	-709
Madhya pradesh	Dabra	900	260	640
Total Arrival		65988	87201	-21213

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	4100	4250	4364	5100	5314
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Jan	Sell	Below 4800	4600	4500	4920

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 bullishness

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Jan	-	11795	12850	13560	14090
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Jan	Sell	Below 13000	12500	12300	13300

Spot Market Outlook:

Fundamentally, prices of guar seed looks bullish for long term due to good demand..

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