

Domestic Market Recap:

- Guar seed and gum prices surged last week owing to weak arrivals and good demand at lower levels.
- Guar seed prices are quietly shifting in the hands of stockists. On the other hand, farmers are showing disinterest to hold guar seed stock with them.
- With lower guar seed production, higher spot prices compared to Futures prices and very less stock in demat of guar seed and gum, we expect prices to surge sharply in the coming weeks ahead. Our target for guar seed is Rs 5200 and then Rs 5600 for February contract.
- As per our expectation, guar prices decline sharply in last two days. However, now sellers are now in a mood to short cover their positions which will move the prices upside in the coming days.
- 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 month despite of weak arrivals in Ganganagar region. We expect prices to surge in the coming month owing to lower arrival pressure. In addition to it, fresh buying entry by big stockists also likely to give support to the prices of guar seed in the coming month.

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 950 bags of guar seed last week which was around 1390 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.

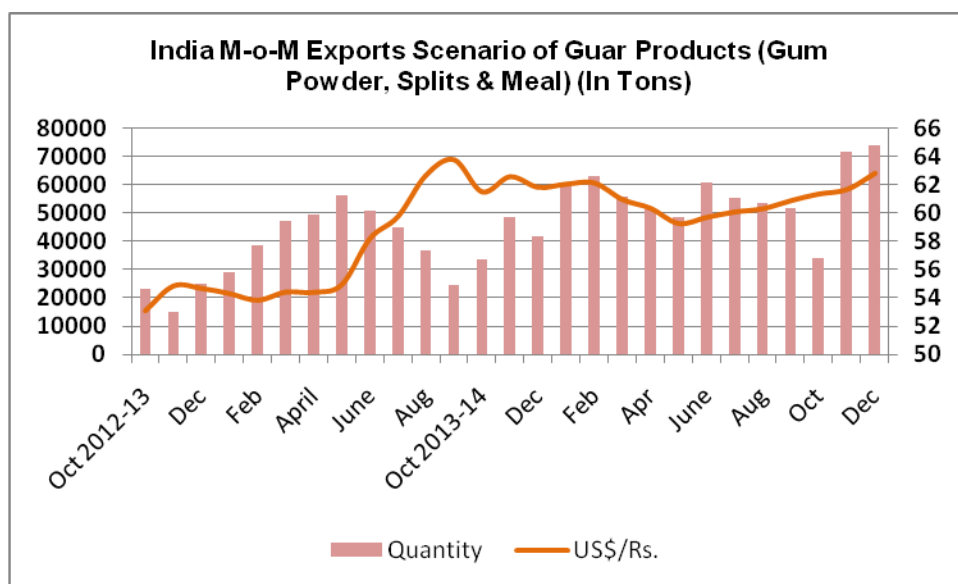
Export and Import Scenario

India has exported around 74084 tons of guar products (Splits, Meal & Powder) in December 2014. Out of the total guar seed export figures, around 16697 tons of Guar Meal, 11678 tons of Guar Splits and 45709 tons of Guar Gum Powder. It is notable that India has exported 71610 tons of Guar products in November 2014.

Demand Side of Guar and Guar Gum:

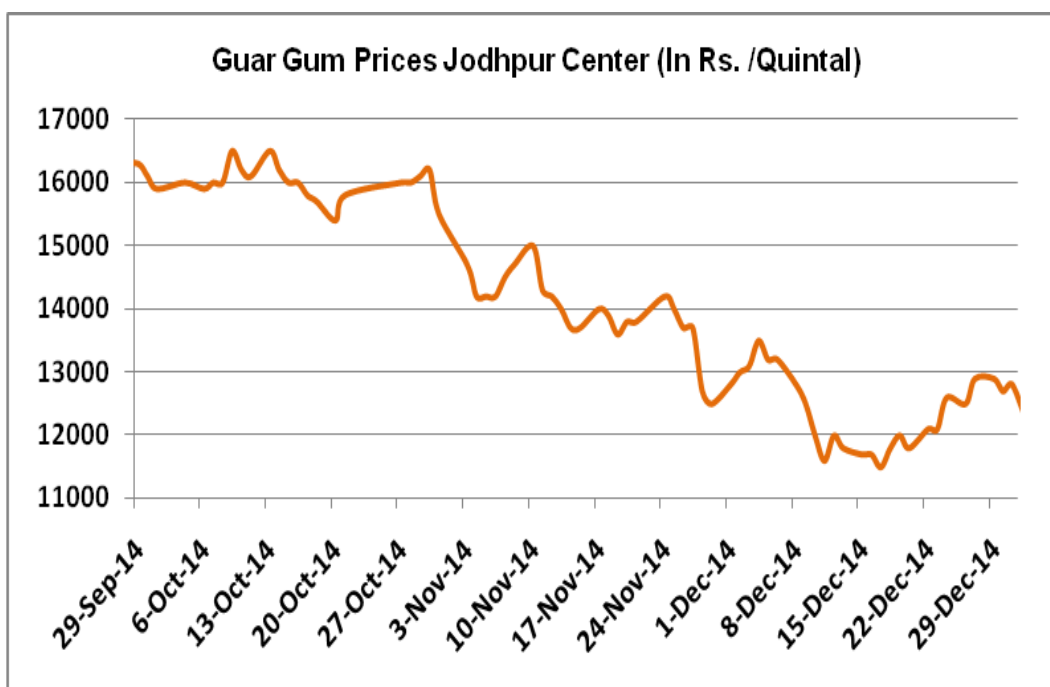
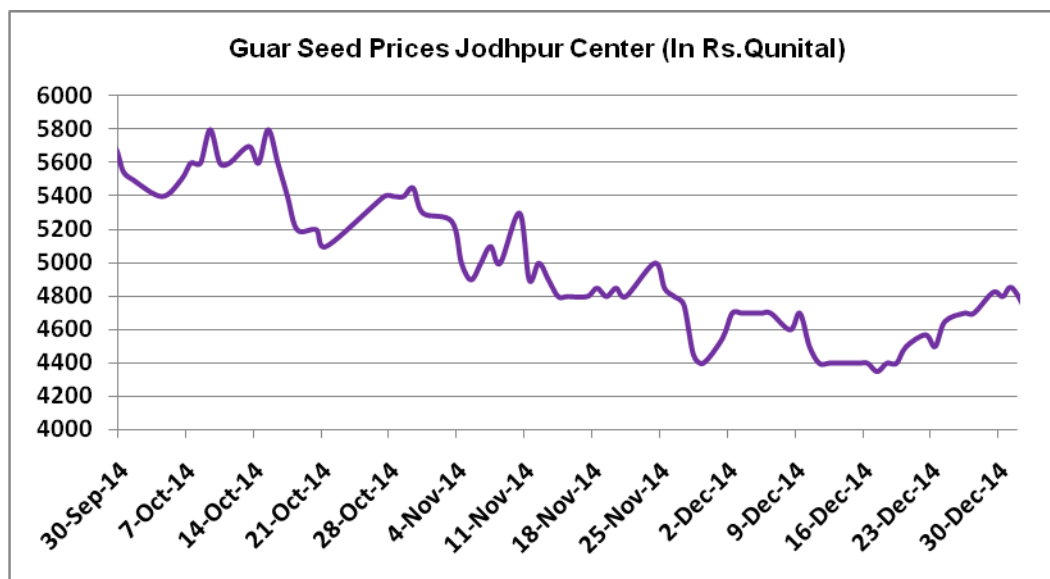
On export front, demands of guar products have increased in December in line with depreciation in Rupee. Also, demand of guar products among major importers has increased. Major energy firms increased their drilling operations in rigs as reported.

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

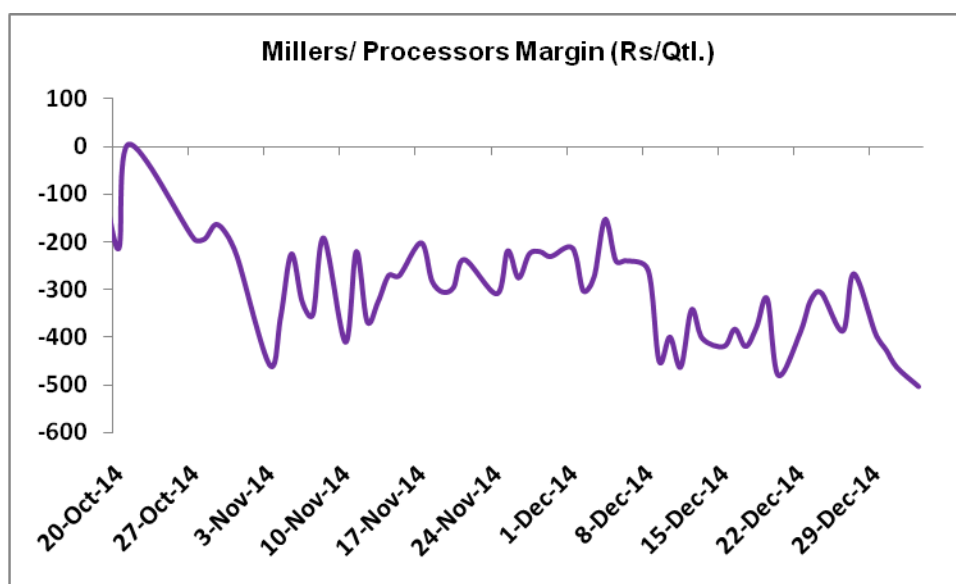


Price Scenario

In the first week of Jan, the average price of guar seed improved by 3.95% to Rs.4765/Qtl compared to prior week. Also, guar gum prices improved last week by 3.6% to Rs.12660/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 first week of Jan 2015, average crush margin stood at Rs. -411.6/Quintal which were -379.1 per quintal last week. Average price decline in churi and korma prices led the margin down.

Guar by – Products Weekly Average Prices:

Commodity	Centre	27th TO 2th Jan15	20th TO 26th Dec14	Change
Churi	Jodhpur	1040	1025	15
Korma	Jodhpur	1340	1305	35
Churi	Sri-Ganganagar	970	940	30
Korma	Sri-Ganganagar	1372	1326	46
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	27th TO 2th Jan15	20th TO 26th Dec14	Change
Guargum Split		1995	1905	90
Guargum Powder	200 Mesh 5000 CPS	2310	2221	89
	200 Mesh 3500 CPS	2231	2142	89
Guargum Meal	40%	230	227	3
	50%	305	306	-1
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	27th TO 2th Jan15	20th TO 26th Dec14	

Rajasthan	Jodhpur (Loose)	4565	4384	181
	Jodhpur(Delivery)	4765	4584	181
	Sri-Ganganagar(Loose)	4642	4416	226
	Sri-Ganganagar (Delivery)	4842	4620	222
	Nagaur (Loose)	4570	4385	185
	Alwar (loose)	4513	4375	138
	Churu (Delivery)	4700	4525	175
	Bikaner (Loose)	4635	4415	220
	Bikaner (Delivery)	4820	4590	230
	Khajuwala Bikaner (Loose)	4620	4455	165
	Khajuwala Bikaner(Delivery)	4846	4633	213
	Nokha(Loose)	4605	4386	219
	Nokha (Delivery)	4771	4544	227
	Hanumangarh (Loose)	4540	4378	162
	Hanumangarh (Delivery)	4740	4570	170
Haryana	Adampur (Loose)	4620	4450	170
	Adampur (Delivery)	4820	4650	170
	Sirsa (Loose)	4629	4425	204
	Bhiwani (Delivery)	4760	4530	230
	Dhabwali (Loose)	4600	4365	235
	Dhabwali (Delivery)	4800	4565	235
	Siwani (Loose)	4680	4525	155
	Ellanabad (Loose)	NR	NR	-
Gujarat	Deesa (Loose)	4641	4336	305
	Patan (Loose)	4724	4335	389
	Rajkot (Loose)	4684	4348	336
Madhya pradesh	Dabra (Loose)	4520	4413	107
Guar Gum				
Rajasthan	Jodhpur	12660	12220	440
	Alwar	12650	12175	475
Haryana	Sirsa	12710	12260	450
	Bhiwani	13190	12460	730
	Dhabwali	12700	12220	480
	Ellanabad	NR	NR	-

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	2-Jan-15	26-Dec-14	2-Dec-14	2-Jan-14
Rajasthan	Jodhpur (Loose)	4450	4500	4500	4500

	Jodhpur(Delivery)	4650	4700	4700	4700
	Sri-Ganganagar(Loose)	4450	4600	NR	4500
	Sri-Ganganagar (Delivery)	4650	4800	NR	4650
	Nagaur (Loose)	4300	4550	4400	4250
	Alwar (loose)	4300	4600	NR	4000
	Churu (Delivery)	4500	4700	NR	4500
	Bikaner (Loose)	4425	4550	4525	4450
	Bikaner (Delivery)	4600	4700	4725	4550
	Khajuwala Bikaner (Loose)	4430	4650	4550	4400
	Khajuwala Bikaner(Delivery)	4815	4836	4732	4576
	Nokha(Loose)	4400	4550	4500	4250
	Nokha (Delivery)	4558	4714	4662	4405
	Hanumangarh (Loose)	4300	4525	4500	4500
	Hanumangarh (Delivery)	4500	4725	4700	4600
Haryana	Adampur (Loose)	4500	4600	4500	4500
	Adampur (Delivery)	4700	4800	4700	4700
	Sirsa (Loose)	4400	4575	4600	4500
	Bhiwani (Delivery)	4500	4725	4650	4600
	Dhabwali (Loose)	4350	4500	4550	4600
	Dhabwali (Delivery)	4550	4700	4750	4750
	Siwani (Loose)	4450	4650	4600	4500
	Ellanabad (Loose)	NR	NR	4565	4500
Gujarat	Deesa (Loose)	4500	4470	4410	4075
	Patan (Loose)	4665	4540	4400	4200
	Rajkot (Loose)	4775	4510	4525	4120
Madhya pradesh	Dabra (Loose)	4500	4500	Closed	3800
Guar Gum					
Rajasthan	Jodhpur	12000	12500	13000	12200
	Alwar	12000	12300	NR	12500
Haryana	Sirsa	12250	12600	13000	12500
	Bhiwani	11600	12900	13300	12900
	Dhabwali	12000	12400	12900	12500
	Ellanabad	NR	NR	13100	12500

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		27th TO 2th Jan15	20th TO 26th Dec14	
Rajasthan	Jodhpur	1000	950	50
	Sri-Ganganagar	5500	5500	Unch

	Nagaur	2750	1450	1300
	Alwar	2300	2900	-600
	Churu	3000	1500	1500
	Bikaner	5800	12000	-6200
	Khajuwala Bikaner	7300	6800	500
	Nokha	800	1400	-600
	Hanumangarh	1160	1150	10
Haryana	Adampur	7300	7500	-200
	Sirsa	3500	5000	-1500
	Bhiwani	5500	6000	-500
	Dhabwali	800	800	Unch
	Siwani	5100	5700	-600
	Ellanabad	NR	NR	-
Gujarat	Deesa	2181	2132	49
	Patan (Loose)	2144	2011	133
	Rajkot	3920	2295	1625
Madhya pradesh	Dabra	1300	900	400
Total Arrival		61355	65988	-4633



Commodity: Guar Seed 10MT
Contract: Feb

Exchange: NCDEX
Expiry: Feb 20, 2015

Guar Seed 10MT (Weekly Feb 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: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Feb	4100	4250	4590	5100	5314
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Feb	Buy	Above 4500	4700	4800	4380

Commodity: Guar Gum
Contract: Feb

Exchange: NCDEX
Expiry: Feb 20, 2015

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: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Jan	-	11795	12100	13560	14090
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Jan	Buy	Above 11900	12200	12350	11720

Spot Market Outlook:

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

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