

**Domestic Market Recap:**

- Guar seed and gum prices declined last week owing to weak demand of gum due to falling crude oil prices.
- Guar Seed arrivals declined sharply recently. Main reason for decline in arrivals is sharp downside in prices of guar seed. Farmers are showing their disinterest to bring their guar stock in their local mandis at such low rates. In addition to it, recent Zila parishad elections in the state also gives arrivals pace a break. However, arrivals will increase just after election as expected. At present, only 30000 bags are arriving in Indian guar markets.
- Guar gum exports increased in recent months as data suggest but it is only stored at ports and not consumed by end consumers as reported. It means new guar gum exports affected with lower demand which could result in lower guar gum prices in the coming period.
- Shale gas operations got first causality from declining crude oil prices as a private company that drills in Texas (WBH Energy) files bankruptcy. There are also rumors that a giant exporter from India also provide gum to WBH Energy and good amount of money WBH energy need to pay to the Indian company. Prices of guar seed and gum declined sharply today over this news and change the overall guar sentiments altogether. Considering lower crude oil targets and weak gum demand, prices of guar might fall down further up to its previous lows.

**Current Market Dynamics**

Guar seed average prices declined last month despite of weak arrivals in Ganganagar region. We expect prices to decline in the coming month owing to weak demand.

In the major Jodhpur market, arrivals were reported around 1300 bags of guar seed last week which was around 1700 bags prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported higher arrivals (7200 bags) compared to prior week i.e. 5900 bags.

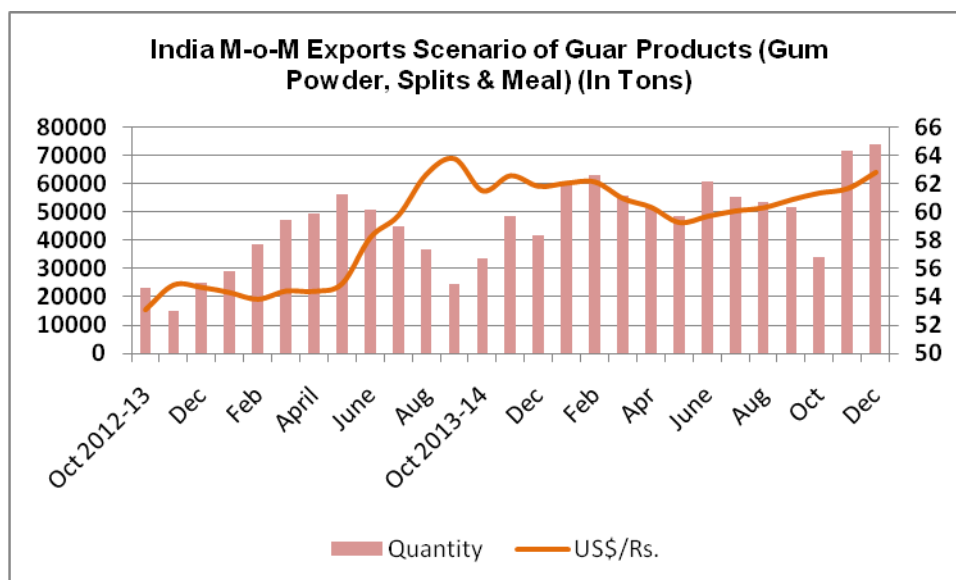
### Export and Import Scenario

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:

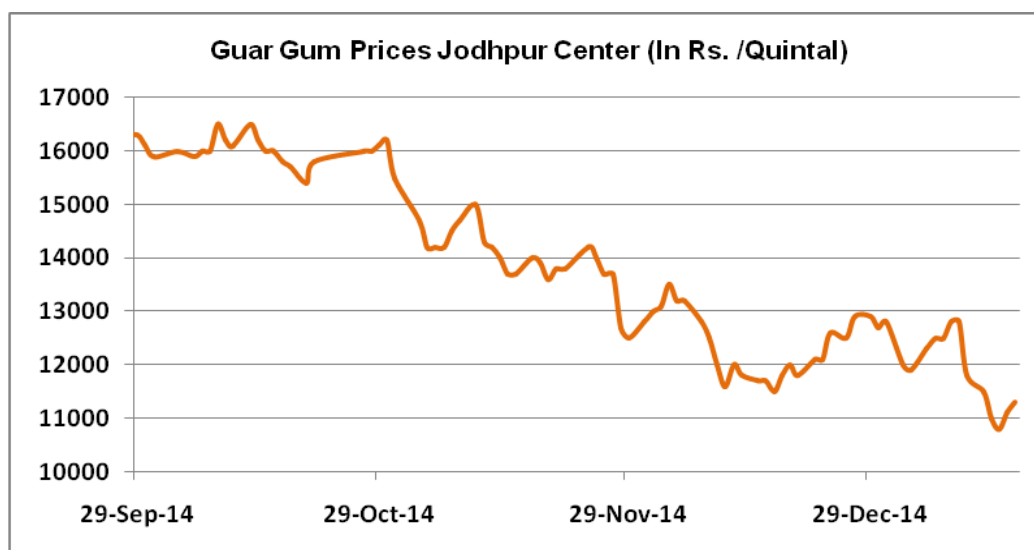
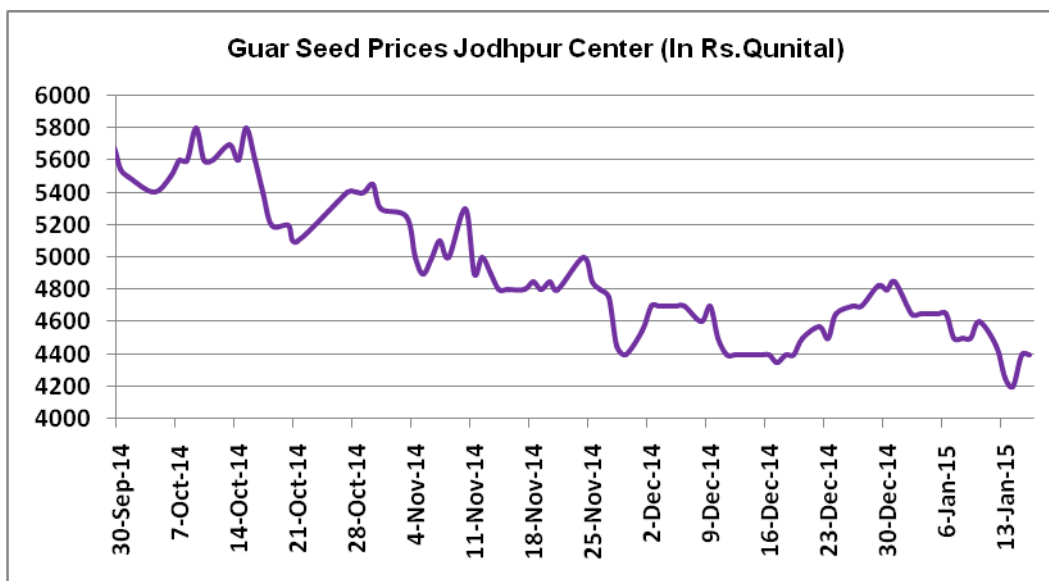
On export front, demands of guar products have increased in December in line with depreciation in Rupee. Also, demand of guar products among major importers has increased. Major energy firms increased their drilling operations in rigs as reported.

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

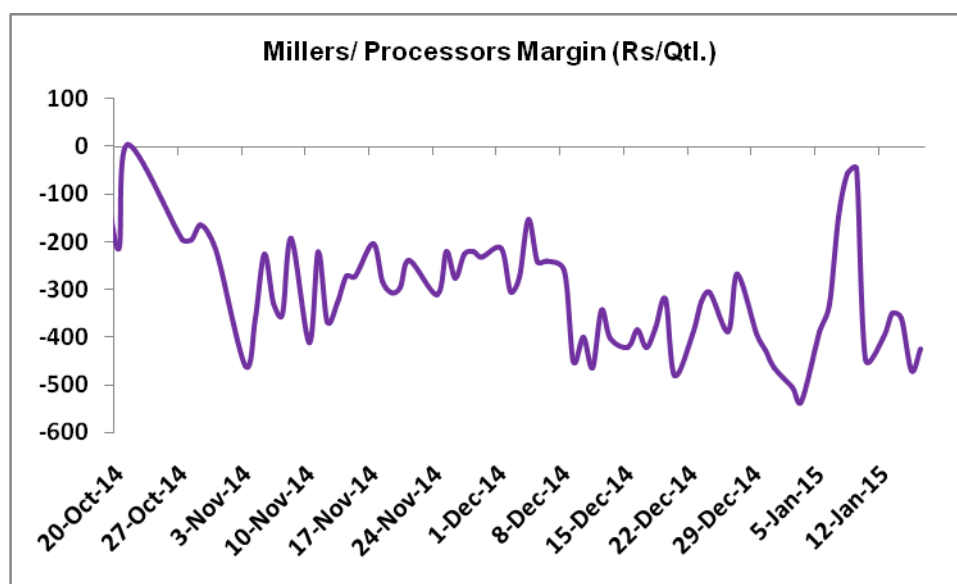


### Price Scenario

In the third week of Jan, the average price of guar seed declined by 4% to Rs.4383/Qtl compared to prior week. Also, guar gum prices declined last week by 10% to Rs.11250/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 third week of Jan 2015, average crush margin stood at Rs. -408.65/Quintal which were -250.72 per quintal last week. Higher degree of decline in guar gum prices compared to guar seed prices led the margin down.

### Guar by – Products Weekly Average Prices:

Commodity	Centre	10th TO 16th Jan15	3th TO 9th Jan15	Change
Churi	Jodhpur	1085	1072	13
Korma	Jodhpur	1429	1396	33
Churi	Sri-Ganganagar	1087	1043	44
Korma	Sri-Ganganagar	1472	1412	60
Prices in Rs/75kg				

### Guar Export Weekly Average Prices:

Commodity	Variety	10th TO 16th Jan15	3th TO 9th Jan15	Change
Guargum Split		1871	1914	-43
Guargum Powder	200 Mesh 5000 CPS	2193	2230	-37
	200 Mesh 3500 CPS	2113	2151	-38
Guargum Meal	40%	1339	237	1102
	50%	1758	311	1447
Prices in \$/MT				

Commodity	Centre	Weekly Prices	Change
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		(Average)		
	Guar Seeds	10th TO 16th Jan15	3th TO 9th Jan15	
Rajasthan	Jodhpur (Loose)	4183	4367	-184
	Jodhpur(Delivery)	4383	4575	-192
	Sri-Ganganagar(Loose)	4280	4517	-237
	Sri-Ganganagar (Delivery)	4488	4717	-229
	Nagaur (Loose)	4275	4358	-83
	Alwar (loose)	4150	4338	-188
	Churu (Delivery)	4350	4513	-163
	Bikaner (Loose)	4213	4483	-270
	Bikaner (Delivery)	4400	4633	-233
	Khajuwala Bikaner (Loose)	4276	4494	-218
	Khajuwala Bikaner(Delivery)	4447	4674	-227
	Nokha(Loose)	4205	4448	-243
	Nokha (Delivery)	4356	4608	-252
	Hanumangarh (Loose)	4200	4413	-213
	Hanumangarh (Delivery)	4400	4613	-213
Haryana	Adampur (Loose)	4295	4489	-194
	Adampur (Delivery)	4495	4706	-211
	Sirsa (Loose)	4270	4462	-192
	Bhiwani (Delivery)	4431	4533	-102
	Dhabwali (Loose)	4320	4408	-88
	Dhabwali (Delivery)	4520	4608	-88
	Siwani (Loose)	4358	4550	-192
	Ellanabad (Loose)	NR	NR	-
Gujarat	Deesa (Loose)	4339	4480	-141
	Patan (Loose)	4423	4578	-155
	Rajkot (Loose)	4453	4552	-99
Madhya pradesh	Dabra (Loose)	4633	4550	83
	Guar Gum			
Rajasthan	Jodhpur	11250	12466	-1216
	Alwar	11300	12025	-725
Haryana	Sirsa	11233	12091	-858
	Bhiwani	11266	11683	-417
	Dhabwali	11240	12000	-760
	Ellanabad	NR	NR	-

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	<b>Guar Seeds</b>	<b>16-Jan-15</b>	<b>9-Jan-15</b>	<b>16-Dec-14</b>	<b>16-Jan-14</b>
<b>Rajasthan</b>	Jodhpur (Loose)	4200	4300	4200	5100
	Jodhpur(Delivery)	4400	4500	4400	5300
	Sri-Ganganagar(Loose)	4150	4600	4310	5250
	Sri-Ganganagar (Delivery)	4350	4800	4500	5350
	Nagaur (Loose)	Closed	4400	4200	5050
	Alwar (loose)	4100	NR	4200	NR
	Churu (Delivery)	4300	NR	4400	NR
	Bikaner (Loose)	4200	4550	4200	5100
	Bikaner (Delivery)	4400	4700	4400	5300
	Khajuwala Bikaner (Loose)	4200	4500	4200	5100
	Khajuwala Bikane(Delivery)	4368	4680	4368	5408
	Nokha(Loose)	4200	4450	4300	5100
	Nokha (Delivery)	4351	4610	4455	5283
	Hanumangarh (Loose)	4200	4475	4200	5250
	Hanumangarh (Delivery)	4400	4675	4400	5300
<b>Haryana</b>	Adampur (Loose)	4200	4510	4300	5200
	Adampur (Delivery)	4400	4710	4500	5400
	Sirsa (Loose)	4150	4510	4300	5200
	Bhiwani (Delivery)	4300	4650	4425	5150
	Dhabwali (Loose)	4250	4470	4180	NR
	Dhabwali (Delivery)	4450	4670	4400	NR
	Siwani (Loose)	4250	4600	4350	5200
	Ellanabad (Loose)	NR	NR	NR	5200
<b>Gujarat</b>	Deesa (Loose)	4345	4530	4260	Closed
	Patan (Loose)	4535	4555	4205	4795
	Rajkot (Loose)	4460	4545	4300	4875
<b>Madhya pradesh</b>	Dabra (Loose)	4600	4500	4500	4100
<b>Guar Gum</b>					
<b>Rajasthan</b>	Jodhpur	11300	12800	11700	14200
	Alwar	11000	NR	11900	NR
<b>Haryana</b>	Sirsa	10800	12150	11900	13500
	Bhiwani	10900	12000	12000	13400
	Dhabwali	10900	12000	12000	NR
	Ellanabad	NR	NR	NR	14400

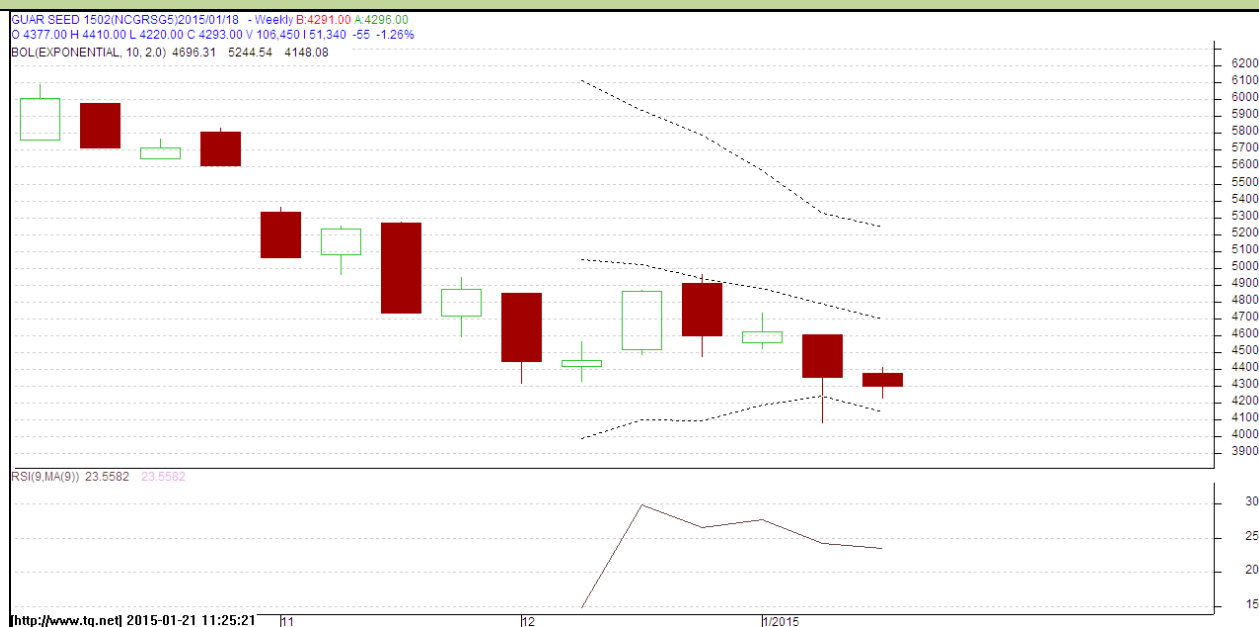
**Guar Cumulative Arrivals in Key Centers**

Centre	Weekly Arrivals (Quintals)			Change
		10th TO 16th Jan15	3th TO 9th Jan15	
Rajasthan	Jodhpur	1300	1700	-400
	Sri-Ganganagar	5900	8200	-2300
	Nagaur	1250	1800	-550
	Alwar	700	1500	-800
	Churu	1700	3300	-1600
	Bikaner	5700	6000	-300
	Khajuwala Bikaner	4200	6100	-1900
	Nokha	560	700	-140
	Hanumangarh	410	835	-425
Haryana	Adampur	7200	5900	1300
	Sirsa	3600	4300	-700
	Bhiwani	4300	3100	1200
	Dhabwali	860	690	170
	Siwani	3800	3800	Unch
	Ellanabad	NR	NR	-
Gujarat	Deesa	819	1119	-300
	Patan (Loose)	527	1417	-890
	Rajkot	2036	3348	-1312
Madhya pradesh	Dabra	800	1200	-400
Total Arrival		45662	55009	-9347

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 down to downward channel and likely to move down further.
- Prices recently breach 4550 level and is heading towards Rs 4000.
- However, RSI is hovering at oversold region.
- Last candlestick depicts bearishness

### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Feb	3842	4005	4348	4750	4900
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Feb	<b>Sell</b>	Below 4400	4200	4100	4520



Commodity: Guar Gum  
Contract: Feb

Exchange: NCDEX  
Expiry: Feb 20, 2015

## Guar Gum (Feb Weekly Chart)

GUARGUM 1502(NCGUGG5)2015/01/18 - Weekly B:10950.00 A:10960.00  
O 11300.00 H 11420.00 L 10870.00 C 10950.00 V 1,241 | 15,352 -270 -2.41%  
BOL(EXPONENTIAL, 10, 2.0) 12518.9 14597.9 10440.0



### Technical Commentary:

- Guar gum prices are moving down to downward channel and likely to move down further.
- Prices recently breach 11800 level and is heading towards Rs 10300.
- However, RSI is hovering at oversold region.
- Last candlestick depicts bearishness

### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Feb	10140	10300	11220	11835	12170
Weekly Trade Call``			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Feb	<b>Sell</b>	Below 11400	10800	10500	11760

**Spot Market Outlook:**

Guar prices continue its downside due to heavy speculation and weak demand of gum in the foreign market. We expect prices of guar seed to go down further to Rs 3700 per quintal.

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