

Domestic Market Recap:

- Guar seed and gum prices declined last week owing to weak demand of gum due to falling crude oil prices.
- 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.
- 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.
- 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 500 bags of guar seed last week which was around 1300 bags prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported a lower arrival (4450 bags) compared to prior week i.e. 7200 bags.

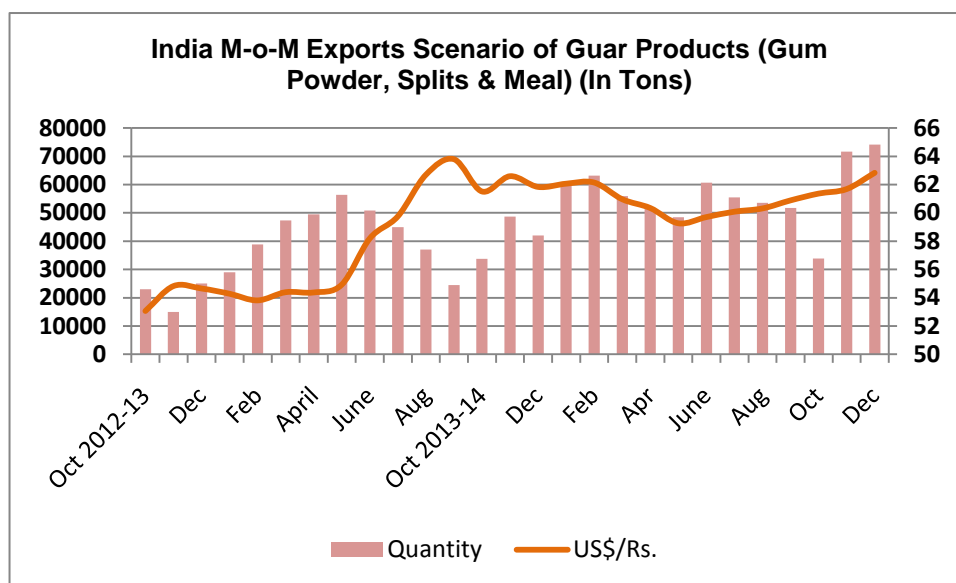
Export and Import Scenario

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:

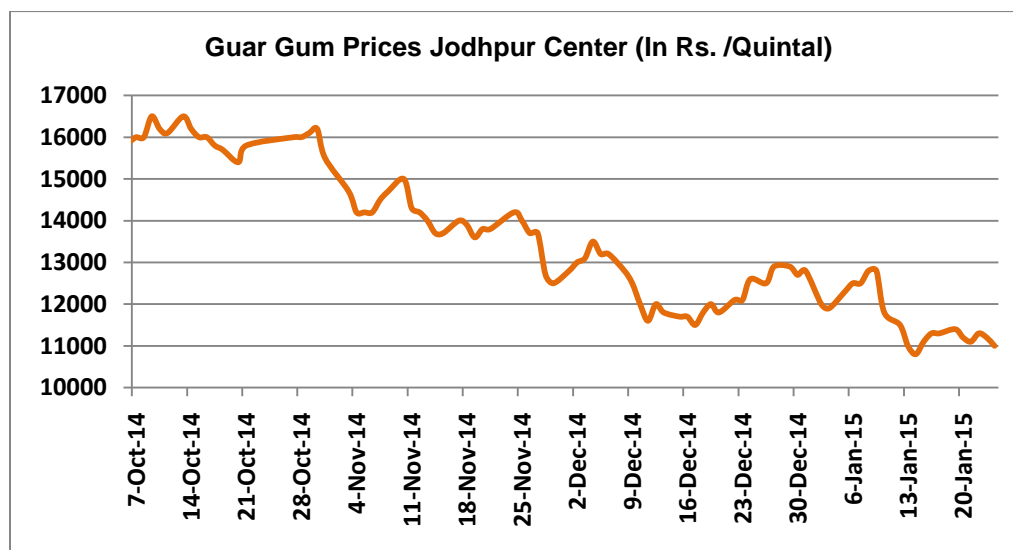
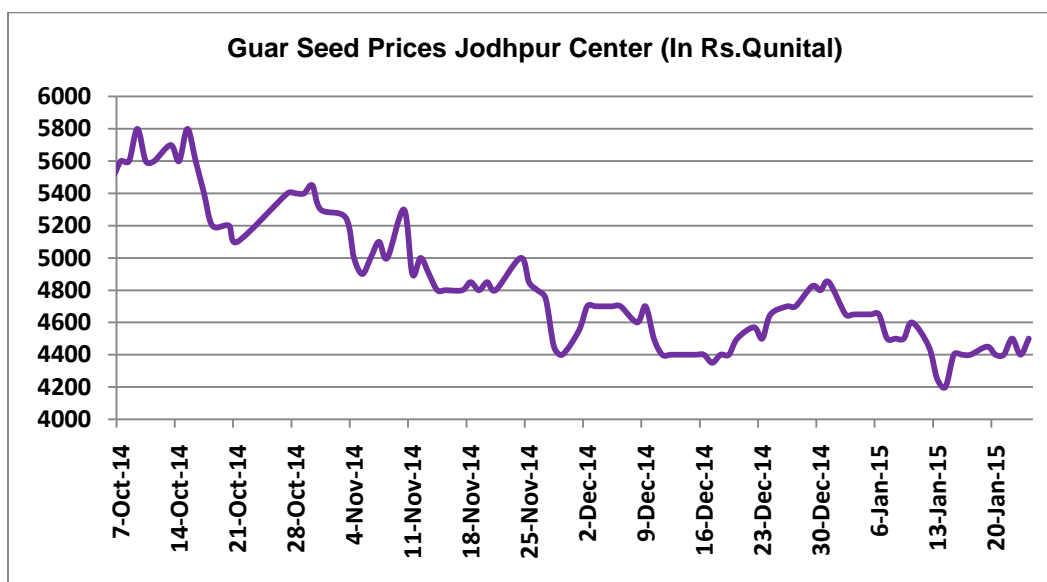
On export front, demands of guar products have increased in December in line with depreciation in Rupee. Also, demand of guar products among major importers has increased. Major energy firms increased their drilling operations in rigs as reported.

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

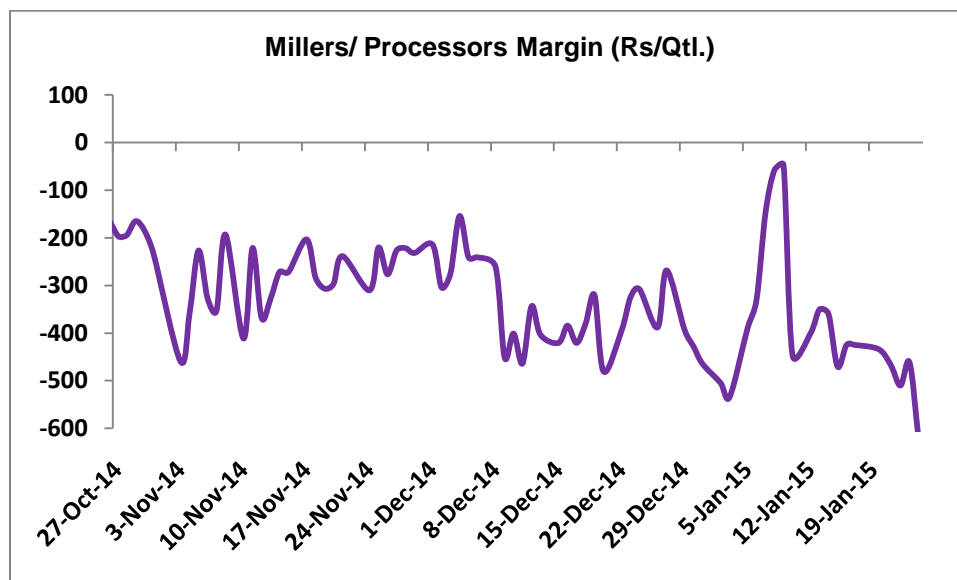


Price Scenario

In the fourth week of Jan, the average price of guar seed declined by 1% to Rs.4436/Qtl compared to prior week. Also, guar gum prices declined last week by 0.3% to Rs.11214/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 broadened this week compared to the previous week. In the fourth week of Jan 2015, average crush margin stood at Rs. -479.73/Quintal which were -408.66 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	17th TO 23rd Jan15	10th TO 16th Jan15	Change
Churi	Jodhpur	1080	1085	-5
Korma	Jodhpur	1416	1429	-13
Churi	Sri-Ganganagar	1125	1087	38
Korma	Sri-Ganganagar	1500	1472	28
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	17th TO 23rd Jan15	10th TO 16th Jan15	Change
Guargum Split		1811	1871	-60
Guargum Powder	200 Mesh 5000 CPS	2136	2193	-57
	200 Mesh 3500 CPS	2054	2113	-59
Guargum Meal	40%	276	268	8
	50%	357	351	6
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	17th TO 23rd Jan15	10th TO 16th Jan15	
Rajasthan	Jodhpur (Loose)	4225	4183	42
	Jodhpur(Delivery)	4425	4383	42
	Sri-Ganganagar(Loose)	4258	4280	-22
	Sri-Ganganagar (Delivery)	4458	4488	-30
	Nagaur (Loose)	4140	4275	-135
	Alwar (loose)	4120	4150	-30
	Churu (Delivery)	4300	4350	-50
	Bikaner (Loose)	4233	4213	20
	Bikaner (Delivery)	4433	4400	33
	Khajuwala Bikaner (Loose)	4218	4276	-58
	Khajuwala Bikaner(Delivery)	4387	4447	-60
	Nokha(Loose)	4250	4205	45
	Nokha (Delivery)	4403	4356	47

	Hanumangarh (Loose)	4215	4200	15
	Hanumangarh (Delivery)	4415	4400	15
Haryana	Adampur (Loose)	4226	4295	-69
	Adampur (Delivery)	4425	4495	-70
	Sirsa (Loose)	4213	4270	-57
	Bhiwani (Delivery)	4395	4431	-36
	Dhabwali (Loose)	4225	4320	-95
	Dhabwali (Delivery)	4425	4520	-95
	Siwani (Loose)	4304	4358	-54
	Ellanabad (Loose)	NR	NR	-
Gujarat	Deesa (Loose)	4264	4339	-75
	Patan (Loose)	4390	4423	-33
	Rajkot (Loose)	4449	4453	-4
Madhya pradesh	Dabra (Loose)	4100	4633	-533
Guar Gum				
Rajasthan	Jodhpur	11250	11250	Unch
	Alwar	11100	11300	-200
Haryana	Sirsa	11117	11233	-116
	Bhiwani	11350	11266	84
	Dhabwali	10850	11240	-390
	Ellanabad	NR	NR	-

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	23-Jan-15	16-Jan-15	23-Dec-14	23-Jan-14
Rajasthan	Jodhpur (Loose)	4200	4200	4300	5000
	Jodhpur(Delivery)	4400	4400	4500	5300
	Sri-Ganganagar(Loose)	4200	4150	4400	5000
	Sri-Ganganagar (Delivery)	4400	4350	4600	5150
	Nagaur (Loose)	4150	Closed	4350	4925
	Alwar (loose)	4150	4100	4300	4800
	Churu (Delivery)	4300	4300	4400	5200
	Bikaner (Loose)	4250	4200	4350	5030
	Bikaner (Delivery)	4450	4400	4550	5200
	Khajuwala Bikaner (Loose)	4255	4200	Closed	5060
	Khajuwala Bikane(Delivery)	4425	4368	Closed	5262
	Nokha(Loose)	4250	4200	4310	4900
	Nokha (Delivery)	4403	4351	4465	5076
	Hanumangarh (Loose)	4150	4200	4300	5000
	Hanumangarh (Delivery)	4350	4400	4500	5050
Haryana	Adampur (Loose)	4200	4200	4400	5100
	Adampur (Delivery)	4400	4400	4600	5300
	Sirsa (Loose)	4200	4150	4400	5200
	Bhiwani (Delivery)	4450	4300	4400	5250
	Dhabwali (Loose)	4225	4250	4300	NR
	Dhabwali (Delivery)	4425	4450	4500	NR
	Siwani (Loose)	4275	4250	4475	5150
	Ellanabad (Loose)	NR	NR	NR	5050
Gujarat	Deesa (Loose)	4100	4345	4285	4790
	Patan (Loose)	4200	4535	4325	4705
	Rajkot (Loose)	4400	4460	4350	4800
Madhya pradesh	Dabra (Loose)	4200	4600	4400	4500
Guar Gum					
Rajasthan	Jodhpur	11200	11300	12100	14400
	Alwar	11100	11000	12100	14400
Haryana	Sirsa	11000	10800	12250	13800
	Bhiwani	11650	10900	12400	14700
	Dhabwali	11000	10900	12100	NR
	Ellanabad	NR	NR	NR	14600

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		17th TO 23rd Jan15	10th TO 16th Jan15	
Rajasthan	Jodhpur	500	1300	-800
	Sri-Ganganagar	5250	5900	-650
	Nagaur	850	1250	-400
	Alwar	1200	700	500
	Churu	1600	1700	-100
	Bikaner	1900	5700	-3800
	Khajuwala Bikaner	3400	4200	-800
	Nokha	260	560	-300
	Hanumangarh	500	410	90
Haryana	Adampur	4450	7200	-2750
	Sirsa	2700	3600	-900
	Bhiwani	5000	4300	700
	Dhabwali	530	860	-330
	Siwani	2700	3800	-1100
	Ellanabad	NR	NR	-
Gujarat	Deesa	1818	819	999
	Patan (Loose)	989	527	462
	Rajkot	2870	2036	834
Madhya pradesh	Dabra	650	800	-150
Total Arrival		37167	45662	-8495

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.
- 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	3746	3960	4270	4845	5320
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Feb	Sell	Below 4235	4035	3935	4355

Commodity: Guar Gum
Contract: Feb

Exchange: NCDEX
Expiry: Feb 20, 2015

Guar Gum (Feb Weekly Chart)



Technical Commentary:

- Guar gum prices are moving down to downward channel and likely to move down further.
- 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	10420	10930	12075	13095
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Feb	Sell	Below 10930	10330	10030	11280

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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