

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 450 bags of guar seed last week which was around 500 bags prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported a higher arrival (5500 bags) compared to prior week i.e. 4450 bags.

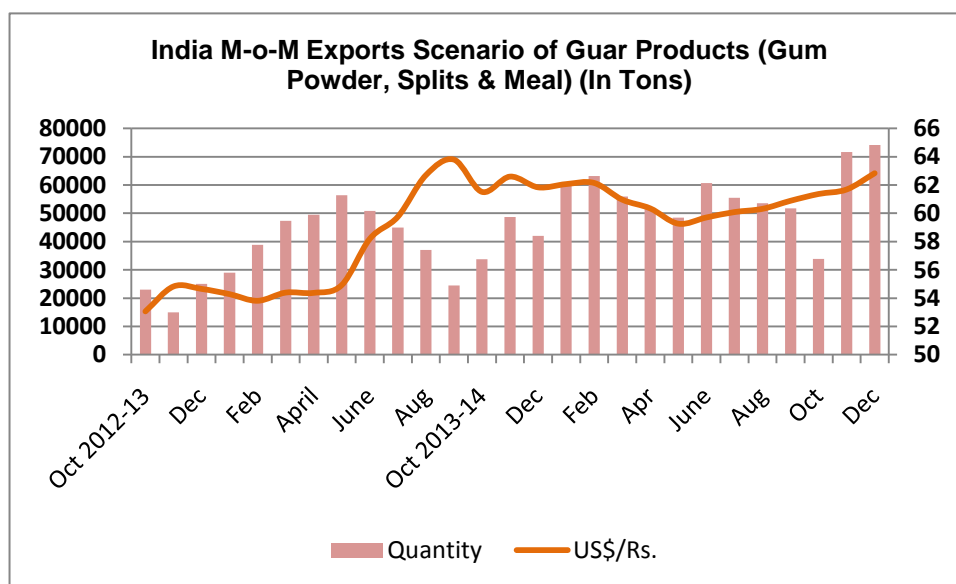
Export and Import Scenario

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:

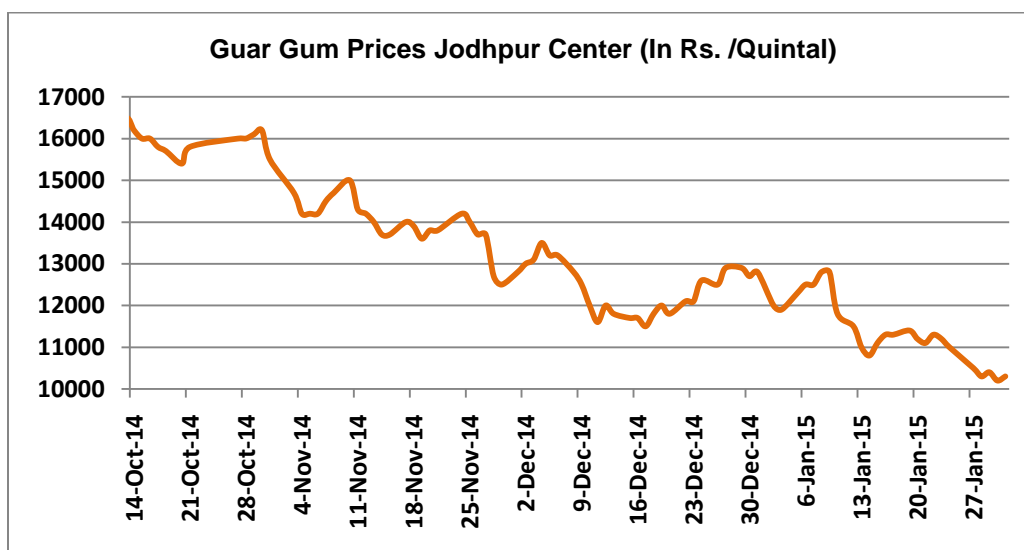
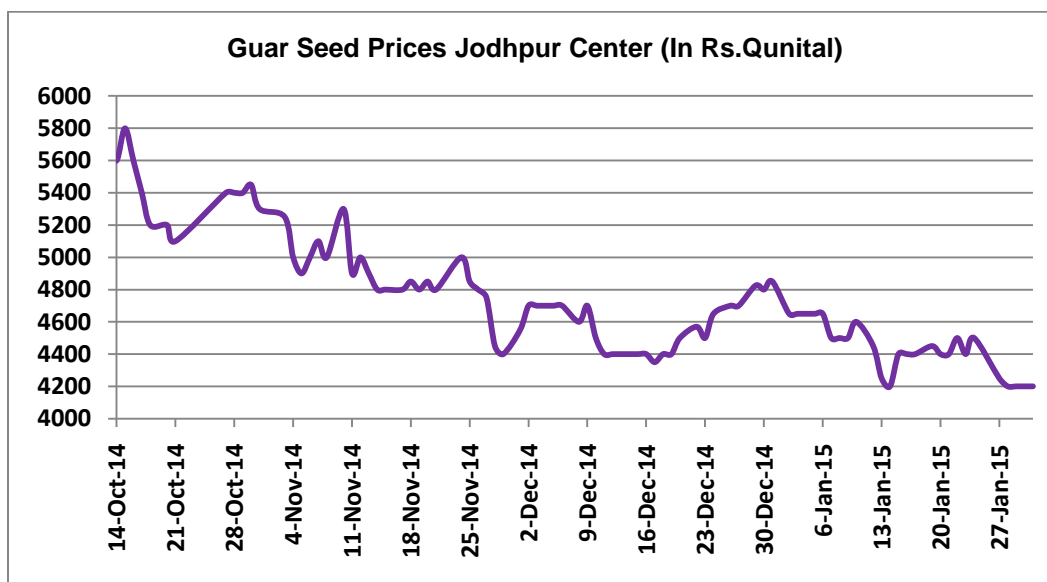
On export front, demands of guar products have increased in December in line with depreciation in Rupee. Also, demand of guar products among major importers has increased. Major energy firms increased their drilling operations in rigs as reported.

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

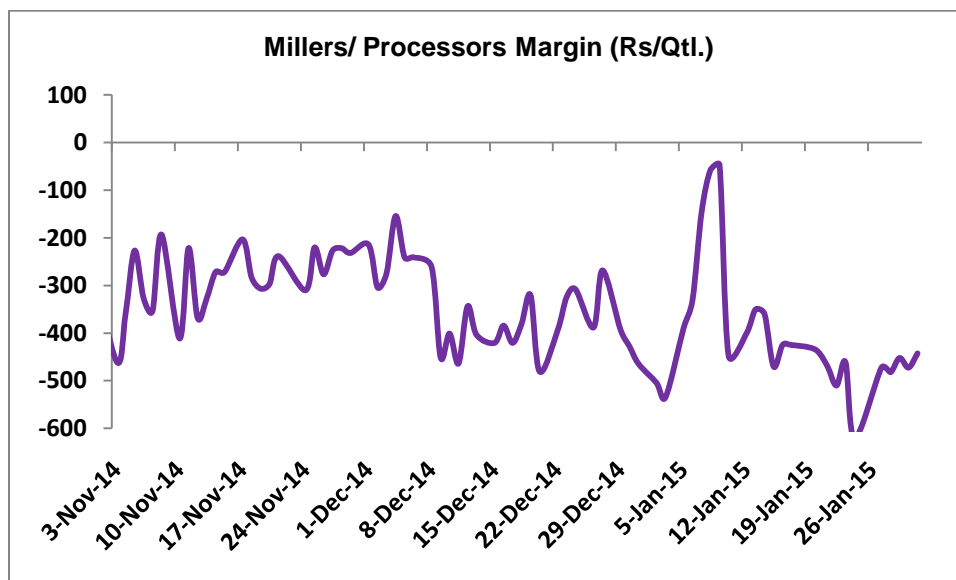


Price Scenario

In the fifth week of Jan, the average price of guar seed declined by 5% to Rs.4210/Qtl compared to prior week. Also, guar gum prices declined last week by 7.8% to Rs.10340/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 narrowed down this week compared to the previous week. In the fifth week of Jan 2015, average crush margin stood at Rs. -464.16/Quintal which were -479.73 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	24th TO 30th Jan15	17th TO 23th Jan15	Change
Churi	Jodhpur	1135	1080	55
Korma	Jodhpur	1459	1416	43
Churi	Sri-Ganganagar	1172	1125	47
Korma	Sri-Ganganagar	1482	1500	-18
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	24th TO 30th Jan15	17th TO 23th Jan15	Change
Guargum Split		1714	1811	-97
Guargum Powder	200 Mesh 5000 CPS	2039	2136	-97
	200 Mesh 3500 CPS	1958	2054	-96
Guargum Meal	40%	289	276	13
	50%	358	357	1
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	24th TO 30th Jan15	17th TO 23th Jan15	
Rajasthan	Jodhpur (Loose)	4070	4225	-155
	Jodhpur(Delivery)	4270	4425	-155
	Sri-Ganganagar(Loose)	4120	4258	-138
	Sri-Ganganagar (Delivery)	4320	4458	-138
	Nagaur (Loose)	3998	4140	-142
	Alwar (loose)	4050	4120	-70
	Churu (Delivery)	4225	4300	-75
	Bikaner (Loose)	4055	4233	-178
	Bikaner (Delivery)	4255	4433	-178
	Khajuwala Bikaner (Loose)	4040	4218	-178
	Khajuwala Bikaner(Delivery)	4202	4387	-185
	Nokha(Loose)	4050	4250	-200

	Nokha (Delivery)	4196	4403	-207
	Hanumangarh (Loose)	3990	4215	-225
	Hanumangarh (Delivery)	4190	4415	-225
Haryana	Adampur (Loose)	4067	4226	-159
	Adampur (Delivery)	4267	4425	-158
	Sirsa (Loose)	4035	4213	-178
	Bhiwani (Delivery)	4200	4395	-195
	Dhabwali (Loose)	4021	4225	-204
	Dhabwali (Delivery)	4221	4425	-204
	Siwani (Loose)	4150	4304	-154
	Ellanabad (Loose)	NR	NR	-
Gujarat	Deesa (Loose)	4151	4264	-113
	Patan (Loose)	4217	4390	-173
	Rajkot (Loose)	4275	4449	-174
Madhya pradesh	Dabra (Loose)	4180	4100	80
Guar Gum				
Rajasthan	Jodhpur	10480	11250	-770
	Alwar	10800	11100	-300
Haryana	Sirsa	10520	11117	-597
	Bhiwani	10600	11350	-750
	Dhabwali	10475	10850	-375
	Ellanabad	NR	NR	-

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	30-Jan-15	23-Jan-15	30-Dec-14	30-Jan-14
Rajasthan	Jodhpur (Loose)	4000	4200	4600	5100
	Jodhpur(Delivery)	4200	4400	4800	5300
	Sri-Ganganagar(Loose)	4050	4200	4650	5030
	Sri-Ganganagar (Delivery)	4250	4400	4850	5150
	Nagaur (Loose)	3940	4150	4650	4800
	Alwar (loose)	Closed	4150	NR	4600
	Churu (Delivery)	Closed	4300	NR	5000
	Bikaner (Loose)	3975	4250	4700	4950
	Bikaner (Delivery)	4175	4450	4900	5150
	Khajuwala Bikaner (Loose)	4000	4255	4650	4950
	Khajuwala Bikane(Delivery)	4160	4425	4836	5148

	Nokha(Loose)	4000	4250	4600	4950
	Nokha (Delivery)	4144	4403	4766	5128
	Hanumangarh (Loose)	3900	4150	4600	Closed
	Hanumangarh (Delivery)	4100	4350	4800	Closed
Haryana	Adampur (Loose)	4050	4200	4650	4950
	Adampur (Delivery)	4250	4400	4850	5150
	Sirsa (Loose)	4000	4200	4620	5150
	Bhiwani (Delivery)	4150	4450	4850	5100
	Dhabwali (Loose)	NA	4225	4650	4900
	Dhabwali (Delivery)	NA	4425	4850	5100
	Siwani (Loose)	4100	4275	4700	5075
	Ellanabad (Loose)	NR	NR	NR	4900
Gujarat	Deesa (Loose)	4105	4100	4680	4750
	Patan (Loose)	4200	4200	4660	4670
	Rajkot (Loose)	4255	4400	4670	NA
Madhya pradesh	Dabra (Loose)	4100	4200	4500	5000
Guar Gum					
Rajasthan	Jodhpur	10200	11200	12700	14200
	Alwar	Closed	11100	NR	13500
Haryana	Sirsa	10300	11000	12800	13500
	Bhiwani	10550	11650	13450	14000
	Dhabwali	NA	11000	12900	14200
	Ellanabad	NR	NR	NR	14200

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		24th TO 30th Jan15	17th TO 23th Jan15	
Rajasthan	Jodhpur	450	500	-50
	Sri-Ganganagar	4200	5250	-1050
	Nagaur	525	850	-325
	Alwar	500	1200	-700
	Churu	700	1600	-900
	Bikaner	2500	1900	600
	Khajuwala Bikaner	1850	3400	-1550
	Nokha	200	260	-60
	Hanumangarh	475	500	-25
Haryana	Adampur	5500	4450	1050
	Sirsa	3100	2700	400
	Bhiwani	1900	5000	-3100
	Dhabwali	500	530	-30
	Siwani	2900	2700	200
	Ellanabad	NR	NR	-
Gujarat	Deesa	331	1818	-1487
	Patan (Loose)	729	989	-260
	Rajkot	1051	2870	-1819
Madhya pradesh	Dabra	725	650	75
Total Arrival		28136	37167	-9031

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 but are likely to improve a bit next week.
- However, RSI is hovering in the neutral region.
- Last candlestick depicts bearishness in the market

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Feb	3546	3760	4081	4845	5320
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Feb	Sell	Below 4100	3800	3700	4280

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	9000	9390	10190	12075	13095
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Feb	Sell	Below 10350	9750	9450	10710

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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