

Domestic Market Recap:

- Most of the guar seed and gum markets showed weak trend in prices last week. Higher arrivals compared to prior week become the influencing factor which drives the prices downward.
- Daily around 30000-35000 guar seed arrive in all India markets last week which was around 15000-20000 compared to prior week.
- Arrivals reportedly increased in key market from last couple of days especially in Rajasthan as district level elections are now closed and farmers are now again bringing their stocks in the market.
- Guar gum prices decline more compared to guar seed which create panic in the markets. No buyer is interested in buying guar at present rates. Also, millers are not running their mills due to disparity of making guar gum powder from guar seed.
- Demand of Churi and Korma declined among retailers (animal feed) due to higher Churi and Korma prices. Only, co-operatives like Amul are interested in buying Churi and Korma at current levels which also depress Guar gum processors
- 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.

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.

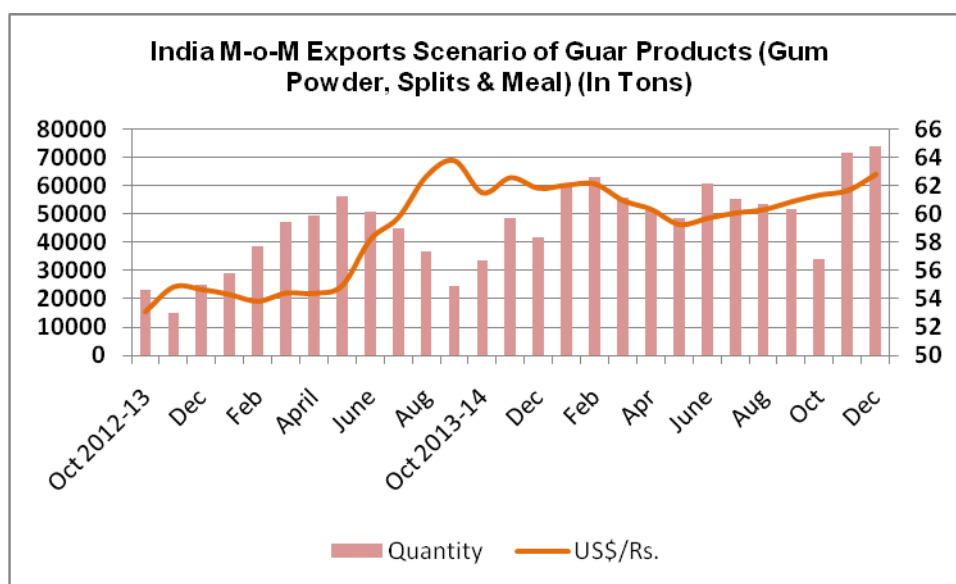
Export and Import Scenario

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:

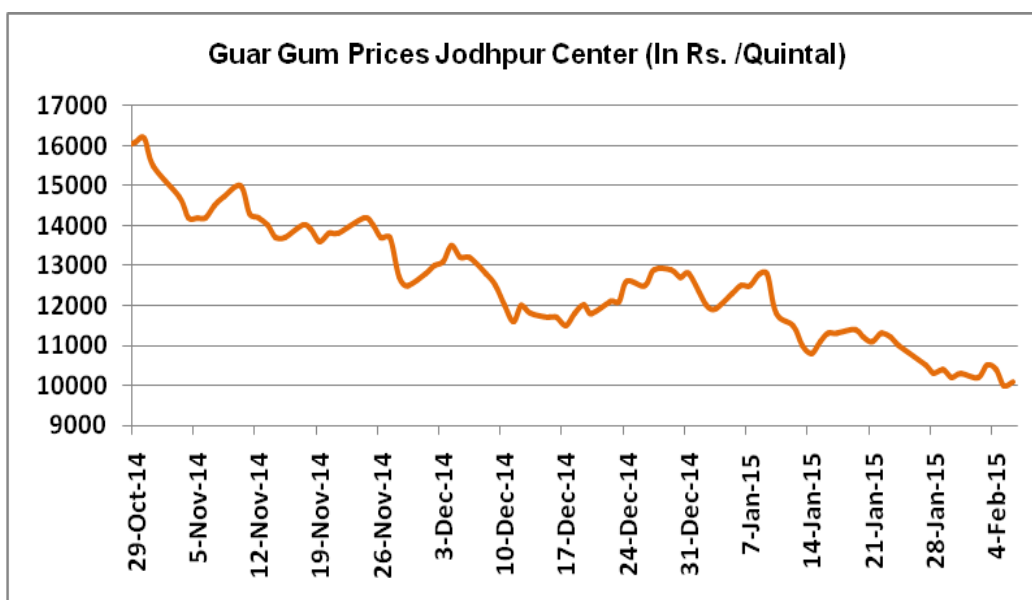
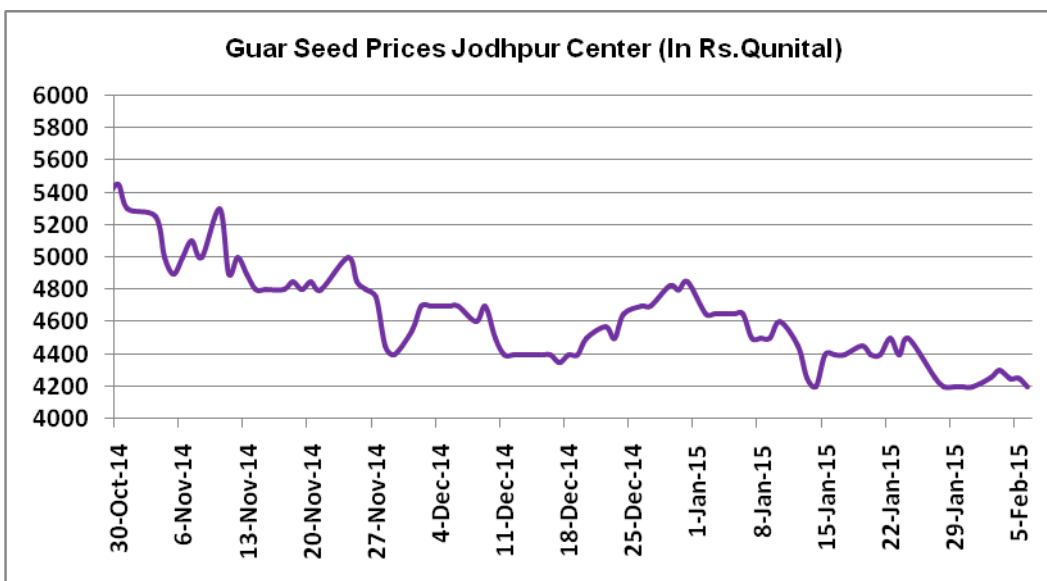
On export front, demands of guar products have increased in December in line with depreciation in Rupee. Also, demand of guar products among major importers has increased. Major energy firms increased their drilling operations in rigs as reported.

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

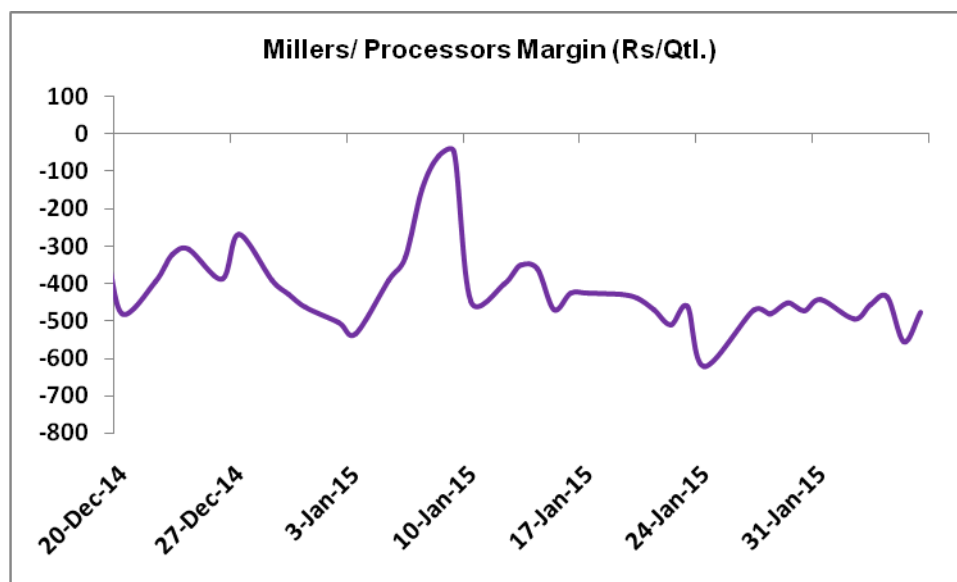


Price Scenario

In the first week of Feb, the average price of guar seed declined by 1% to Rs.4241/Qtl compared to prior week. Also, guar gum prices declined last week by 2% to Rs.10250/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 Feb 2015, average crush margin stood at Rs. -477/Quintal which were -499.98 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	31st to 6th Jan 15	24th to 30th Jan 15	Change
Churi	Jodhpur	1292	1135	157
Korma	Jodhpur	1495	1459	36
Churi	Sri-Ganganagar	1245	1171	74
Korma	Sri-Ganganagar	1470	1482	-12
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	31st to 6th Jan 15	24th to 30th Jan 15	Change
Guargum Split		1679	1714	-35
Guargum Powder	200 Mesh 5000 CPS	2003	2039	-36
	200 Mesh 3500 CPS	1922	1958	-36
Guargum Meal	40%	291	289	2
	50%	356	358	-2
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	31st to 6th	24th to 30th Jan 15	

		Jan 15		
Rajasthan	Jodhpur (Loose)	4038	4070	-33
	Jodhpur(Delivery)	4242	4270	-28
	Sri-Ganganagar(Loose)	4062	4120	-58
	Sri-Ganganagar (Delivery)	4262	4320	-58
	Nagaur (Loose)	4042	3998	44
	Alwar (loose)	3967	4050	-83
	Churu (Delivery)	4142	4225	-83
	Bikaner (Loose)	4055	4055	Unch
	Bikaner (Delivery)	4270	4255	15
	Khajuwala Bikaner (Loose)	4066	4040	26
	Khajuwala Bikane(Delivery)	4229	4202	27
	Nokha(Loose)	4045	4050	-5
	Nokha (Delivery)	4191	4196	-5
	Hanumangarh (Loose)	4059	3990	69
	Hanumangarh (Delivery)	4259	4190	69
Haryana	Adampur (Loose)	4071	4067	4
	Adampur (Delivery)	4271	4267	4
	Sirsa (Loose)	4067	4035	32
	Bhiwani (Delivery)	4175	4200	-25
	Dhabwali (Loose)	3958	4021	-63
	Dhabwali (Delivery)	4196	4221	-25
	Siwani (Loose)	4165	4150	15
	Ellanabad (Loose)	NA	NA	-
Gujarat	Deesa (Loose)	4079	4152	-73
	Patan (Loose)	4197	4218	-21
	Rajkot (Loose)	4144	4275	-131
Madhya pradesh	Dabra (Loose)	3633	4180	-547
	Guar Gum			
Rajasthan	Jodhpur	10550	10480	70
	Alwar	10300	10700	-400
Haryana	Sirsa	10308	10600	-292
	Bhiwani	10350	10600	-250
	Dhabwali	10295	10475	-180
	Ellanabad	NA	NA	-

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)		Change
	31st to 6th Jan 15	24th to 30th Jan 15	

Rajasthan	Jodhpur	660	450	210
	Sri-Ganganagar	7100	4200	2900
	Nagaur	570	525	45
	Alwar	1800	600	1200
	Churu	2250	900	1350
	Bikaner	3000	2500	500
	Khajuwala Bikaner	3000	1850	1150
	Nokha	360	200	160
	Hanumangarh	800	475	325
Haryana	Adampur	22500	5500	17000
	Sirsa	6600	3100	3500
	Bhiwani	2300	1900	400
	Dhabwali	675	500	175
	Siwani	2700	2900	-200
	Ellanabad	NA	NA	-
Gujarat	Deesa	745	331	414
	Patan (Loose)	683	729	-46
	Rajkot	1285	1051	234
Madhya pradesh	Dabra	1750	725	1025
Total Arrival		52176	28436	23740



Commodity: Guar Seed 10MT
Contract: Mar

Exchange: NCDEX
Expiry: Mar 20, 2015

Guar Seed 10MT (Weekly Mar Contract Chart)

GUAR SEED 1503(NCGRSH5)2015/02/08 - Weekly B:3726.00 A:3824.00
O 4102.00 H 4102.00 L 3750.00 C 3801.00 V 168,870 I 46,380 -321 -7.79%



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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	Mar	-	3340	4122	4387	4525
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Mar	Sell	Below 4100	3700	3500	4340

Commodity: Guar Gum
Contract: Mar

Exchange: NCDEX
Expiry: Mar 20, 2015

Guar Gum (Mar Weekly Chart)

GUARGUM 1503(NCGUGH5)2015/02/08 - Weekly B:9130.00 A:9290.00
O 9930.00 H 9930.00 L 9050.00 C 9250.00 V 30,586 I 14,007 -750 -7.50%



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	Mar	-	8650	10000	10919	11620
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Mar	Sell	Below 10000	9400	9100	10360

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 3500 per quintal.

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