

Domestic Market Recap:

- Guar seed and gum prices declined last week owing to weak demand and heavy speculation. We expect prices likely to move downside in the coming weeks ahead.
- Higher degree of decrease in gum prices compared to seed increase disparity to process seed to gum. Stockists, Millers and retailers are currently not finding guar seed lucrative due to continuous falling in prices as reported.
- Stockists have around 15 lac quintals of guar seed from Ganganagar and Hanumangarh region as reported.
- Considering lack of demand and continuous guar seed supply, we expect prices to test Rs 3300 per quintal and then Rs 2700 per quintal in the coming weeks.
- 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

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 week owing to weak demand.

In the major Jodhpur market, arrivals were reported around 470 bags of guar seed last week which was around 660 bags prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported higher arrivals (11000 bags) compared to prior week i.e. 22500 bags.

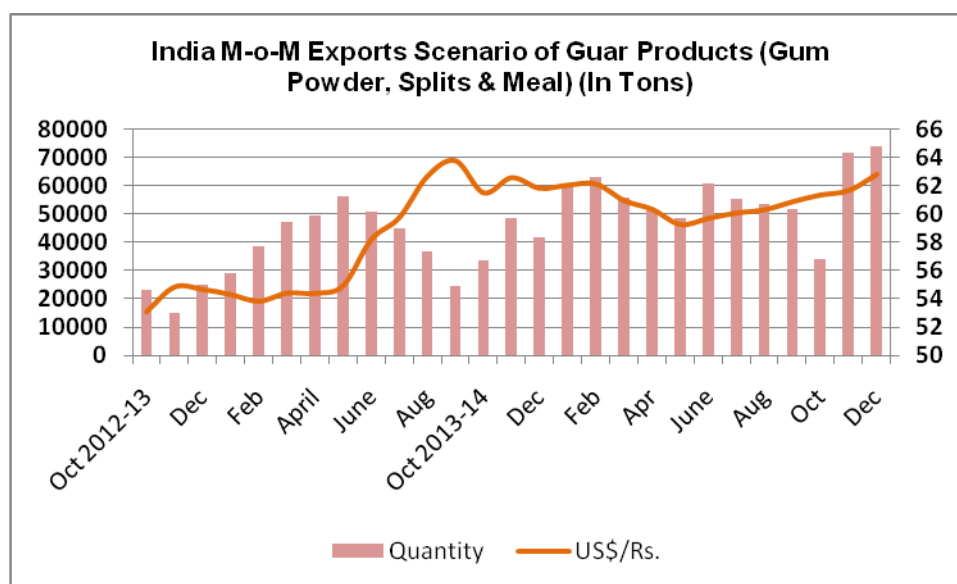
Export and Import Scenario

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:

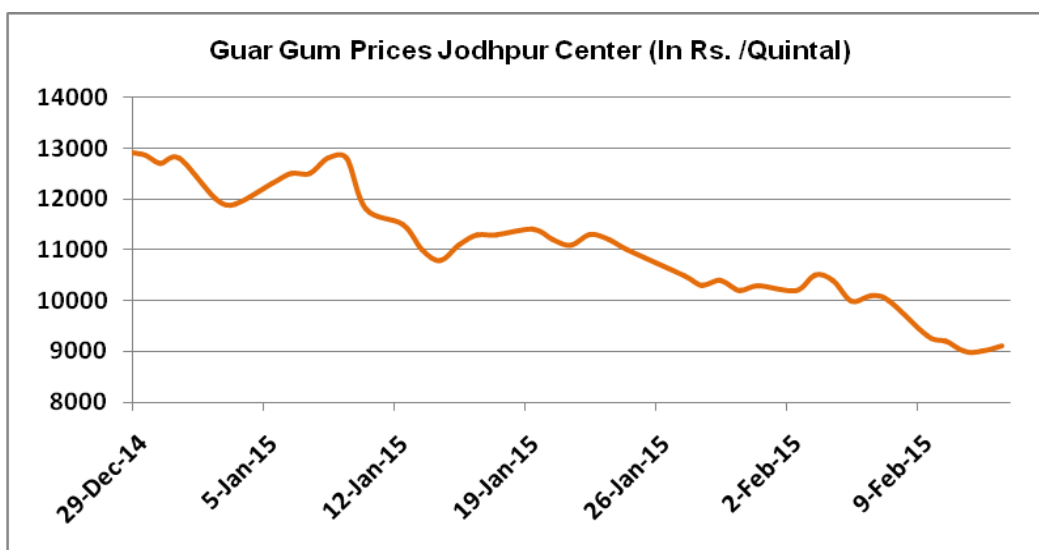
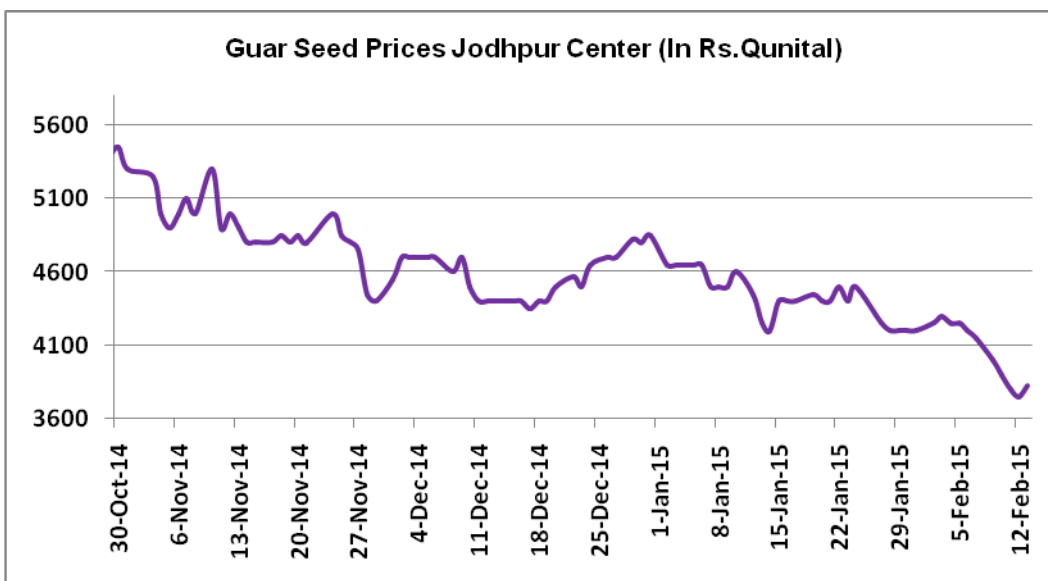
On export front, demands of guar products have increased in December in line with depreciation in Rupee. Also, demand of guar products among major importers has increased. Major energy firms increased their drilling operations in rigs as reported.

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

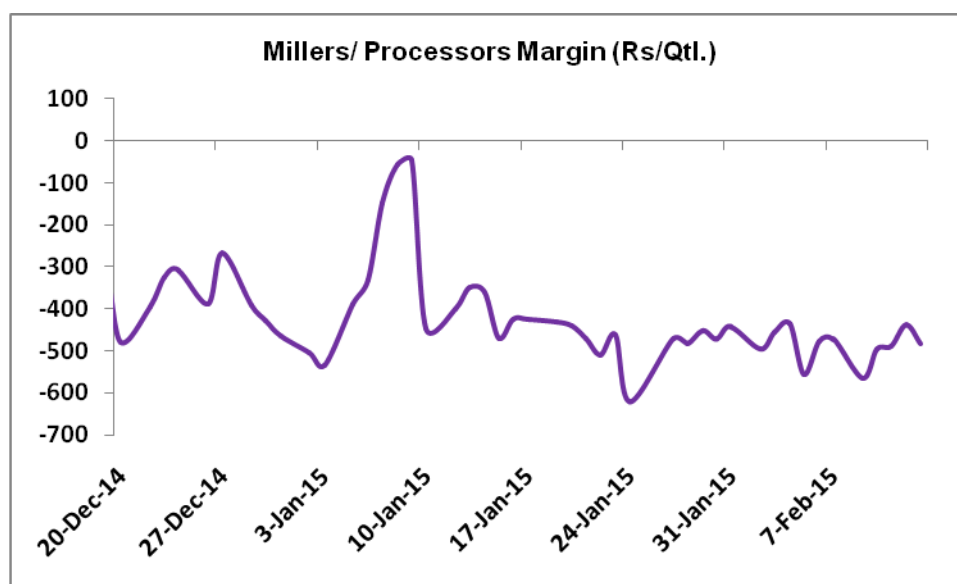


Price Scenario

In the second week of Feb, the average price of guar seed declined by 8% to Rs.3904/Qtl compared to prior week. Also, guar gum prices declined last week by 10% to Rs.9266/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 second week of Feb 2015, average crush margin stood at Rs. -490/Quintal which were -477 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	7th to 14th Jan 15	31st to 6th Jan 15	Change
Churi	Jodhpur	1243	1292	-49
Korma	Jodhpur	1454	1495	-41
Churi	Sri-Ganganagar	1153	1245	-92
Korma	Sri-Ganganagar	1364	1470	-106
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	7th to 14th Jan 15	31st to 6th Jan 15	Change
Guargum Split		1528	1679	-151
Guargum Powder	200 Mesh 5000 CPS	1850	2003	-153
	200 Mesh 3500 CPS	1770	1922	-152
Guargum Meal	40%	299	291	8
	50%	347	356	-9
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		7th to 14th Jan 15	31st to 6th Jan 15	
	Guar Seeds			
Rajasthan	Jodhpur (Loose)	3700	4038	-338
	Jodhpur(Delivery)	3882	4242	-360
	Sri-Ganganagar(Loose)	3679	4062	-383
	Sri-Ganganagar (Delivery)	3883	4262	-379
	Nagaur (Loose)	3743	4042	-299
	Alwar (loose)	3614	3967	-353
	Churu (Delivery)	3807	4142	-335
	Bikaner (Loose)	3638	4055	-418
	Bikaner (Delivery)	3763	4270	-508
	Khajuwala Bikaner (Loose)	3689	4066	-377
	Khajuwala Bikaner(Delivery)	3837	4229	-392
	Nokha(Loose)	3764	4045	-281
	Nokha (Delivery)	3900	4191	-291
	Hanumangarh (Loose)	3634	4059	-425
	Hanumangarh (Delivery)	3836	4259	-423
Haryana	Adampur (Loose)	3686	4071	-385
	Adampur (Delivery)	3854	4271	-417
	Sirsa (Loose)	3685	4067	-382
	Bhiwani (Delivery)	3771	4175	-404
	Dhabwali (Loose)	3582	3958	-376
	Dhabwali (Delivery)	3782	4196	-414
	Siwani (Loose)	3736	4165	-429
	Ellanabad (Loose)	NA	NA	-
Gujarat	Deesa (Loose)	3860	4079	-219
	Patan (Loose)	3964	4197	-233
	Rajkot (Loose)	3815	4144	-329
Madhya pradesh	Dabra (Loose)	3364	3633	-269
	Guar Gum			
Rajasthan	Jodhpur	9229	10550	-1321
	Alwar	9357	10300	-943
Haryana	Sirsa	9293	10308	-1015
	Bhiwani	9107	10350	-1243
	Dhabwali	9386	10295	-909
	Ellanabad	NA	NA	-

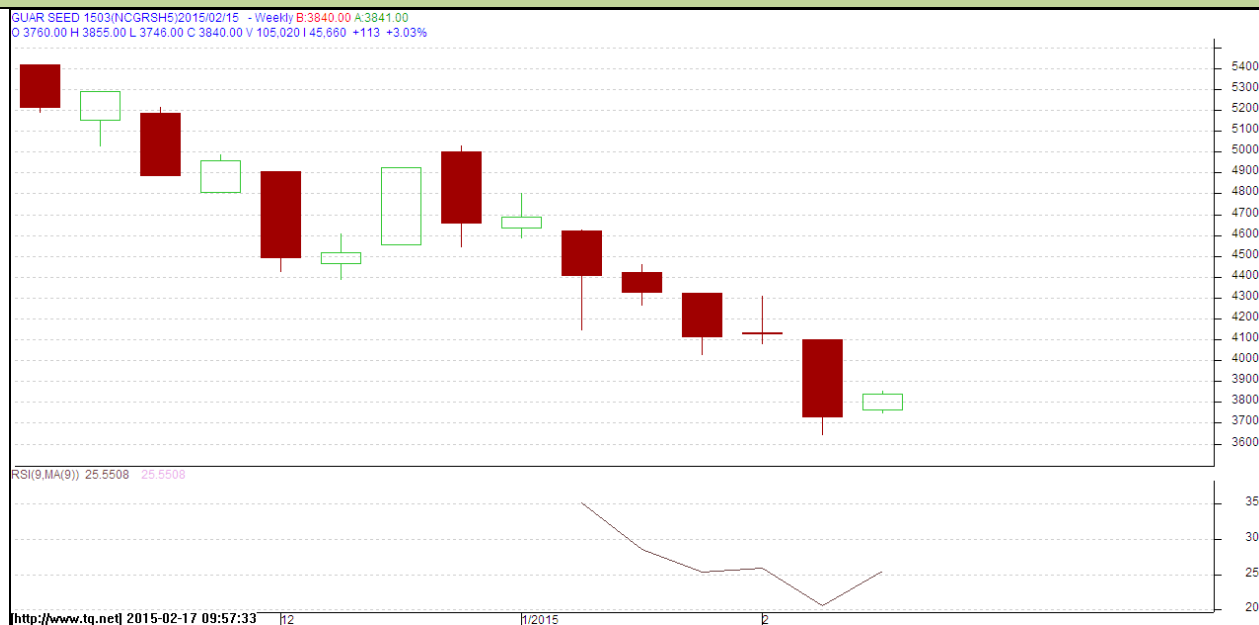
Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		7th to 14th Feb 15	31st to 6th Jan 15	
Rajasthan	Jodhpur	470	660	-190
	Sri-Ganganagar	12500	7100	5400
	Nagaur	1100	570	530
	Alwar	3200	1800	1400
	Churu	3000	2250	750
	Bikaner	2500	3000	-500
	Khajuwala Bikaner	4200	3000	1200
	Nokha	700	360	340
	Hanumangarh	950	800	150
Haryana	Adampur	11000	22500	-11500
	Sirsa	6600	6600	Unch
	Bhiwani	200	2300	-2100
	Dhabwali	800	675	125
	Siwani	2100	2700	-600
	Ellanabad	NA	NA	-
Gujarat	Deesa	633	745	-112
	Patan (Loose)	1015	683	332
	Rajkot	881	1285	-404
Madhya pradesh	Dabra	2300	1750	550
Total Arrival		54149	58778	-4629

Commodity: Guar Seed 10MT
Contract: Mar

Exchange: NCDEX
Expiry: Mar 20, 2015

Guar Seed 10MT (Weekly Mar 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	Mar	-	3340	3727	4387	4525
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Mar	Sell	Below 3900	3600	3450	4080

Commodity: Guar Gum
Contract: Mar

Exchange: NCDEX
Expiry: Mar 20, 2015

Guar Gum (Mar 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	Mar	-	8650	9000	10919	11620
Weekly Trade Call``			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Mar	Sell	Below 9500	9000	8750	9800

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.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
© 2014 Indian Agribusiness Systems Pvt Ltd.