

Domestic Market Recap:

- Guar seed and gum prices continued its downtrend last week due to weak demand.
- Reportedly, arrivals have increased in some parts of Rajasthan as farmers are now showing disinterest to hold guar seed due to falling guar seed prices.
- Meanwhile, Sellers of guar seed in the market are asking guar seed at Rs 20 premium over front month futures contract which means buying came at lower levels.
- Foreign buyers are now looking for huge discounts on guar gum prices due to falling crude oil prices. Reportedly, foreign buyers are likely to default the payment of around 25000 tons of guar gum. Big traders and exporters are now expecting guar seed prices to test Rs 3000 per quintal in the coming period.
- 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.
- 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 530 bags of guar seed last week which was around 490 bags prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported lower arrivals (6200 bags) compared to prior week i.e. 7400 bags.

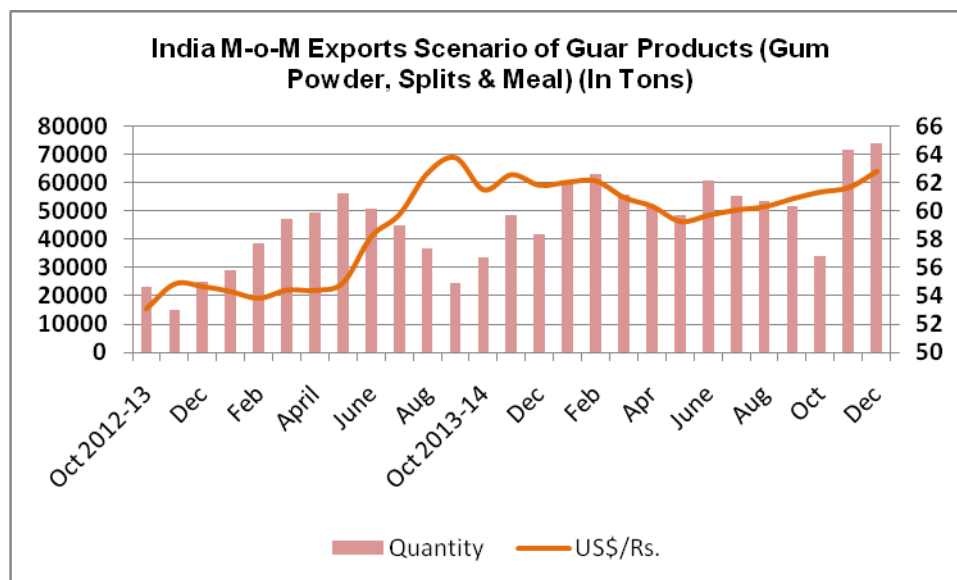
Export and Import Scenario

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:

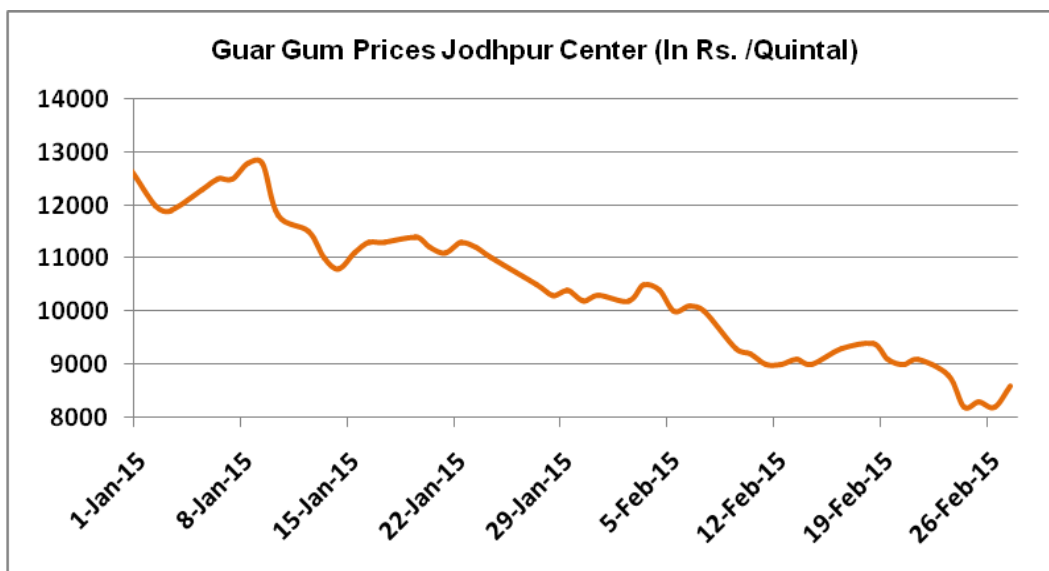
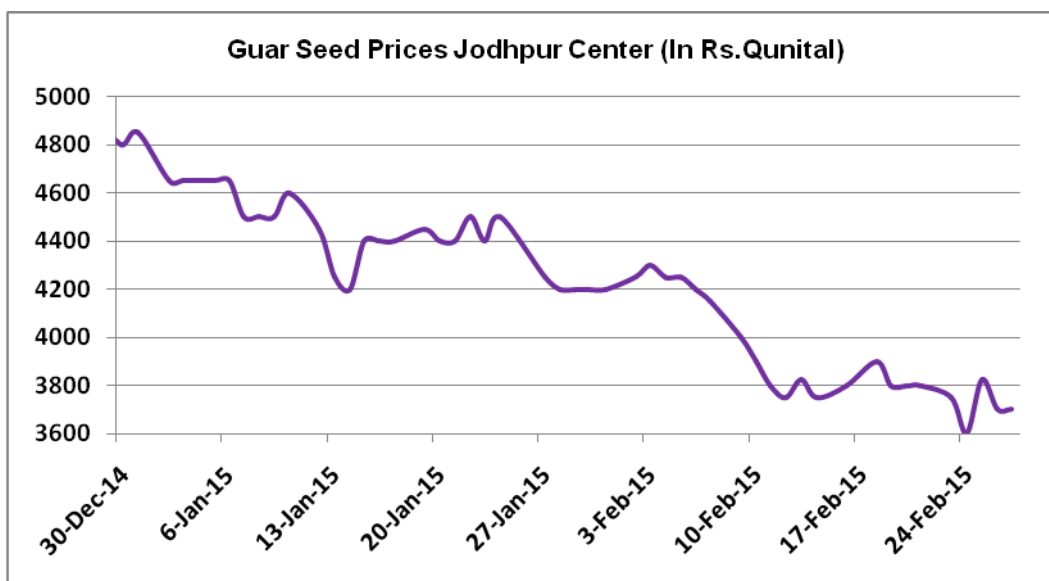
On export front, demands of guar products have increased in December in line with depreciation in Rupee. Also, demand of guar products among major importers has increased. Major energy firms increased their drilling operations in rigs as reported.

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

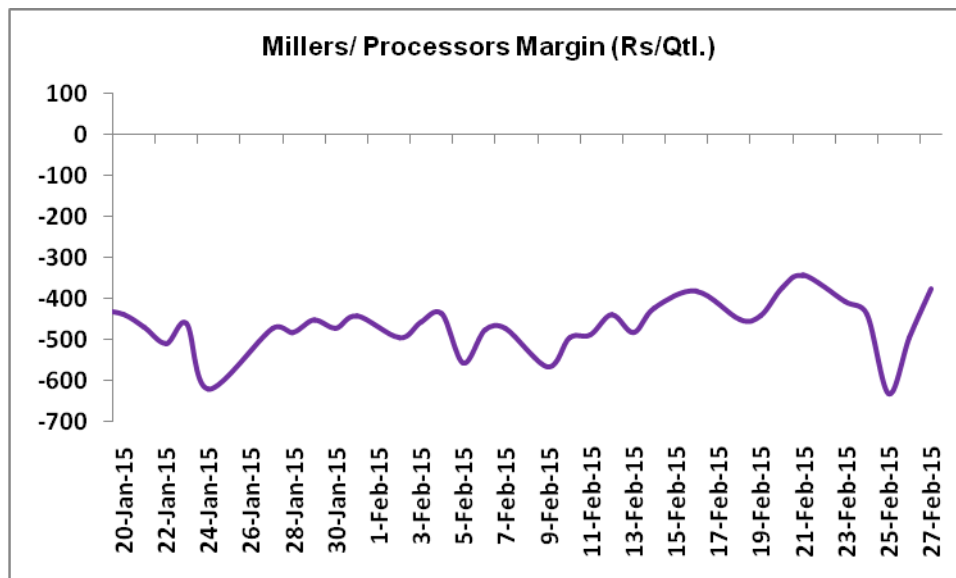


Price Scenario

In the last week of Feb, the average price of guar seed declined by 2% to Rs.3729/Qtl compared to prior week. Also, guar gum prices declined last week by 7% to Rs.8533/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 last week of Feb 2015, average crush margin stood at Rs. -449/Quintal which were -414.2 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 | 21st-27th Feb | 14th-20th Feb | Change |
|-------------------|----------------|---------------|---------------|--------|
| Churi | Jodhpur | 1371 | 1229 | 142 |
| Korma | Jodhpur | 1508 | 1421 | 87 |
| Churi | Sri-Ganganagar | 1294 | 1150 | 144 |
| Korma | Sri-Ganganagar | 1463 | 1375 | 88 |
| Prices in Rs/75kg | | | | |

Guar Export Weekly Average Prices:

| Commodity | Variety | 21st-27th Feb | 14th-20th Feb | Change |
|----------------|-------------------|---------------|---------------|--------|
| Guargum Split | | 1423 | 1506 | -83 |
| Guargum Powder | 200 Mesh 5000 CPS | 1746 | 1827 | -81 |
| | 200 Mesh 3500 CPS | 1665 | 1747 | -82 |
| Guargum Meal | 40% | 303 | 292 | 11 |
| | 50% | 352 | 338 | 14 |

Prices in \$/MT

| Commodity | Centre | Weekly Prices (Average) | | Change |
|----------------|-----------------------------|-------------------------|---------------|--------|
| | | 21st-27th Feb | 14th-20th Feb | |
| | Guar Seeds | | | |
| Rajasthan | Jodhpur (Loose) | 3546 | 3630 | -84 |
| | Jodhpur(Delivery) | 3729 | 3810 | -81 |
| | Sri-Ganganagar(Loose) | 3601 | 3710 | -109 |
| | Sri-Ganganagar (Delivery) | 3736 | 3879 | -143 |
| | Nagaur (Loose) | 3625 | 3648 | -23 |
| | Alwar (loose) | 3425 | 3600 | -175 |
| | Churu (Delivery) | 3625 | 3813 | -188 |
| | Bikaner (Loose) | 3504 | 3704 | -200 |
| | Bikaner (Delivery) | 3658 | 3896 | -238 |
| | Khajuwala Bikaner (Loose) | 3560 | 3680 | -120 |
| | Khajuwala Bikaner(Delivery) | 3703 | 3827 | -124 |
| | Nokha(Loose) | 3567 | 3730 | -163 |
| | Nokha (Delivery) | 3695 | 3864 | -169 |
| | Hanumangarh (Loose) | 3478 | 3600 | -122 |
| | Hanumangarh (Delivery) | 3645 | 3800 | -155 |
| Haryana | Adampur (Loose) | 3575 | 3733 | -158 |
| | Adampur (Delivery) | 3733 | 3892 | -159 |
| | Sirsa (Loose) | 3514 | 3656 | -142 |
| | Bhiwani (Delivery) | 3642 | 3790 | -148 |
| | Dhabwali (Loose) | 3500 | 3601 | -101 |
| | Dhabwali (Delivery) | 3650 | 3788 | -138 |
| | Siwani (Loose) | 3625 | 3737 | -112 |
| | Ellanabad (Loose) | NA | NA | - |
| Gujarat | Deesa (Loose) | 3587 | 3727 | -140 |
| | Patan (Loose) | 3744 | 3837 | -93 |
| | Rajkot (Loose) | 3733 | 3854 | -122 |
| Madhya pradesh | Dabra (Loose) | 3100 | 3160 | -60 |
| | Guar Gum | | | |
| Rajasthan | Jodhpur | 8533 | 9160 | -627 |
| | Alwar | 8450 | 9150 | -700 |
| Haryana | Sirsa | 8517 | 9167 | -650 |
| | Bhiwani | 8408 | 9574 | -1166 |
| | Dhabwali | 8517 | 9108 | -591 |
| | Ellanabad | NA | NA | - |

| Week on Week Price: Scenario of Guarseed and Guargum: | | | | | |
|---|-----------------------------|-----------|-----------|-----------|-----------|
| Commodity | Centre | Today | Week ago | Month ago | Year ago |
| | Guar Seeds | 27-Feb-15 | 20-Feb-15 | 27-Jan-15 | 27-Feb-14 |
| Rajasthan | Jodhpur (Loose) | 3500 | 3650 | 4050 | 4400 |
| | Jodhpur(Delivery) | 3700 | 3800 | 4250 | 4600 |
| | Sri-Ganganagar(Loose) | 3575 | 3700 | 4150 | 4500 |
| | Sri-Ganganagar (Delivery) | 3700 | 3850 | 4350 | 4600 |
| | Nagaur (Loose) | 3750 | 3550 | 3950 | 4500 |
| | Alwar (loose) | 3450 | 3600 | 3900 | 4200 |
| | Churu (Delivery) | 3700 | 3800 | 4100 | 4800 |
| | Bikaner (Loose) | 3550 | 3700 | 4050 | 4550 |
| | Bikaner (Delivery) | 3700 | 3900 | 4250 | 4750 |
| | Khajuwala Bikaner (Loose) | 3580 | 3650 | 4000 | 4500 |
| | Khajuwala Bikaner(Delivery) | 3723 | 3796 | 4160 | 4680 |
| | Nokha(Loose) | 3550 | 3680 | 4000 | 4500 |
| | Nokha (Delivery) | 3678 | 3812 | 4144 | 4662 |
| | Hanumangarh (Loose) | 3550 | 3600 | 3900 | 4560 |
| | Hanumangarh (Delivery) | 3700 | 3800 | 4100 | 4760 |
| Haryana | Adampur (Loose) | 3650 | 3650 | 4000 | 4550 |
| | Adampur (Delivery) | 3800 | 3750 | 4200 | 4750 |
| | Sirsa (Loose) | 3550 | 3550 | 4000 | 4800 |
| | Bhiwani (Delivery) | 3650 | 3700 | 4100 | 4625 |
| | Dhabwali (Loose) | 3450 | 3550 | 4035 | 4400 |
| | Dhabwali (Delivery) | 3600 | 3670 | 4235 | 4600 |
| | Siwani (Loose) | 3675 | 3670 | 4150 | 4625 |
| | Ellanabad (Loose) | NR | NR | NR | 4500 |
| Gujarat | Deesa (Loose) | 3585 | 3685 | 4250 | 4405 |
| | Patan (Loose) | 3850 | 3810 | 4335 | 4285 |
| | Rajkot (Loose) | 3655 | 3875 | 4190 | 4500 |
| Madhya pradesh | Dabra (Loose) | 3000 | 3100 | 4200 | 4200 |
| Guar Gum | | | | | |
| Rajasthan | Jodhpur | 8600 | 9000 | 10500 | 12800 |
| | Alwar | 8500 | 9000 | 10500 | 13000 |
| Haryana | Sirsa | 8600 | 9000 | 10700 | 13000 |
| | Bhiwani | 8250 | 9100 | 10400 | 12800 |
| | Dhabwali | 8500 | 8800 | 10400 | 12700 |

| | | | | | |
|--|-----------|----|----|----|-------|
| | Ellanabad | NR | NR | NR | 13000 |
|--|-----------|----|----|----|-------|

Guar Cumulative Arrivals in Key Centers

| Centre | Weekly Arrivals (Quintals) | | | Change |
|----------------|----------------------------|---------------|---------------|--------|
| | | 21st-27th Feb | 14th-20th Feb | |
| Rajasthan | Jodhpur | 530 | 490 | 40 |
| | Sri-Ganganagar | 6200 | 5500 | 700 |
| | Nagaur | 625 | 960 | -335 |
| | Alwar | 3400 | 1350 | 2050 |
| | Churu | 2800 | 1200 | 1600 |
| | Bikaner | 4400 | 4600 | -200 |
| | Khajuwala Bikaner | 2900 | 1800 | 1100 |
| | Nokha | 780 | 1150 | -370 |
| | Hanumangarh | 200 | 600 | -400 |
| Haryana | Adampur | 6200 | 7400 | -1200 |
| | Sirsa | 2000 | 3800 | -1800 |
| | Bhiwani | 500 | 900 | -400 |
| | Dhabwali | 1050 | 860 | 190 |
| | Siwani | 1900 | 2300 | -400 |
| | Ellanabad | 0 | NA | - |
| Gujarat | Deesa | 280 | 222 | 58 |
| | Patan (Loose) | 259 | 769 | -510 |
| | Rajkot | 735 | 531 | 204 |
| Madhya pradesh | Dabra | 650 | 2400 | -1750 |
| Total Arrival | | 35409 | 36832 | -1423 |

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 | 3648 | 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 | 5992 | 7082 | 8420 | 9836 | 10612 |
| Weekly Trade Call`` | | | Call | Entry | T1 | T2 | SL |
| Guar Gum | NCDEX | Mar | Sell | Below 8850 | 8450 | 8250 | 9090 |

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 3400 per quintal.

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