

## **Domestic Market Recap:**

- Guar prices are currently moving in a trading range with weak tone. Big traders and punters are currently increasing their guar seed holding at lower rates which ultimately gives a clear sign of surge in prices in the near future.
- With every increase in prices, arrivals increases which shows farmers are showing disinterest to hold guar and releasing their stocks.
- Demand of guar gum came from domestic industry which ultimately give the prices a little support from current levels.
- In the second week of March, India has exported total 6957 tons of guar products (including guar gum, splits and meal). Out of total guar by products exported, 4667 tons of guar gum powder, 864 tons of guar splits and 1426 tons of guar meal exported abroad.
- Guar seed summer crop sowing is declining in Gujarat region as farmers are showing disinterest to grow guar seed in their respective fields due to lower prices and lack of water availability.
- After a three long years gap, farmers are now showing their disinterest to hold guar seed crop further keeping in view continuous fall in guar seed prices. .With estimates are coming of Rs 3200 and 2800 per quintal of guar seed in future, farmers majorly who needs instant cash are releasing their guar seed stock and gives preference to hold Mustard seed and Chana.
- Farmers are now holding new crops like Mustard seed and Chana and releasing guar seed stock in the market as they are not finding guar seed lucrative at present.

## **Current Market Dynamics**

Guar seed average prices improved slightly last week due to moderate demand at lower levels and weak arrivals in Ganganagar region. We expect prices to improve in the coming week.

In the major Jodhpur market, arrivals were reported around 470 bags of guar seed last week which was around 240 bags prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported lower arrivals (6600 bags) compared to prior week i.e. 6900 bags.

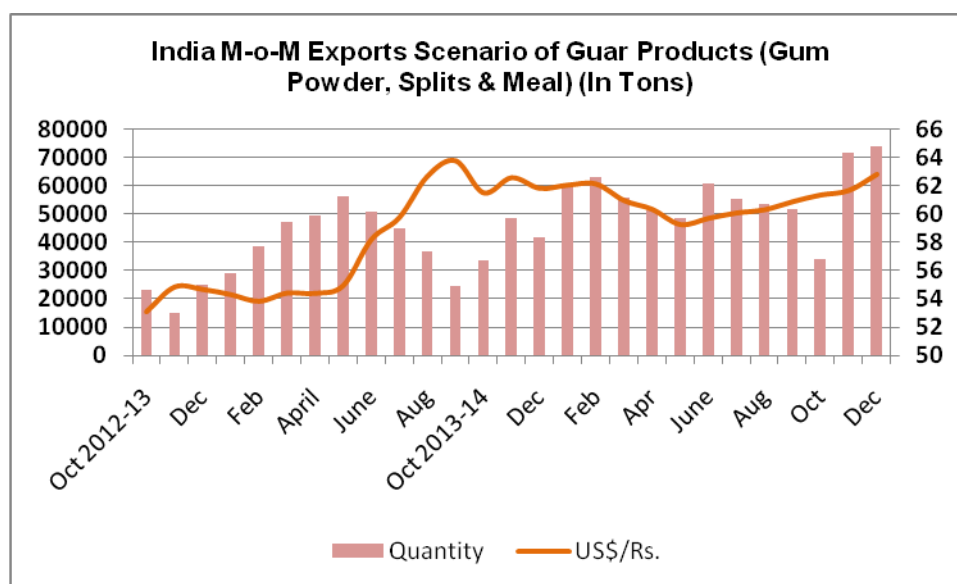
## Export and Import Scenario

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:

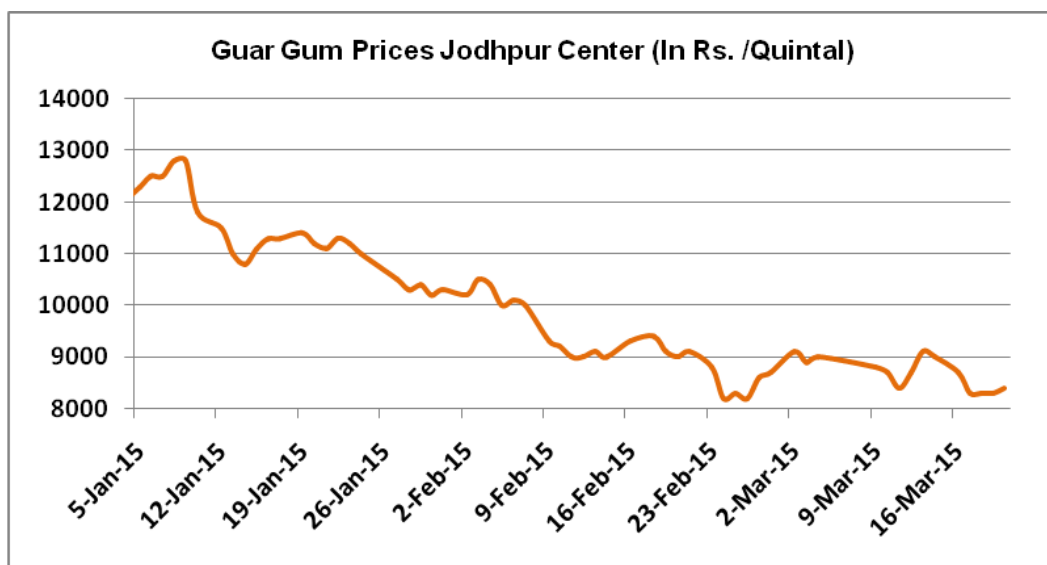
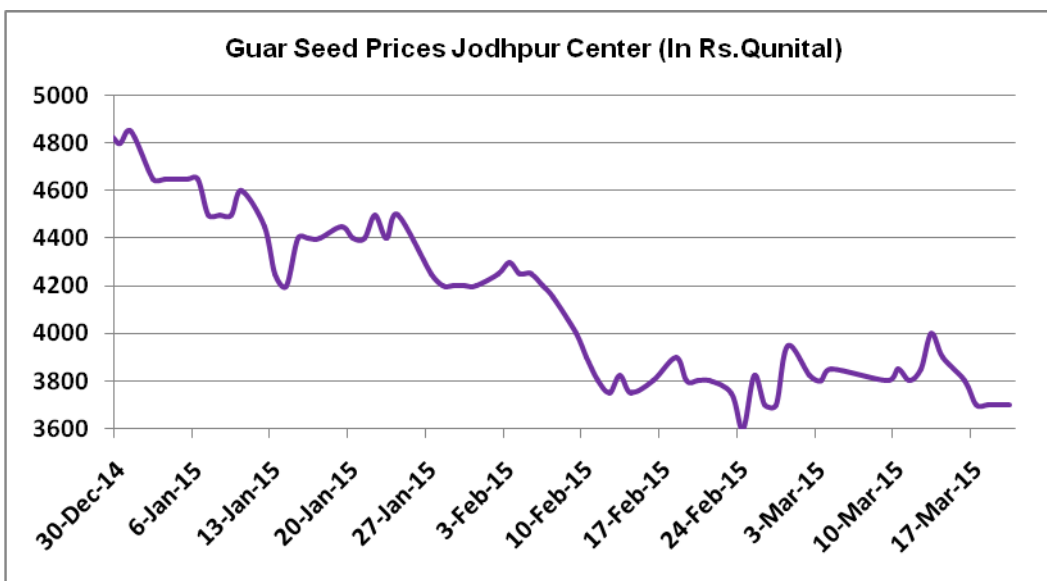
On export front, demands of guar products have increased in December in line with depreciation in Rupee. Also, demand of guar products among major importers has increased. Major energy firms increased their drilling operations in rigs as reported.

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

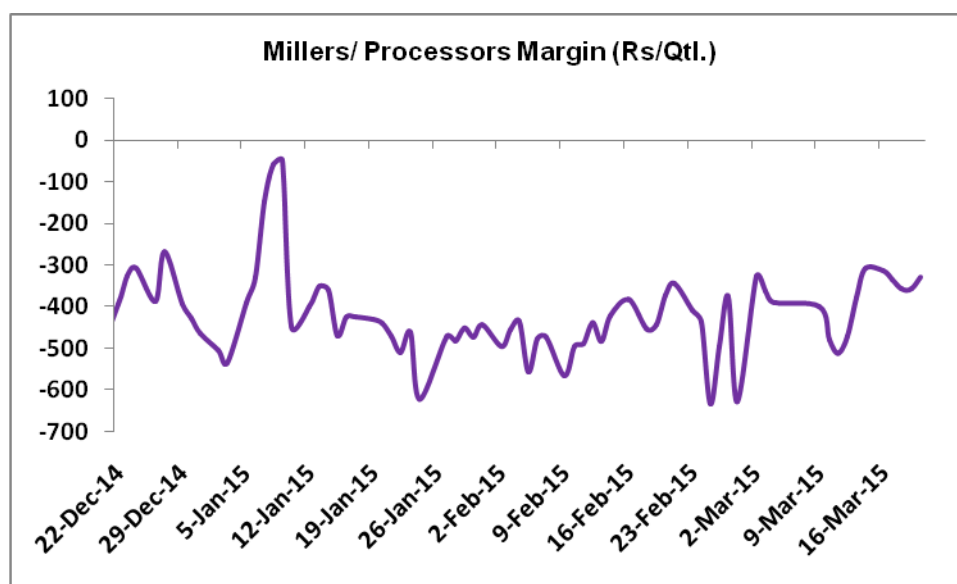


## Price Scenario

In the third week of Mar, the average price of guar seed declined marginally by 3% to Rs.3750/Qtl compared to prior week. However, guar gum prices declined last week by 3% to Rs.8500/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 third week of Mar 2015, average crush margin stood at Rs. -333.3/Quintal which were -448 per quintal last week. Higher degree of decline in guar seed prices compared to guar gum prices led the margin up.

## Guar by – Products Weekly Average Prices:

| Commodity         | Centre         | 13th-20th Mar15 | 6th-13th Mar15 | Change |
|-------------------|----------------|-----------------|----------------|--------|
| Churi             | Jodhpur        | 1540            | 1440           | 100    |
| Korma             | Jodhpur        | 1792            | 1650           | 142    |
| Churi             | Sri-Ganganagar | 1374            | NR             | -      |
| Korma             | Sri-Ganganagar | 1662            | NR             | -      |
| Prices in Rs/75kg |                |                 |                |        |

## Guar Export Weekly Average Prices:

| Commodity       | Variety           | 13th-20th Mar15 | 6th-13th Mar15 | Change |
|-----------------|-------------------|-----------------|----------------|--------|
| Guargum Split   |                   | 1382            | 1404           | -22    |
| Guargum Powder  | 200 Mesh 5000 CPS | 1701            | 1723           | -22    |
|                 | 200 Mesh 3500 CPS | 1621            | 1643           | -22    |
| Guargum Meal    | 40%               | 327             | 306            | 21     |
|                 | 50%               | 375             | 354            | 21     |
| Prices in \$/MT |                   |                 |                |        |

| Commodity      | Centre                      |                 |                | Weekly Prices (Average) |
|----------------|-----------------------------|-----------------|----------------|-------------------------|
|                | Guar Seeds                  | 13th-20th Mar15 | 6th-13th Mar15 |                         |
| Rajasthan      | Jodhpur (Loose)             | 3541            | 3660           | -119                    |
|                | Jodhpur(Delivery)           | 3750            | 3860           | -110                    |
|                | Sri-Ganganagar(Loose)       | 3640            | 3648           | -8                      |
|                | Sri-Ganganagar (Delivery)   | 3831            | 3848           | -17                     |
|                | Nagaur (Loose)              | 3633            | 3692           | -59                     |
|                | Alwar (loose)               | 3500            | 3625           | -125                    |
|                | Churu (Delivery)            | 3700            | 3850           | -150                    |
|                | Bikaner (Loose)             | 3612            | 3630           | -18                     |
|                | Bikaner (Delivery)          | 3812            | 3830           | -18                     |
|                | Khajuwala Bikaner (Loose)   | 3623            | 3664           | -41                     |
|                | Khajuwala Bikaner(Delivery) | 3768            | 3811           | -43                     |
|                | Nokha(Loose)                | 3621            | 3644           | -23                     |
|                | Nokha (Delivery)            | 3752            | 3775           | -23                     |
|                | Hanumangarh (Loose)         | 3562            | 3666           | -104                    |
|                | Hanumangarh (Delivery)      | 3762            | 3866           | -104                    |
| Haryana        | Adampur (Loose)             | 3610            | 3712           | -102                    |
|                | Adampur (Delivery)          | 3790            | 3913           | -123                    |
|                | Sirsa (Loose)               | 3586            | 3650           | -64                     |
|                | Bhiwani (Delivery)          | 3750            | 3788           | -38                     |
|                | Dhabwali (Loose)            | 3587            | 3683           | -96                     |
|                | Dhabwali (Delivery)         | 3777            | 3883           | -106                    |
|                | Siwani (Loose)              | 3733            | 3766           | -33                     |
|                | Ellanabad (Loose)           | 3577            | 3715           | -138                    |
| Gujarat        | Deesa (Loose)               | NR              | NR             | -                       |
|                | Patan (Loose)               | 1875            | 2615           | -740                    |
|                | Rajkot (Loose)              | 3662            | 3650           | 12                      |
| Madhya pradesh | Dabra (Loose)               | 3312            | 3000           | 312                     |
|                | Guar Gum                    |                 |                |                         |

|           |           |      |      |      |
|-----------|-----------|------|------|------|
| Rajasthan | Jodhpur   | 8500 | 8740 | -240 |
|           | Alwar     | 8340 | 8750 | -410 |
| Haryana   | Sirsa     | 8316 | 8783 | -467 |
|           | Bhiwani   | 8733 | 9050 | -317 |
|           | Dhabwali  | 8440 | 8600 | -160 |
|           | Ellanabad | 8408 | 8783 | -375 |

| Week on Week Price: Scenario of Guarseed and Guargum: |                            |           |           |           |           |
|---|----------------------------|-----------|-----------|-----------|-----------|
| Commodity   | Centre                     | Today     | Week ago  | Month ago | Year ago  |
|   | Guar Seeds                 | 20-Mar-15 | 13-Mar-15 | 20-Feb-15 | 20-Mar-14 |
| Rajasthan   | Jodhpur (Loose)            | 3500      | 3800      | 3650      | 4650      |
|   | Jodhpur(Delivery)          | 3700      | 4000      | 3800      | 4850      |
|   | Sri-Ganganagar(Loose)      | 3600      | 3700      | 3700      | 4480      |
|   | Sri-Ganganagar (Delivery)  | 3800      | 3900      | 3850      | 4650      |
|   | Nagaur (Loose)             | 3550      | 3800      | 3550      | NR        |
|   | Alwar (loose)              | 3450      | 3650      | 3600      | NR        |
|   | Churu (Delivery)           | 3650      | 3900      | 3800      | NR        |
|   | Bikaner (Loose)            | 3600      | 3750      | 3700      | 4500      |
|   | Bikaner (Delivery)         | 3800      | 3950      | 3900      | 4650      |
|   | Khajuwala Bikaner (Loose)  | 3630      | 3750      | 3650      | 4425      |
|   | Khajuwala Bikane(Delivery) | 3775      | 3900      | 3796      | 4602      |
|   | Nokha(Loose)               | 3600      | 3670      | 3680      | 4500      |
|   | Nokha (Delivery)           | 3730      | 3802      | 3812      | 4662      |
|   | Hanumangarh (Loose)        | NR        | 3650      | 3600      | 4475      |
|   | Hanumangarh (Delivery)     | NR        | 3850      | 3800      | 4575      |
| Haryana   | Adampur (Loose)            | 3600      | 3800      | 3650      | 4400      |
|   | Adampur (Delivery)         | 3800      | 4000      | 3750      | 4600      |
|   | Sirsa (Loose)              | 3525      | 3700      | 3550      | 4600      |
|   | Bhiwani (Delivery)         | 3600      | 3900      | 3700      | 4550      |
|   | Dhabwali (Loose)           | 3575      | NR        | 3550      | 4425      |
|   | Dhabwali (Delivery)        | 3775      | NR        | 3670      | 4602      |
|   | Siwani (Loose)             | 3750      | 3850      | 3670      | 4550      |
|   | Ellanabad (Loose)          | 3500      | 3770      | NR        | 4400      |
| Gujarat   | Deesa (Loose)              | NA        | Closed    | 3685      | Closed    |
|   | Patan (Loose)              | 3625      | 4025      | 3810      | 4230      |
|   | Rajkot (Loose)             | 3575      | 3705      | 3875      | 4080      |
| Madhya pradesh  | Dabra (Loose)              | 3300      | 3500      | 3100      | 3800      |

| Guar Gum  |           |      |      |      |       |
|-----------|-----------|------|------|------|-------|
| Rajasthan | Jodhpur   | 8400 | 9100 | 9000 | 12600 |
|           | Alwar     | 8200 | 8800 | 9000 | NR    |
| Haryana   | Sirsa     | 8000 | 9000 | 9000 | 12500 |
|           | Bhiwani   | 8500 | 9200 | 9100 | 12750 |
|           | Dhabwali  | 8400 | NR   | 8800 | 12700 |
|           | Ellanabad | 8100 | 9000 | NR   | 12700 |

### Guar Cumulative Arrivals in Key Centers

| Centre         | Weekly Arrivals (Quintals) |                 |                | Change |
|----------------|----------------------------|-----------------|----------------|--------|
|                |                            | 13th-20th Mar15 | 6th-13th Mar15 |        |
| Rajasthan      | Jodhpur                    | 470             | 240            | 230    |
|                | Sri-Ganganagar             | 9750            | 7100           | 2650   |
|                | Nagaur                     | 950             | 1050           | -100   |
|                | Alwar                      | 700             | 1200           | -500   |
|                | Churu                      | 1900            | 900            | 1000   |
|                | Bikaner                    | 4000            | 2200           | 1800   |
|                | Khajuwala Bikaner          | 3150            | 2550           | 600    |
|                | Nokha                      | 775             | 800            | -25    |
|                | Hanumangarh                | 460             | 500            | -40    |
| Haryana        | Adampur                    | 6600            | 6900           | -300   |
|                | Sirsa                      | 4700            | 3000           | 1700   |
|                | Bhiwani                    | 2500            | 4550           | -2050  |
|                | Dhabwali                   | 400             | 190            | -210   |
|                | Siwani                     | 3400            | 2500           | 900    |
|                | Ellanabad                  | 1350            | 1000           | 350    |
| Gujarat        | Deesa                      | NR              | NR             | -      |
|                | Patan (Loose)              | 36              | 236            | -200   |
|                | Rajkot                     | 325             | 390            | -65    |
| Madhya pradesh | Dabra                      | 650             | 600            | 50     |
| Total Arrival  |                            | 42116           | 35906          | 6210   |

Commodity: Guar Seed 10MT  
Contract: Apr

Exchange: NCDEX  
Expiry: Apr 20, 2015

### Guar Seed 10MT (Weekly Apr Contract Chart)



#### Technical Commentary:

- Guar prices are moving down to downward channel.
- However, prices have just gave a upper breakout signal and now just trying to test its next support from where new buying should occur.
- However, RSI is hovering at oversold region.
- Last candlestick depicts bullishness.

#### Strategy: Buy from support levels.

| Weekly Supports & Resistances |       |     | S2   | S1         | PCP  | R1   | R2   |
|-------------------------------|-------|-----|------|------------|------|------|------|
| Guar Seed 10MT                | NCDEX | Apr | -    | 3340       | 3737 | 4141 | 4387 |
| Weekly Trade Call             |       |     | Call | Entry      | T1   | T2   | SL   |
| Guar Seed 10MT                | NCDEX | Apr | Buy  | Above 3680 | 3880 | 3980 | 3560 |



Commodity: Guar Gum  
Contract: Apr

Exchange: NCDEX  
Expiry: Apr 20, 2015

### Guar Gum (Apr Weekly Chart)



#### Technical Commentary:

- Guar gum prices are moving down to downward channel.
- Prices recently broke its downward channel and now likely to test trendline support.
- However, RSI is hovering at oversold region.
- Last candlestick depicts bullishness.

#### Strategy: Buy on dips.

| Weekly Supports & Resistances |       |     | S2   | S1         | PCP  | R1    | R2    |
|-------------------------------|-------|-----|------|------------|------|-------|-------|
| Guar Gum                      | NCDEX | Apr | 7301 | 7568       | 8330 | 10478 | 10914 |
| Weekly Trade Call             |       |     | Call | Entry      | T1   | T2    | SL    |
| Guar Gum                      | NCDEX | Apr | Buy  | Above 8250 | 8750 | 9000  | 7950  |

**Spot Market Outlook:**

Guar prices showed little upside direction due to moderate demand from stockists and improving processing margin from guar seed to gum. Also, lower arrivals decrease the supply pressure of guar seed in the market.

In addition to it, most of the traders and farmers are bearish in guar seed which give speculators to collect guar seed stock at lower quotes which ultimately gives signs of improvement in guar seed prices for medium term (2-3 months).

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