

Domestic Market Recap:

- Guar prices are currently moving range bound with weak tone from last couple of weeks. Higher arrivals and moderate demand led the prices traded in range.
- According to various weather forecasters, monsoon will hit Kerala coast by 3-4 days delay over normal as reported.
- Market is waiting for any clarity on upcoming monsoon. If monsoon hits Kerala coast on time then guar seed prices could fall further upto Rs 400-500 per quintal from current levels. However, in case of opposite monsoon, prices could make a new year highs as expected considering lower production figures and expected lower yields due to late sowing for the year 2015-16.
- Mills which are holding their gum stock on trading basis are the only survivor in this volatile guar market. Rest mills cant run their crushing operations due to negative margins.

Current Market Dynamics

Guar seed average prices moved in a range with weak tone last week. We expect prices to trade in a range in the coming week as market is closely watching the onset of monsoon on Kerala coast.

In the major Jodhpur market, arrivals were reported around 580 bags of guar seed last week which was around 1150 bags prior week.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported higher 10200 arrivals (10200bags) which is higher compared to prior week ~5800 bags.

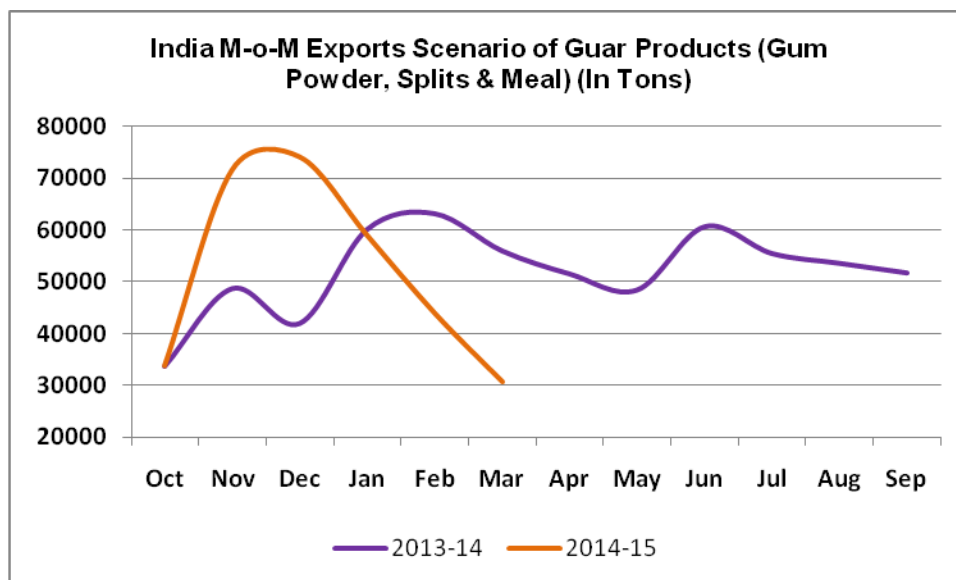
Export and Import Scenario

India has exported 30786 tons of Guar Products (Gum, Splits & Meal) in the month of March 2015 which is lower export figures in last 18 months. Out of the total guar exports, 20798 tons of Guar gum, 3764 tons of Splits and 6224 tons of Guar splits exported in March 2015. Notably, recent month guar exports fell by 45% compared to last year same period guar exports. Weak demand of guar gum overseas mainly due to falling crude oil prices led the gum exports down in the last couple of months. Falling rig count and new shale gas explorations also become the major influencing factor for recent decline in guar gum exports.

Demand Side of Guar and Guar Gum:

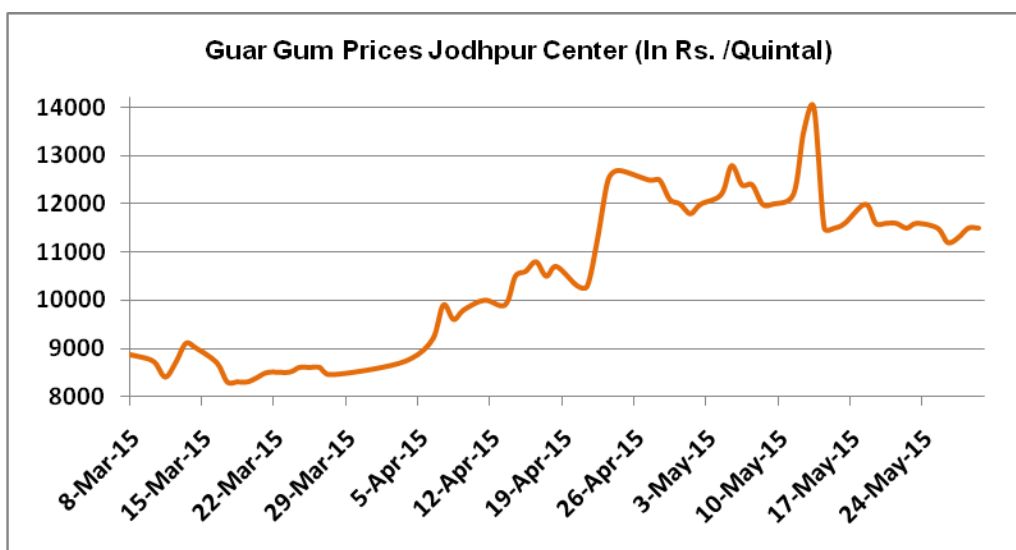
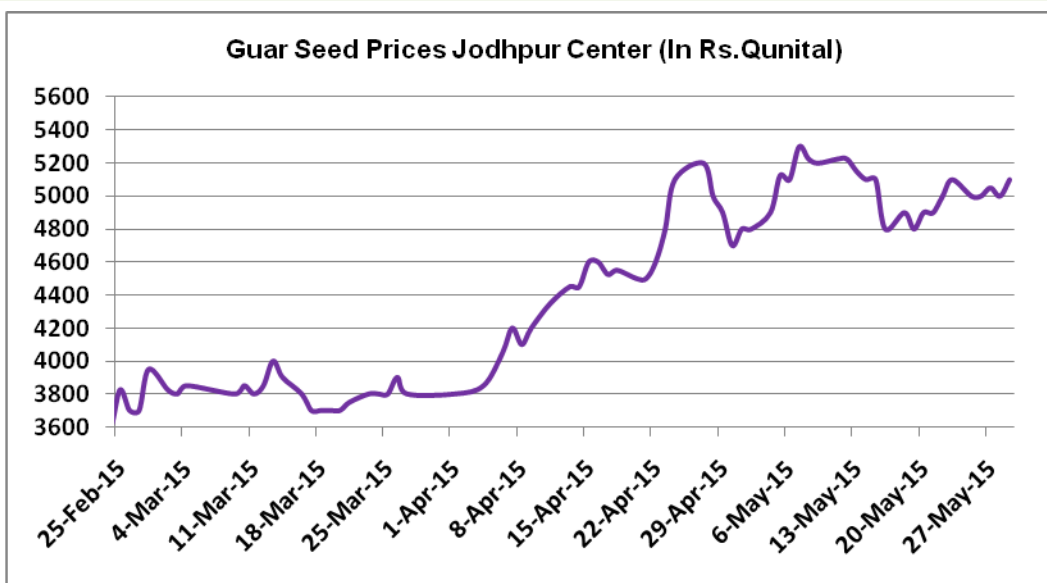
On export front, demands of guar products have decreased in March. Also, demand of guar products among major importers has decreased. Major energy firms decreased their drilling operations in rigs as reported.

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

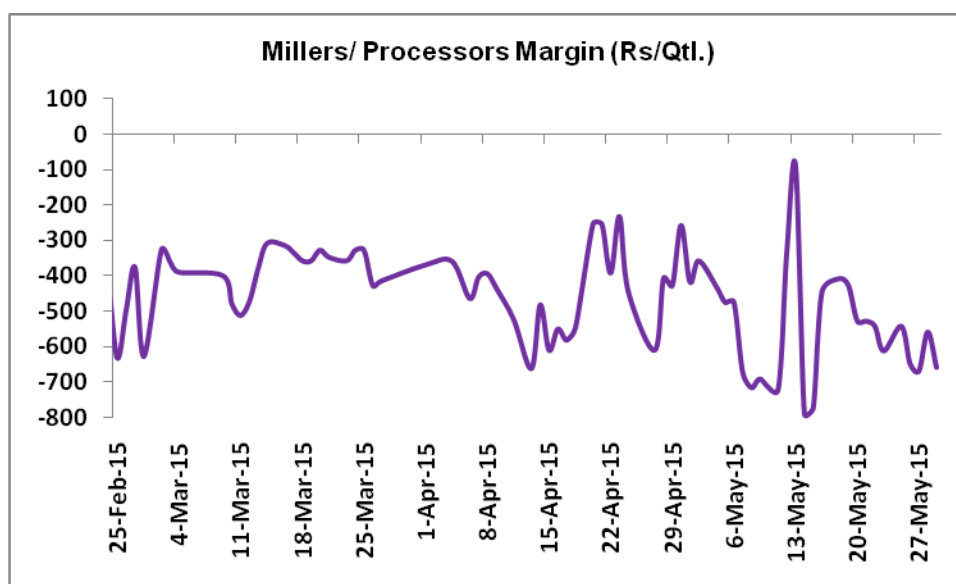


Price Scenario

In the fourth week of May, the average price of guar seed improved by 3% to Rs.5041/Qtl compared to prior week. However, guar gum prices declined last week by 2% to Rs.11433/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 decreased sharply compared to previous week. In the last week of May 2015, average crush margin stood at Rs. -615/Quintal which were -479.83 per quintal last week. Higher degree of decline in guar gum prices and slight increase in guar seed prices led the margin down compared to last week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	23rd to 29th May15	16th to 22st May15	Change
Churi	Jodhpur	1688	1537	151
Korma	Jodhpur	2025	1937	88
Churi	Sri-Ganganagar	1567	1524	43
Korma	Sri-Ganganagar	2017	1924	93
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	23rd to 29th May15	16th to 22st May15	Change
Guargum Split		1776	1844	-68
Guargum Powder	200 Mesh 5000 CPS	2090	2158	-68
	200 Mesh 3500 CPS	2012	2080	-68
Guargum Meal	40%	338	330	8
	50%	432	424	8
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		23rd to 29th May15	16th to 22st May15	
	Guar Seeds			
Rajasthan	Jodhpur (Loose)	4875	4683	192
	Jodhpur(Delivery)	5033	4883	150
	Sri-Ganganagar(Loose)	4616	4670	-54
	Sri-Ganganagar (Delivery)	4790	4887	-97
	Nagaur (Loose)	4670	4733	-63
	Alwar (loose)	4560	4575	-15
	Churu (Delivery)	4750	4775	-25
	Bikaner (Loose)	4683	4758	-75
	Bikaner (Delivery)	4850	4958	-108
	Khajuwala Bikaner (Loose)	4684	4755	-71
	Khajuwala Bikane(Delivery)	4871	4946	-75
	Nokha(Loose)	4725	4770	-45
	Nokha (Delivery)	4895	4943	-48
	Hanumangarh (Loose)	NA	NA	-
	Hanumangarh (Delivery)	NA	NA	-
Haryana	Adampur (Loose)	4658	4758	-100
	Adampur (Delivery)	4842	4958	-116
	Sirsa (Loose)	4584	4678	-94
	Bhiwani (Delivery)	4833	4900	-67
	Dhabwali (Loose)	4523	4675	-152
	Dhabwali (Delivery)	4696	4875	-179
	Siwani (Loose)	4808	4870	-62
	Ellanabad (Loose)	4692	4760	-68
Gujarat	Deesa (Loose)	4442	4508	-66
	Patan (Loose)	4395	4478	-83
	Rajkot (Loose)	4469	4498	-29
	Dhrol(loose)	4385	4400	-15
Madhya pradesh	Dabra (Loose)	NA	NA	-
	Guar Gum			
Rajasthan	Jodhpur	11433	11650	-217
	Alwar	11300	11600	-300
Haryana	Sirsa	11175	11675	-500
	Bhiwani	11200	11133	67
	Dhabwali	11292	11450	-158
	Ellanabad	11275	11566	-291

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	29-May-15	22-May-15	28-Apr-15	29-May-14
Rajasthan	Jodhpur (Loose)	4925	4800	4800	4900
	Jodhpur(Delivery)	5050	5000	5000	5150
	Sri-Ganganagar(Loose)	4650	4600	NR	4950
	Sri-Ganganagar (Delivery)	4800	4800	NR	5150
	Nagaur (Loose)	4550	4900	4950	4900
	Alwar (loose)	4550	4600	4800	4600
	Churu (Delivery)	4700	4800	5000	4900
	Bikaner (Loose)	4700	4700	4950	5000
	Bikaner (Delivery)	4850	4900	5150	5200
	Khajuwala Bikaner (Loose)	4670	4700	NA	4850
	Khajuwala Bikaner(Delivery)	4857	4888	NA	5044
	Nokha(Loose)	4700	4750	5000	4800
	Nokha (Delivery)	4869	4921	5180	4973
	Hanumangarh (Loose)	NA	NA	NA	NA
	Hanumangarh (Delivery)	NA	NA	NA	NA
Haryana	Adampur (Loose)	4650	4700	4900	4950
	Adampur (Delivery)	4800	4900	5100	5150
	Sirsa (Loose)	4550	4600	4800	NA
	Bhiwani (Delivery)	4900	4900	5000	5100
	Dhabwali (Loose)	4500	4700	NA	4950
	Dhabwali (Delivery)	4650	4900	NA	5150
	Siwani (Loose)	4800	4825	5025	5100
	Ellanabad (Loose)	4600	4825	5050	5000
Gujarat	Deesa (Loose)	NA	4405	NA	4680
	Patan (Loose)	4425	4450	NA	4655
	Rajkot (Loose)	NA	4500	4700	4700
	Dhrol(loose)	4385	4365	4680	NA
Madhya pradesh	Dabra (Loose)	NA	NA	NA	3700
Guar Gum					
Rajasthan	Jodhpur	11500	11500	12500	13900
	Alwar	11200	11500	12500	13900
Haryana	Sirsa	11000	11300	12500	NA
	Bhiwani	11200	11300	11800	13450
	Dhabwali	11100	11400	NA	14000
	Ellanabad	11100	11600	12700	14000

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		23rd to 29th May15	16th to 22st May15	
Rajasthan	Jodhpur	580	1150	-570
	Sri-Ganganagar	5200	5800	-600
	Nagaur	1500	1200	300
	Alwar	2000	2750	-750
	Churu	2600	3100	-500
	Bikaner	4100	4500	-400
	Khajuwala Bikaner	1800	2700	-900
	Nokha	550	950	-400
	Hanumangarh	NA	NA	-
Haryana	Adampur	10200	5800	4400
	Sirsa	8000	6200	1800
	Bhiwani	9300	9000	300
	Dhabwali	2100	675	1425
	Siwani	3700	3400	300
	Ellanabad	2350	875	1475
Gujarat	Deesa	122	123	-1
	Patan	270	476	-206
	Rajkot	2735	3570	-835
	Dhrol	109	96	14
Madhya pradesh	Dabra	NA	NA	-
Total Arrival		57216	52365	4852

Commodity: Guar Seed 10MT
Contract: June

Exchange: NCDEX
Expiry: June 20, 2015

Guar Seed 10MT (Weekly June Contract Chart)



Technical Commentary:

- Guar prices are consolidating after making new contract highs.
- However, prices have just gave a upper breakout signal
- However, RSI is hovering near to overbought region.
- Last candlestick depicts bearishness.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	June	4256	4410	4982	5396	5705
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	June	Sell	Below 5050	4850	4750	5170

Commodity: Guar Gum
Contract: June

Exchange: NCDEX
Expiry: June 20, 2015

Guar Gum (June Weekly Chart)

GUARGUM 1506(NCGUGM5)2015/05/31 - Weekly B:11090.00 A:11110.00
O 11100.00 H 11290.00 L 11050.00 C 11110.00 V 5,859 I 9,743 +90 +0.82%



Technical Commentary:

- Guar gum prices are taking a downward correction from upper levels.
- However, RSI is hovering at neutral region
- Last candlestick depicts bearishness.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	June	9680	11078	11020	12038	14400
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	Sell	11300	10900	10700	11540

Spot Market Outlook:

Prices of guar seed and gum are now totally depending on upcoming monsoon. Various weather forecasters are predicting lower monsoon precipitations for this year due to El Nino pattern.

If monsoon delay by 15-20 days then it could fire the guar prices upside as per our expectations. However, prevailing fundamentals are not very strong considering lower margin for making gum from seed.

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