

Domestic Market Recap:

- Guar prices are currently moving range bound from last couple of weeks. Higher arrivals and moderate demand led the prices traded in range.
- OPEC countries in a meeting today says they will kept their crude oil production intact which will pressurize crude oil prices in the coming trading sessions. With prospects of declining crude oil prices, guar seed prices also will move downwards in the coming week as expected.
- Notbaly guar seed prices moves downwards in the month of June and July traditionally which also gives a clear idea that prices should move downwards.
- IMD and other weather forecasters see monsoon will hit Kerala coast within 24 hours. However, weak current of Monsoon is expected to set foot along kerala coast on 5th June.
- We expect guar seed prices to dip further upto Rs 4700 and then 4300 due to monsoon arrivals and weak fundamentals at current levels.
- 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.

Also in Adampur (Haryana) market which is the biggest market of guar in North reported higher 6400 arrivals which are lower compared to prior week ~10200 bags.

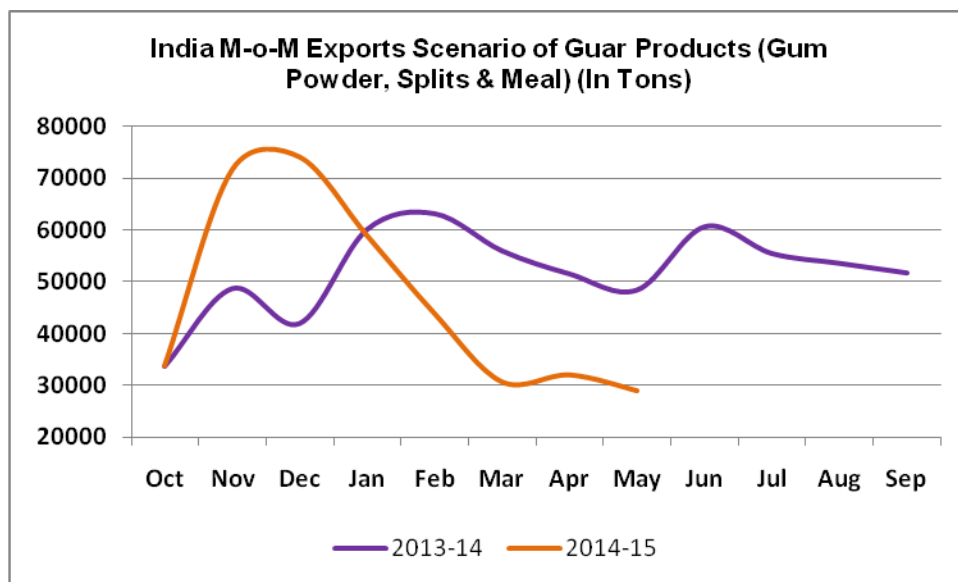
Export and Import Scenario

India has exported 29088 tons of Guar Products (Gum, Splits & Meal) in the month of May 2015 which is lower export figures compared to last year. Out of the total guar exports, 5243 tons of Guar gum, 4042 tons of Splits and 22689 tons of Guar splits exported in May 2015. Notably, recent month guar exports fell by 40% 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:

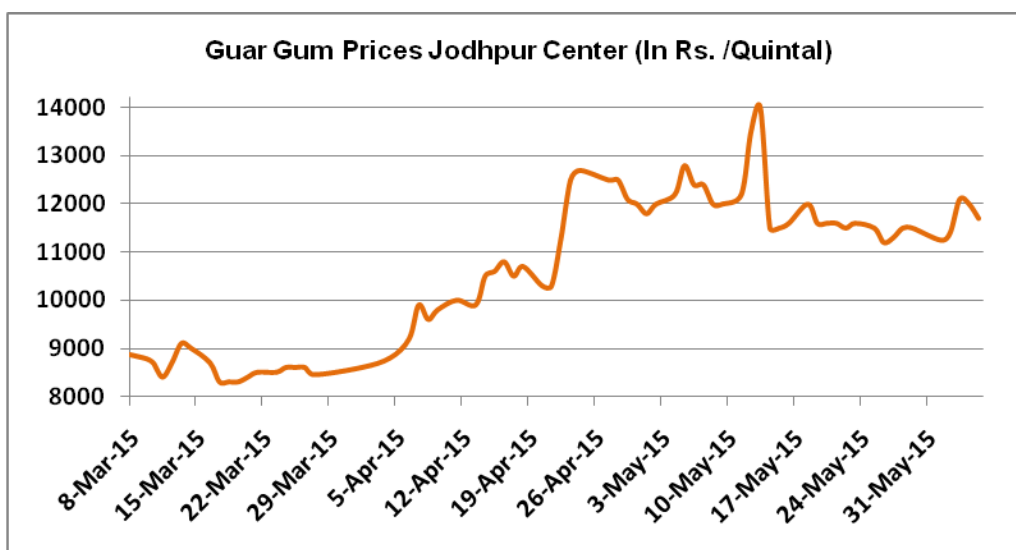
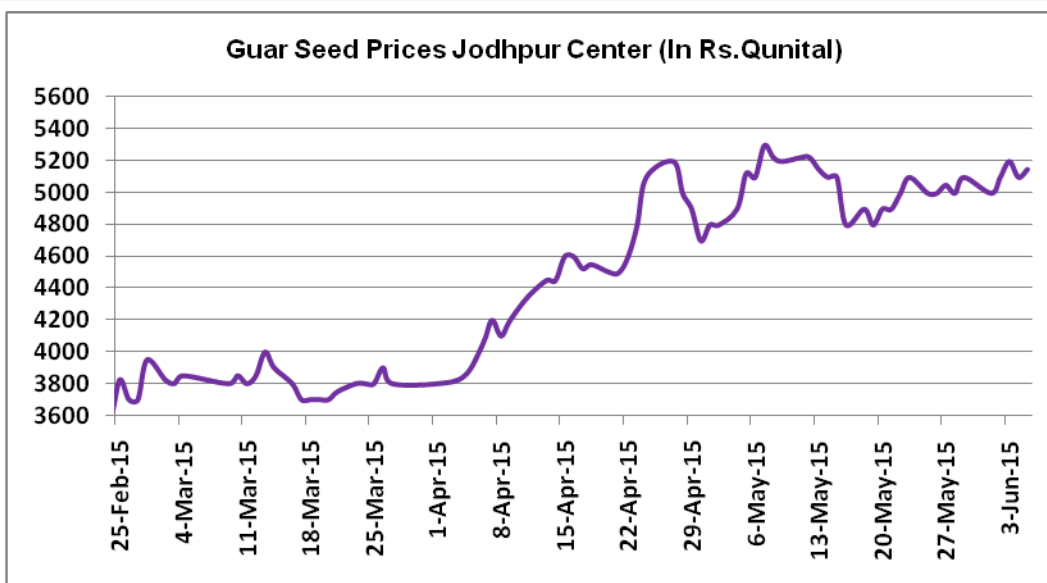
On export front, demands of guar products have decreased in May. Also, demand of guar products among major importers has decreased. Major energy firms decreased their drilling operations in rigs as reported.

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

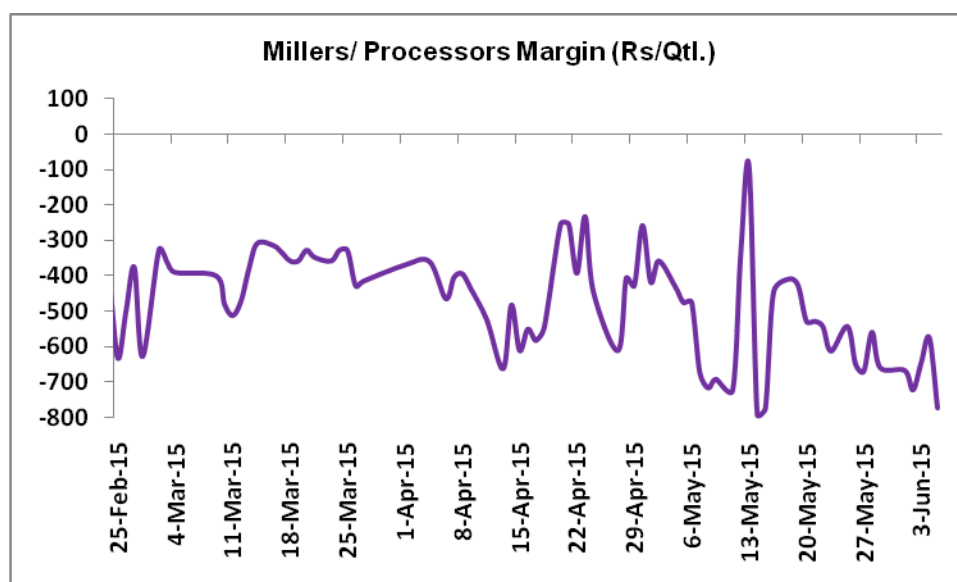


Price Scenario

In the first week of June, the average price of guar seed improved by 1% to Rs.5110/Qtl compared to prior week. Also, guar gum prices improved last week by 2% to Rs.11690/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 first week of June 2015, average crush margin stood at Rs. -676/Quintal which were -615 per quintal last week. Severe decline in Churi and Korma prices led the margin down compared to last week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	30rd to 04th June15	23rd to 29th May15	Change
Churi	Jodhpur	1600	1688	-88
Korma	Jodhpur	1950	2025	-75
Churi	Sri-Ganganagar	1425	1567	-142
Korma	Sri-Ganganagar	1913	2017	-104
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	30rd to 04th June15	23rd to 29th May15	Change
Guargum Split		1789	1776	12
Guargum Powder	200 Mesh 5000 CPS	2102	2090	12
	200 Mesh 3500 CPS	2024	2012	12
Guargum Meal	40%	338	338	Unch
	50%	432	432	Unch
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	30rd to 04th June15	23rd to 29th May15	
Rajasthan	Jodhpur (Loose)	4860	4875	-15
	Jodhpur(Delivery)	5110	5033	77
	Sri-Ganganagar(Loose)	4745	4616	129
	Sri-Ganganagar (Delivery)	4958	4790	168
	Nagaur (Loose)	4630	4670	-40
	Alwar (loose)	4675	4560	-115
	Churu (Delivery)	4816	4750	66
	Bikaner (Loose)	4830	4683	147
	Bikaner (Delivery)	4990	4850	140
	Khajuwala Bikaner (Loose)	4790	4684	106
	Khajuwala Bikaner(Delivery)	4981	4871	110
	Nokha(Loose)	4756	4725	31
	Nokha (Delivery)	4927	4895	32
	Hanumangarh (Loose)	4700	NA	-
	Hanumangarh (Delivery)	4925	NA	-
Haryana	Adampur (Loose)	4720	4658	62
	Adampur (Delivery)	4870	4842	28
	Sirsa (Loose)	4685	4584	101
	Bhiwani (Delivery)	4910	4833	77
	Dhabwali (Loose)	4620	4523	97
	Dhabwali (Delivery)	4795	4696	99
	Siwani (Loose)	4850	4808	42
	Ellanabad (Loose)	4742	4692	50
Gujarat	Deesa (Loose)	4560	4442	118
	Patan (Loose)	4456	4395	61
	Rajkot (Loose)	4521	4469	52
	Dhrol(loose)	4200	4385	-185
Madhya pradesh	Dabra (Loose)	NA	NA	-
	Guar Gum			
Rajasthan	Jodhpur	11687	11433	254
	Alwar	11600	11300	300
Haryana	Sirsa	11410	11175	235
	Bhiwani	11490	11200	290
	Dhabwali	11450	11292	158
	Ellanabad	11520	11275	245

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	4-Jun-15	29-May-15	4-May-15	4-Jun-14
Rajasthan	Jodhpur (Loose)	4900	4925	4700	4875
	Jodhpur(Delivery)	5100	5050	4900	5075
	Sri-Ganganagar(Loose)	4800	4650	4850	4800
	Sri-Ganganagar (Delivery)	5000	4800	5000	5000
	Nagaur (Loose)	4750	4550	4800	4700
	Alwar (loose)	4700	4550	4700	4600
	Churu (Delivery)	4900	4700	4900	NR
	Bikaner (Loose)	4900	4700	4900	4950
	Bikaner (Delivery)	5100	4850	5100	5000
	Khajuwala Bikaner (Loose)	4900	4670	4900	4780
	Khajuwala Bikane(Delivery)	5096	4857	5096	4971
	Nokha(Loose)	4850	4700	4850	4850
	Nokha (Delivery)	5025	4869	5025	5025
	Hanumangarh (Loose)	4650	NA	NA	NA
	Hanumangarh (Delivery)	4900	NA	NA	NA
Haryana	Adampur (Loose)	4825	4650	4900	4850
	Adampur (Delivery)	5000	4800	5050	5000
	Sirsa (Loose)	4750	4550	4900	5100
	Bhiwani (Delivery)	4800	4900	4925	5000
	Dhabwali (Loose)	4700	4500	NA	4900
	Dhabwali (Delivery)	4900	4650	NA	5100
	Siwani (Loose)	4950	4800	5000	5000
	Ellanabad (Loose)	4850	4600	4900	4865
Gujarat	Deesa (Loose)	4605	NA	NA	4535
	Patan (Loose)	4675	4425	NA	4550
	Rajkot (Loose)	4625	NA	4575	4625
	Dhrol(loose)	NA	4385	NA	
Madhya pradesh	Dabra (Loose)	NA	NA	NA	4500
Guar Gum					
Rajasthan	Jodhpur	12000	11500	12200	13900
	Alwar	11800	11200	12200	NR
Haryana	Sirsa	11600	11000	12400	13000
	Bhiwani	12000	11200	11600	13950
	Dhabwali	11850	11100	NA	14000

	Ellanabad	11700	11100	12200	14000
--	-----------	-------	-------	-------	-------

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		30rd to 04th June15	23rd to 29th May15	
Rajasthan	Jodhpur	NA	580	-
	Sri-Ganganagar	3400	5200	-1800
	Nagaur	1750	1500	250
	Alwar	2500	2000	500
	Churu	2100	2600	-500
	Bikaner	3500	4100	-600
	Khajuwala Bikaner	2100	1800	300
	Nokha	550	550	Unch
	Hanumangarh	1400	NA	-
Haryana	Adampur	6400	10200	-3800
	Sirsa	5300	8000	-2700
	Bhiwani	11000	9300	1700
	Dhabwali	1400	2100	-700
	Siwani	4100	3700	400
	Ellanabad	1950	2350	-400
Gujarat	Deesa	139	122	17
	Patan	349	270	79
	Rajkot	3400	2735	665
	Dhrol	107	109	-2
Madhya pradesh	Dabra	NA	NA	-
Total Arrival		51445	57216	-5771

Commodity: Guar Seed 10MT
Contract: June

Exchange: NCDEX
Expiry: June 20, 2015

Guar Seed 10MT (Weekly June Contract Chart)

GUAR SEED 1506(NCGRSM5)2015/05/31 - Weekly B:4975.00 A:4983.00
O 5000.00 H 5040.00 L 4974.00 C 4983.00 V 43,250 I 28,770 +1 +0.02%



Technical Commentary:

- Guar prices are consolidating after making new contract highs.
- 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 5000	4700	4550	5180



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	11500	12038	14400
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	Sell	11500	10900	10600	11850

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.

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>
© 2015 Indian Agribusiness Systems Pvt Ltd.