

**Domestic Market Recap:**

- Guar prices are currently moving in a range with weak tone. Weaker demand and higher than normal monsoon arrival in major guar growing regions led the prices down.
- Guar seed sowing have started in Haryana and irrigated areas of Rajasthan like Ganganagar and Hanumangarh. Sowing is likely to increase in these respective areas compared to last year. Guar seed crop is likely to replace the cotton crop which is a substitute crop of guar seed in these regions.
- OPEC countries in a meeting last week say they will keep 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.
- Notably guar seed prices moves downwards in the month of June and July traditionally which also gives a clear idea that prices should move downwards.
- 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 survivors in this volatile guar market. Rest of the mills cannot 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 continue its weak tone in the coming week due to higher sowing estimates coming in guar growing regions for guar seed for the next marketing year.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (~7500 bags) compared to prior week ~6400 bags.

Similarly, In Jodhpur market, arrivals have increased last week upto 6300 bags which is higher compared to prior week arrivals data i.e. 3400 bags.

## Export and Import Scenario

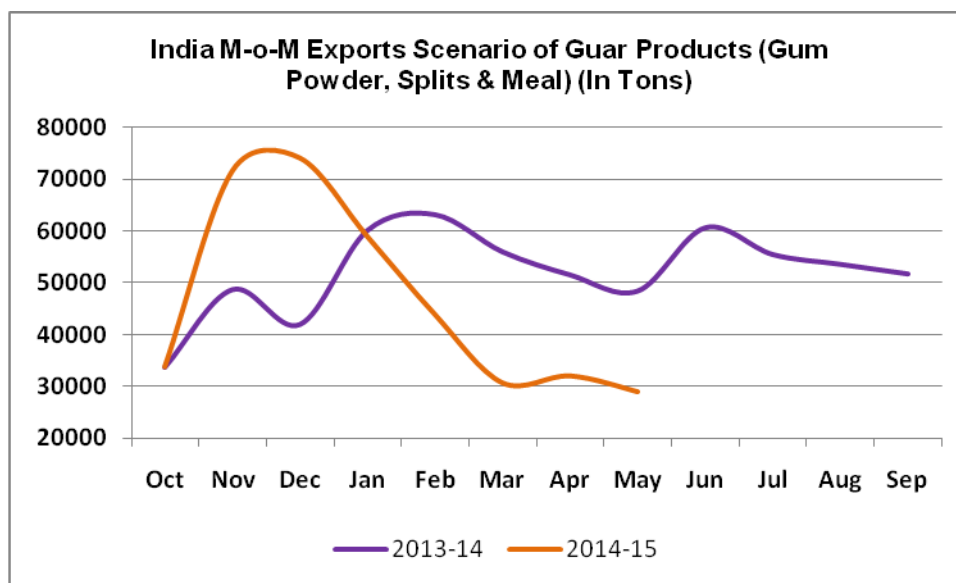
India has exported 29088 tons of Guar Products (Gum, Splits & Meal) in the month of May 2015 which is lower export figures compared to last year. Out of the total guar exports, 5243 tons of Guar gum, 4042 tons of Splits and 22689 tons of Guar splits exported in May 2015.

Notably, recent month guar exports fell by 40% compared to same period last year.. 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:

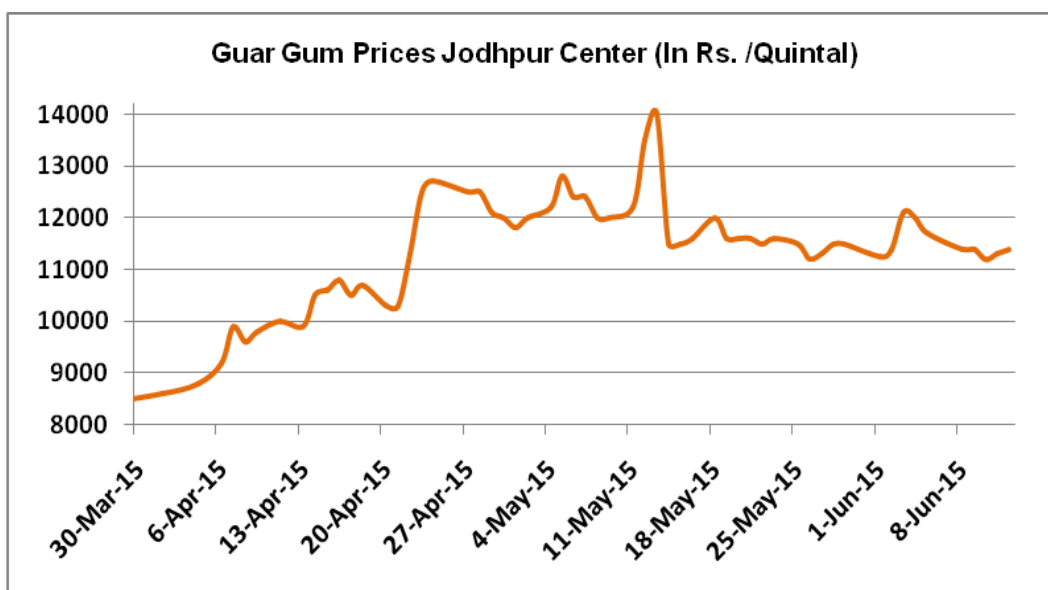
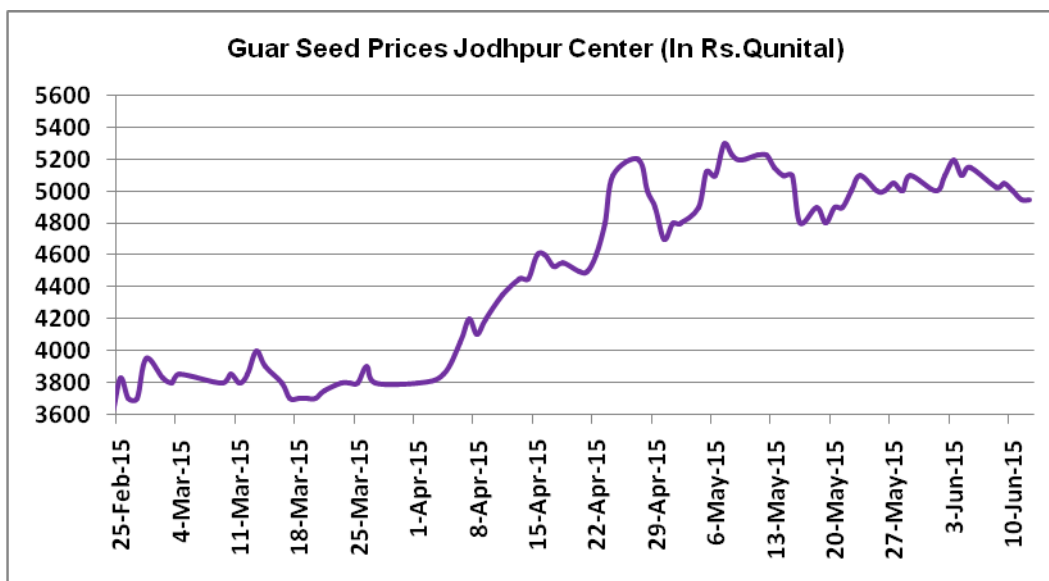
On export front, demands of guar products have decreased in May. Also, demand of guar products among major importers has decreased. Major energy firms decreased their drilling operations in rigs as reported.

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

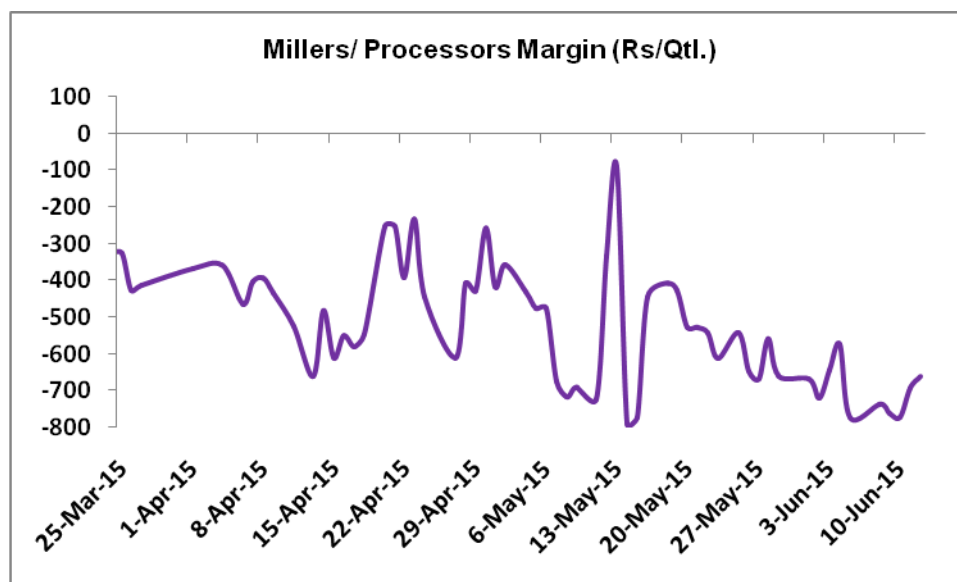


## Price Scenario

In the second week of June, the average price of guar seed declined by 2% to Rs.4995/Qtl compared to prior week. Also, guar gum prices declined last week by 3% to Rs.11340/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 second week of June 2015, average crush margin stood at Rs. -725/Quintal which were -676 per quintal last week. Decline in Churi and Korma prices and higher degree of decline in guar gum prices compared to guar seed led the margin down compared to last week.

### Guar By – Products Weekly Average Prices:

Commodity	Centre	5 <sup>th</sup> June to 11th June 15	30 <sup>th</sup> May to 4th June 15	Change
Churi	Jodhpur	1450	1600	-150
Korma	Jodhpur	1875	1950	-75
Churi	Sri-Ganganagar	1388	1425	-37
Korma	Sri-Ganganagar	1800	1913	-113
Prices in Rs/75kg				

### Guar Export Weekly Average Prices:

Commodity	Variety	5 <sup>th</sup> June to 11th June 15	30 <sup>th</sup> May to 4th June 15	Change
Guargum Split		1746	1789	-43
Guargum Powder	200 Mesh 5000 CPS	2058	2102	-44
	200 Mesh 3500 CPS	1980	2024	-44
Guargum Meal	40%	318	338	-20
	50%	391	432	-41
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	5 <sup>th</sup> June to 11th June 15	30 <sup>th</sup> May to 4th June 15	
Rajasthan	Jodhpur (Loose)	4835	4860	-25
	Jodhpur(Delivery)	5035	5110	-75
	Sri-Ganganagar(Loose)	4592	4745	-153
	Sri-Ganganagar (Delivery)	4792	4958	-166
	Nagaur (Loose)	4500	4630	-130
	Alwar (loose)	4483	4675	-192
	Churu (Delivery)	4692	4816	-124
	Bikaner (Loose)	4638	4830	-192
	Bikaner (Delivery)	4813	4990	-177
	Khajuwala Bikaner (Loose)	4629	4790	-161
	Khajuwala Bikane(Delivery)	4814	4981	-167
	Nokha(Loose)	4664	4756	-92
	Nokha (Delivery)	4832	4927	-95
	Hanumangarh (Loose)	4425	4700	-275
	Hanumangarh (Delivery)	4625	4925	-300
Haryana	Adampur (Loose)	4648	4720	-72
	Adampur (Delivery)	4848	4870	-22
	Sirsa (Loose)	4530	4685	-155
	Bhiwani (Delivery)	4754	4910	-156
	Dhabwali (Loose)	4474	4620	-146
	Dhabwali (Delivery)	4670	4795	-125
	Siwani (Loose)	4683	4850	-167
	Ellanabad (Loose)	4600	4742	-142
Gujarat	Deesa (Loose)	4373	4560	-187
	Patan (Loose)	4606	4456	150
	Rajkot (Loose)	4488	4521	-33
	Dhrol(loose)	4333	4200	133
Madhya pradesh	Dabra (Loose)	NA	NA	-
	Guar Gum			
Rajasthan	Jodhpur	11400	11687	-287
	Alwar	11417	11600	-183
Haryana	Sirsa	11300	11410	-110
	Bhiwani	11217	11490	-273
	Dhabwali	11367	11450	-83
	Ellanabad	11308	11520	-212

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	11-Jun-15	4-Jun-15	11-May-15	11-Jun-14
Rajasthan	Jodhpur (Loose)	4750	4900	5025	4800
	Jodhpur(Delivery)	4950	5100	5225	5000
	Sri-Ganganagar(Loose)	4450	4800	4800	4900
	Sri-Ganganagar (Delivery)	4650	5000	5000	5100
	Nagaur (Loose)	4400	4750	4750	4750
	Alwar (loose)	4400	4700	4600	4600
	Churu (Delivery)	4600	4900	4800	5000
	Bikaner (Loose)	4575	4900	4900	4950
	Bikaner (Delivery)	4650	5100	5100	5200
	Khajuwala Bikaner (Loose)	4525	4900	4900	4815
	Khajuwala Bikane(Delivery)	4706	5096	5096	5008
	Nokha(Loose)	NA	4850	4750	4850
	Nokha (Delivery)	NA	5025	4921	5025
	Hanumangarh (Loose)	4500	4650	NA	4900
	Hanumangarh (Delivery)	4700	4900	NA	5100
Haryana	Adampur (Loose)	4550	4825	4800	4800
	Adampur (Delivery)	4750	5000	5000	5000
	Sirsa (Loose)	4450	4750	4825	5050
	Bhiwani (Delivery)	4700	4800	5000	4970
	Dhabwali (Loose)	4370	4700	NA	4850
	Dhabwali (Delivery)	4570	4900	NA	5000
	Siwani (Loose)	4600	4950	5000	4950
	Ellanabad (Loose)	4525	4850	4800	4900
Gujarat	Deesa (Loose)	NA	4605	NA	4505
	Patan (Loose)	4460	4675	4600	4630
	Rajkot (Loose)	4425	4625	4550	4575
	Dhrol(loose)	NR	NA	4415	NR
Madhya pradesh	Dabra (Loose)	NA	NA	NA	4200
Guar Gum					
Rajasthan	Jodhpur	11300	12000	19200	14100
	Alwar	11300	11800	12000	14200
Haryana	Sirsa	11000	11600	11800	13000
	Bhiwani	11300	12000	11900	14300
	Dhabwali	11200	11850	NA	14150

	Ellanabad	11150	11700	11900	14200
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### Guar Cumulative Arrivals in Key Centers:

Centre	Weekly Arrivals (Quintals)			Change
		5th June to 11th June 15	30 <sup>th</sup> May to 4th June 15	
Rajasthan	Jodhpur	NA	NA	-
	Sri-Ganganagar	6300	3400	2900
	Nagaur	1300	1750	-450
	Alwar	2000	2500	-500
	Churu	2400	2100	300
	Bikaner	3700	3500	200
	Khajuwala Bikaner	2900	2100	800
	Nokha	900	550	350
	Hanumangarh	550	1400	-850
Haryana	Adampur	7500	6400	1100
	Sirsa	5900	5300	600
	Bhiwani	10000	11000	-1000
	Dhabwali	1700	1400	300
	Siwani	3500	4100	-600
	Ellanabad	2400	1950	450
Gujarat	Deesa	38	139	-101
	Patan	530	349	181
	Rajkot	3485	3400	85
	Dhrol	65	107	-42
Madhya pradesh	Dabra	NA	NA	-
Total Arrival		55168	51445	3723



Commodity: Guar Seed 10MT  
Contract: July

Exchange: NCDEX  
Expiry: July 20, 2015

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

GUAR SEED 1507(NCGRS5)2015/06/14 - Weekly B:4616.00 A:4609.00  
O 4752.00 H 4752.00 L 4609.00 C 4609.00 V 25,680 I 41,280 -192 -4.00%  
EMA(9) 4818.3 (18) 4818.3



### Technical Commentary:

- Guar prices are likely to trade down.
- RSI is hovering down in neutral region.
- Last candlestick depicts bearishness.

### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	July	4405	4594	4801	4990	5178
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	July	<b>Sell</b>	Below 4755	4655	4605	4815



Commodity: Guar Gum  
Contract: July

Exchange: NCDEX  
Expiry: July 20, 2015

### Guar Gum (July Weekly Chart)



#### Technical Commentary:

- Guar gum prices are likely to trade down.
- RSI is hovering down at neutral region
- Last candlestick depicts bearishness.

#### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	July	10566	10893	11360	11686	12013
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	<b>Sell</b>	11310	11110	11010	11430

### **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 is delayed 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. Also, exports are falling for guar gum powder on Month on month basis due to lackluster demand from overseas.

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