

**Domestic Market Recap:**

- Guar prices declined sharply in key markets due to weak demand and good rainfall specially in guar growing belt which increased the prospects of good sowing for the coming marketing year.
- As per our previous expectations, prices of guar seed fall to Rs 4300. We expect prices to fall further in the very short term.
- Guar seed sowing have started in Haryana and irrigated areas of Rajasthan like Ganganagar and Hanumangarh and sowing likely to increase in these respective areas compared to last year. Guar seed crop likely to replace the cotton crop which is a substitute crop of guar seed in these regions.
- 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.
- 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 declined sharply 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 (~9600 bags) compared to prior week ~7500 bags.

Similarly, In Ganganagar market, arrivals have decreased last week upto 4100 bags which is higher compared to prior week arrivals data i.e. 6300 bags.

### Export and Import Scenario

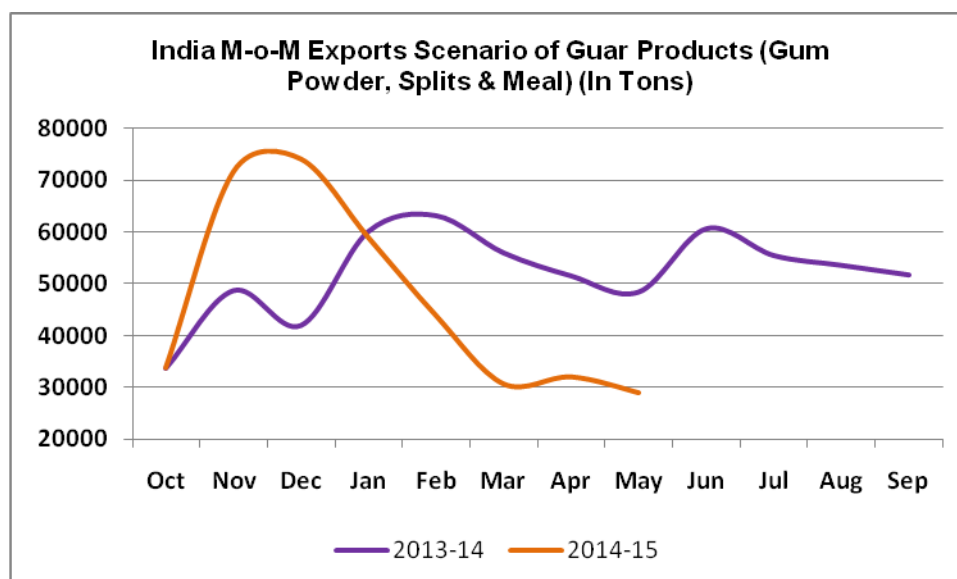
India has exported 29088 tons of Guar Products (Gum, Splits & Meal) in the month of May 2015 which is lower export figures compared to last year. Out of the total guar exports, 5243 tons of Guar gum, 4042 tons of Splits and 22689 tons of Guar splits exported in May 2015.

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:

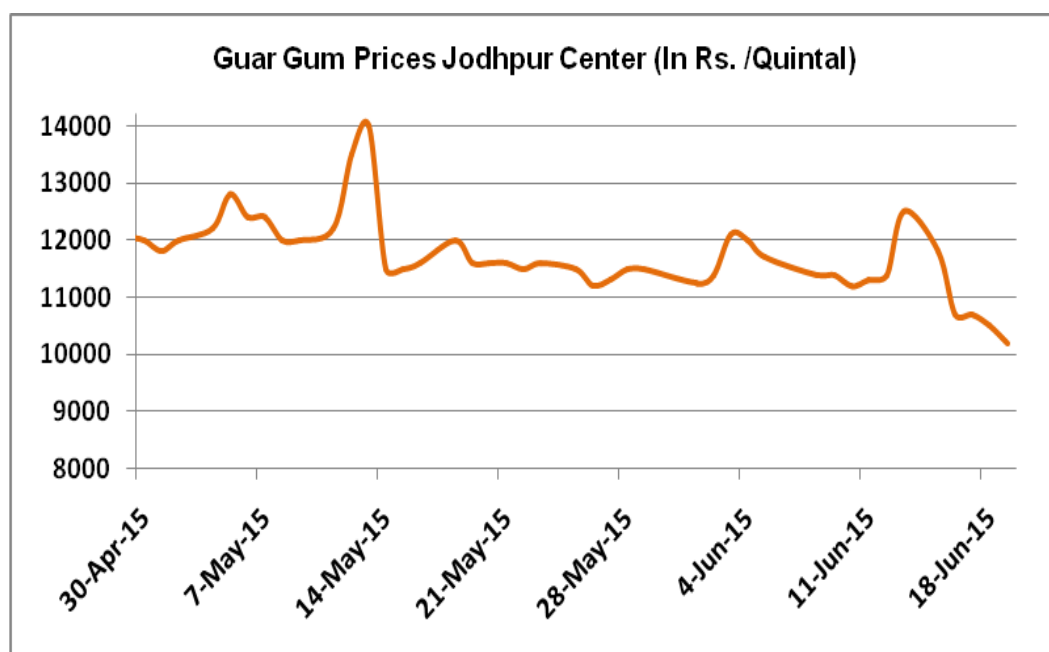
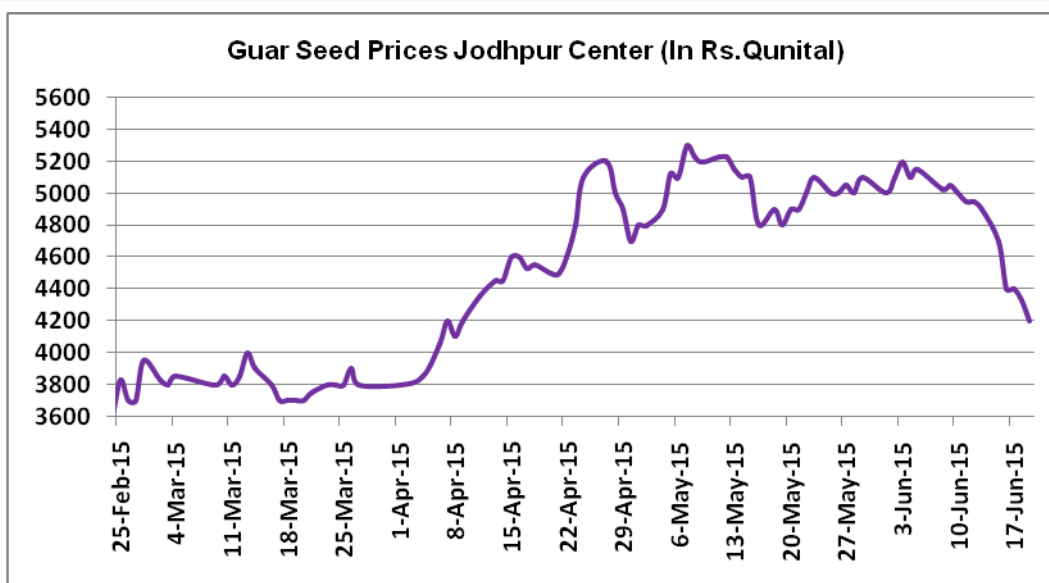
On export front, demands of guar products have decreased in May. Also, demand of guar products among major importers has decreased. Major energy firms decreased their drilling operations in rigs as reported.

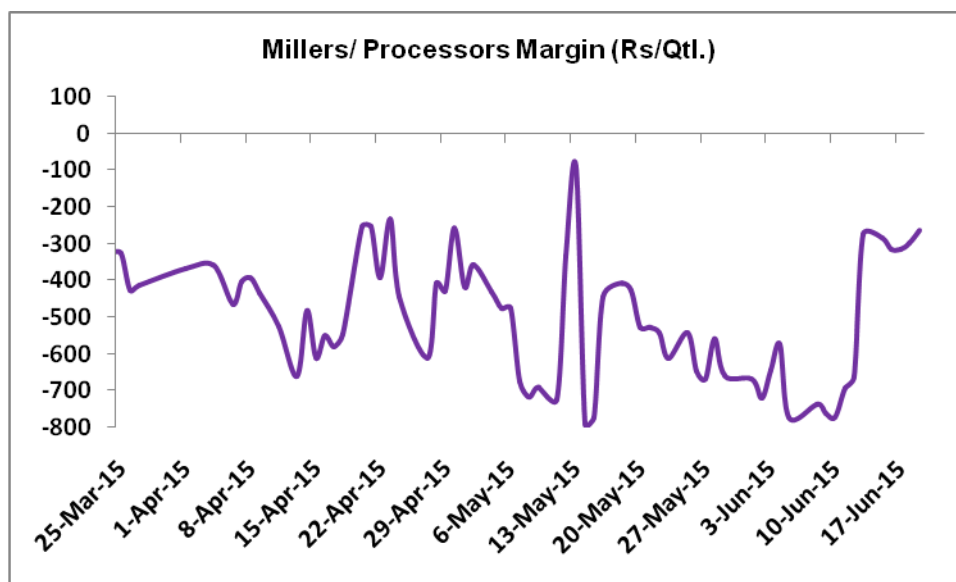
Below are the Rupee Monthly movement and its impact on monthly guar products export figures.



### Price Scenario

In the third week of June, the average price of guar seed declined by 10% to Rs.4487/Qtl compared to prior week. Also, guar gum prices declined last week by 2% to Rs.11066/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 increased sharply compared to previous week. In the third week of June 2015, average crush margin stood at Rs. -292/Quintal which were -725 per quintal last week. Higher degree of decline in guar seed prices compared to guar gum prices led the margin up compared to last week.

**Guar By – Products Weekly Average Prices:**

Commodity	Centre	12th June to 18th June 15	5th June to 11th June 15	Change
Churi	Jodhpur	1554	1450	104
Korma	Jodhpur	1792	1875	-83
Churi	Sri-Ganganagar	1388	1388	Unch
Korma	Sri-Ganganagar	1800	1800	Unch
Prices in Rs/75kg				

**Guar Export Weekly Average Prices:**

Commodity	Variety	12th June to 18th June 15	5th June to 11th June 15	Change
Guargum Split		1780	1746	34
Guargum Powder	200 Mesh 5000 CPS	2092	2058	34
	200 Mesh 3500 CPS	2014	1980	34
Guargum Meal	40%	312	318	-6
	50%	281	391	-110
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	12th June to 18th June 15	5th June to 11th June 15	
<b>Rajasthan</b>	Jodhpur (Loose)	4413	4835	<b>-423</b>
	Jodhpur(Delivery)	4613	5035	<b>-423</b>
	Sri-Ganganagar(Loose)	4342	4592	<b>-250</b>
	Sri-Ganganagar (Delivery)	4542	4792	<b>-250</b>
	Nagaur (Loose)	4289	4500	<b>-211</b>
	Alwar (loose)	4275	4483	<b>-208</b>
	Churu (Delivery)	4467	4692	<b>-225</b>
	Bikaner (Loose)	4346	4638	<b>-292</b>
	Bikaner (Delivery)	4479	4813	<b>-333</b>
	Khajuwala Bikaner (Loose)	4367	4629	<b>-263</b>
	Khajuwala Bikane(Delivery)	4541	4814	<b>-273</b>
	Nokha(Loose)	4367	4664	<b>-297</b>
	Nokha (Delivery)	4524	4832	<b>-308</b>
	Hanumangarh (Loose)	4290	4425	<b>-135</b>
	Hanumangarh (Delivery)	4490	4625	<b>-135</b>
<b>Haryana</b>	Adampur (Loose)	4404	4648	<b>-244</b>
	Adampur (Delivery)	4583	4848	<b>-265</b>
	Sirsa (Loose)	4345	4530	<b>-185</b>
	Bhiwani (Delivery)	4533	4754	<b>-221</b>
	Dhabwali (Loose)	4249	4474	<b>-225</b>
	Dhabwali (Delivery)	4433	4670	<b>-238</b>
	Siwani (Loose)	4479	4683	<b>-204</b>
	Ellanabad (Loose)	4353	4600	<b>-247</b>
<b>Gujarat</b>	Deesa (Loose)	4162	4373	<b>-211</b>
	Patan (Loose)	4319	4606	<b>-287</b>
	Rajkot (Loose)	4267	4488	<b>-221</b>
	Dhrol(loose)	4208	4333	<b>-126</b>
<b>Madhya pradesh</b>	Dabra (Loose)	NR	NR	-
	<b>Guar Gum</b>			
<b>Rajasthan</b>	Jodhpur	11267	11400	<b>-133</b>
	Alwar	10967	11417	<b>-450</b>
<b>Haryana</b>	Sirsa	10750	11300	<b>-550</b>
	Bhiwani	10900	11217	<b>-317</b>
	Dhabwali	10900	11367	<b>-467</b>
	Ellanabad	10792	11308	<b>-517</b>

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	18-Jun-15	11-Jun-15	18-May-15	18-Jun-14
Rajasthan	Jodhpur (Loose)	4125	4750	4700	4800
	Jodhpur(Delivery)	4325	4950	4900	5000
	Sri-Ganganagar(Loose)	4200	4450	4725	4900
	Sri-Ganganagar (Delivery)	4400	4650	4925	5100
	Nagaur (Loose)	4100	4400	4650	4600
	Alwar (loose)	4100	4400	4650	4600
	Churu (Delivery)	4300	4600	4850	5000
	Bikaner (Loose)	4175	4575	4750	4950
	Bikaner (Delivery)	4300	4650	4950	5100
	Khajuwala Bikaner (Loose)	4150	4525	4740	4870
	Khajuwala Bikaner(Delivery)	4316	4706	4930	5065
	Nokha(Loose)	4150	NA	4700	4800
	Nokha (Delivery)	4299	NA	4869	4973
	Hanumangarh (Loose)	4200	4500	NA	4700
	Hanumangarh (Delivery)	4400	4700	NA	4900
Haryana	Adampur (Loose)	4300	4550	4850	4900
	Adampur (Delivery)	4500	4750	5050	5100
	Sirsa (Loose)	4200	4450	4780	4800
	Bhiwani (Delivery)	4350	4700	5000	4700
	Dhabwali (Loose)	4150	4370	NA	4900
	Dhabwali (Delivery)	4250	4570	NA	5100
	Siwani (Loose)	4300	4600	4950	4950
	Ellanabad (Loose)	4200	4525	4765	4950
Gujarat	Deesa (Loose)	4040	NA	4575	4585
	Patan (Loose)	4500	4460	NA	4540
	Rajkot (Loose)	4150	4425	4575	4610
	Dhrol(loose)	4100	NR	4450	NR
Madhya pradesh	Dabra (Loose)	NA	NA	NA	4200
Guar Gum					
Rajasthan	Jodhpur	10500	11300	12000	14000
	Alwar	10700	11300	11800	14000
Haryana	Sirsa	10400	11000	NA	13000
	Bhiwani	10400	11300	11750	13500
	Dhabwali	10600	11200	NA	14100

	Ellanabad	10400	11150	11700	14000
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### Guar Cumulative Arrivals in Key Centers

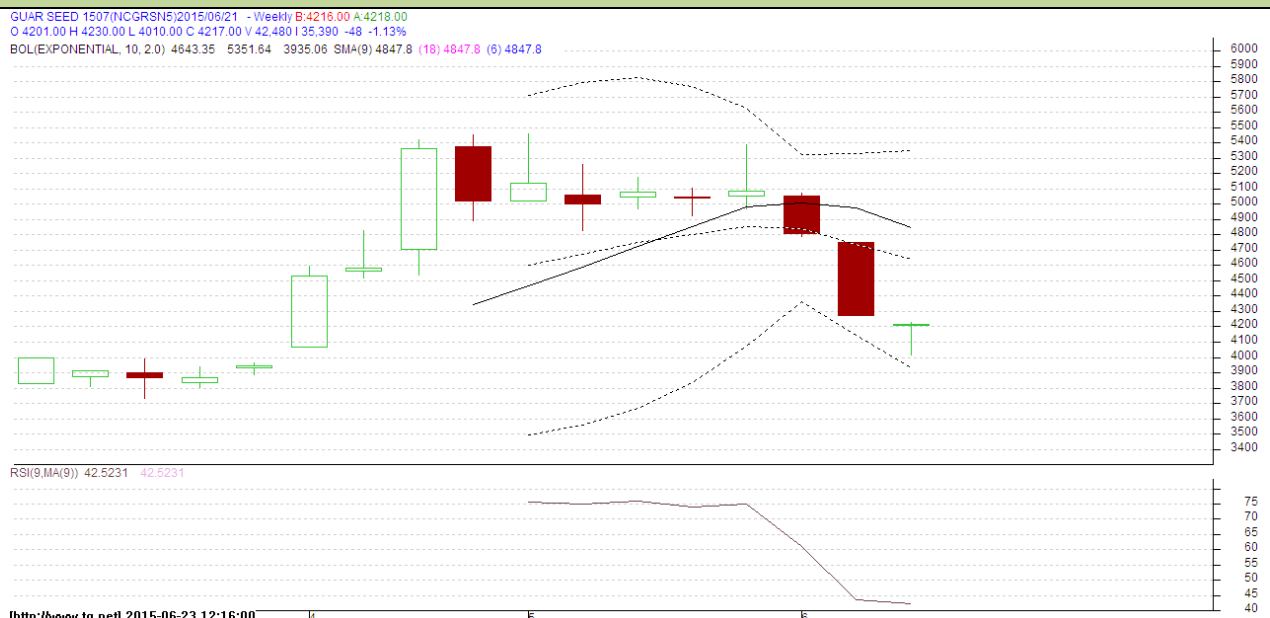
Centre	Weekly Arrivals (Quintals)			Change
		12th June to 18th June 15	5th June to 11th June 15	
Rajasthan	Jodhpur	350	NR	-
	Sri-Ganganagar	4100	6300	-2200
	Nagaur	1600	1300	300
	Alwar	550	2000	-1450
	Churu	1200	2400	-1200
	Bikaner	1850	3700	-1850
	Khajuwala Bikaner	1850	2900	-1050
	Nokha	1500	900	600
	Hanumangarh	665	550	115
Haryana	Adampur	9600	7500	2100
	Sirsa	4400	5900	-1500
	Bhiwani	5700	10000	-4300
	Dhabwali	1525	1700	-175
	Siwani	3800	3500	300
	Ellanabad	1800	2400	-600
Gujarat	Deesa	236	38	198
	Patan	1077	530	547
	Rajkot	2285	3485	-1200
	Dhrol	35	65	-30
Madhya pradesh	Dabra	NR	NR	-
Total Arrival		44123	55168	-11045



**Commodity: Guar Seed 10MT**  
**Contract: July**

**Exchange: NCDEX**  
**Expiry: July 20, 2015**

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



### Technical Commentary:

- Guar prices are consolidating after making new contract highs.
- However, RSI is hovering near to overbought region.
- Last candlestick depicts bearishness.

### Strategy: Buy

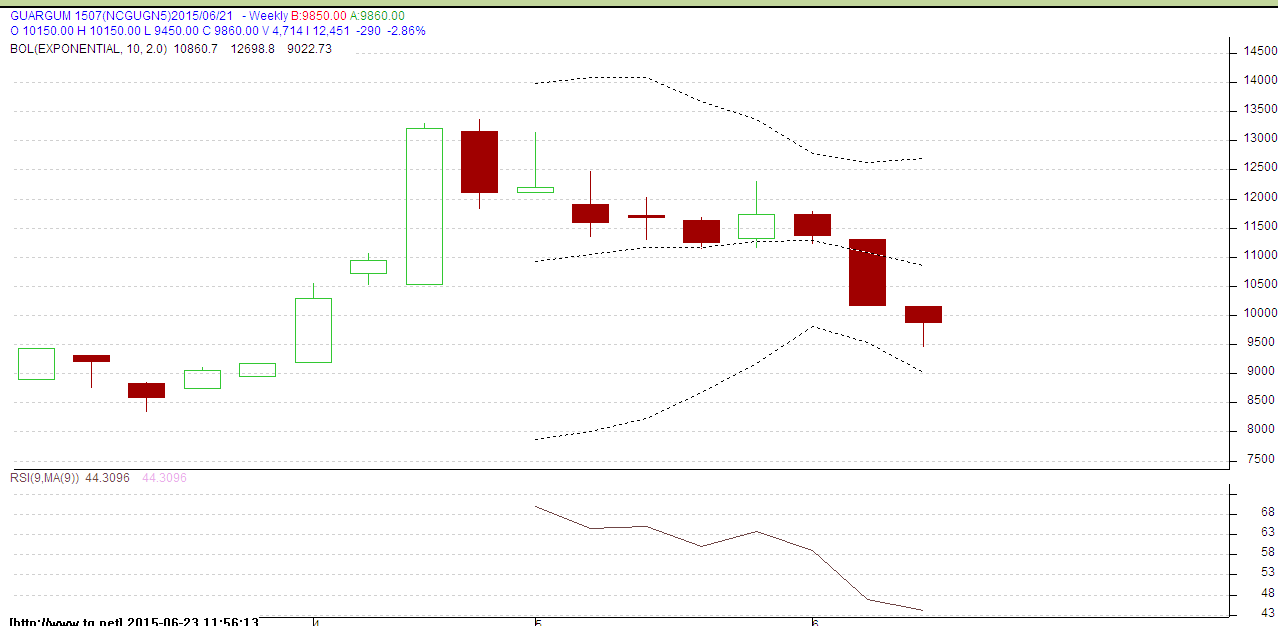
Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	July	3714	3800	4265	4500	4750
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	July	Buy	Above 4100	4300	4400	3980



Commodity: Guar Gum  
Contract: July

Exchange: NCDEX  
Expiry: July 20, 2015

### Guar Gum (July Weekly Chart)



#### 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: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	July	6423	8340	10150	10848	11440
Weekly Trade Call``			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	Buy	Above 9700	10100	10300	9460

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

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