

**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. However, monsoon rainfall plays a crucial role for guar seed prices in future.
- Pure speculation by punters led the prices up of guar seed last week. Considering expected lower monsoon rainfall in the next month, prices could fire upside upto Rs 5000 per quintal.
- Weather forecasters are expecting less rainfall or dry spell in next month which will likely support the prices of guar seed in the coming month.
- 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.

**Current Market Dynamics**

Guar seed average prices declined sharply last week but recover upto some extent till later half. Market already discount Lower monsoon expectations for July month and recover around 50% of the decline in a week. We expect prices to surge in the coming period as expected.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (~5400 bags) compared to prior week ~9600 bags.

Similarly, In Ganganagar market, arrivals have decreased last week upto 2900 bags compared to prior week arrivals data i.e.4100 bags.

## Export and Import Scenario

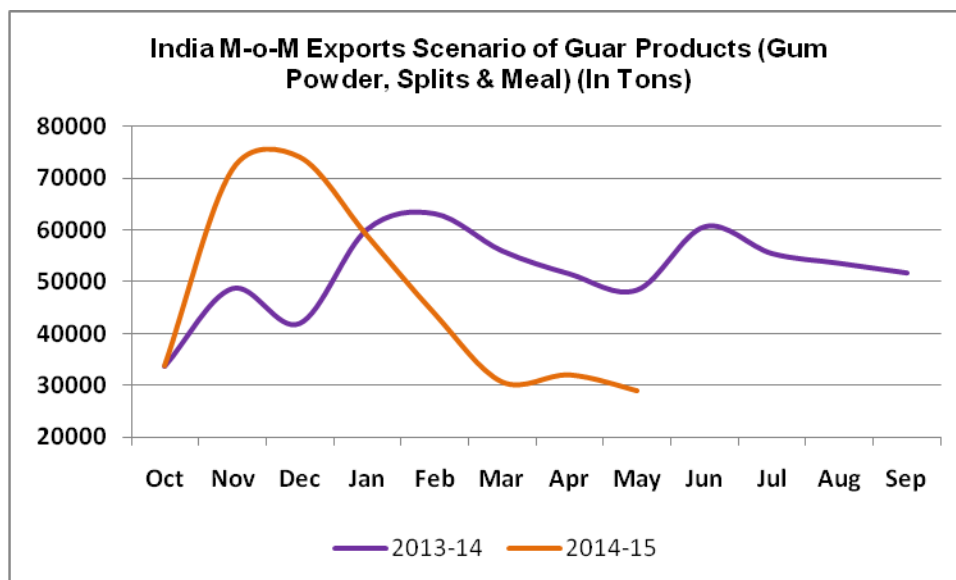
India has exported 29088 tons of Guar Products (Gum, Splits & Meal) in the month of May 2015 which is lower export figures compared to last year. Out of the total guar exports, 5243 tons of Guar gum, 4042 tons of Splits and 22689 tons of Guar splits exported in May 2015.

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:

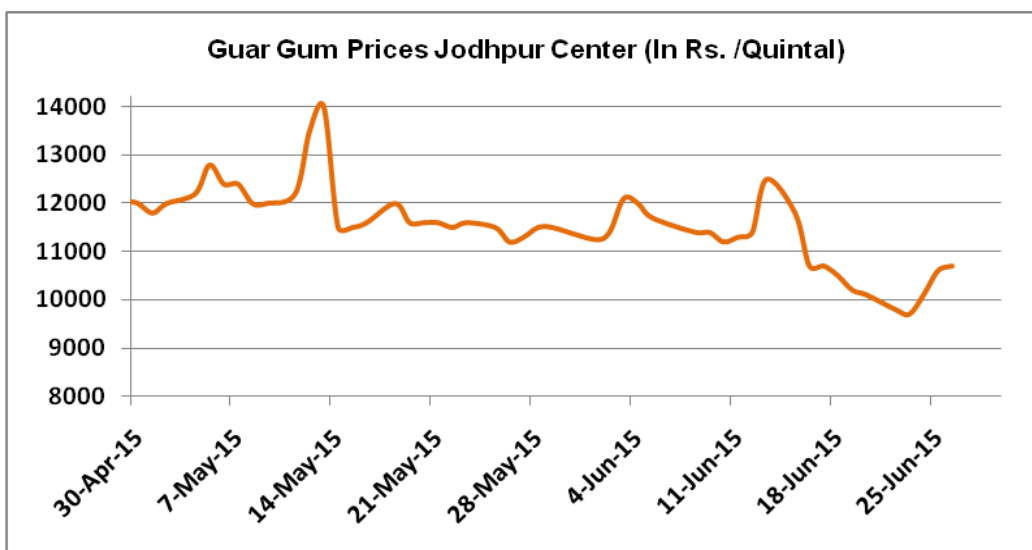
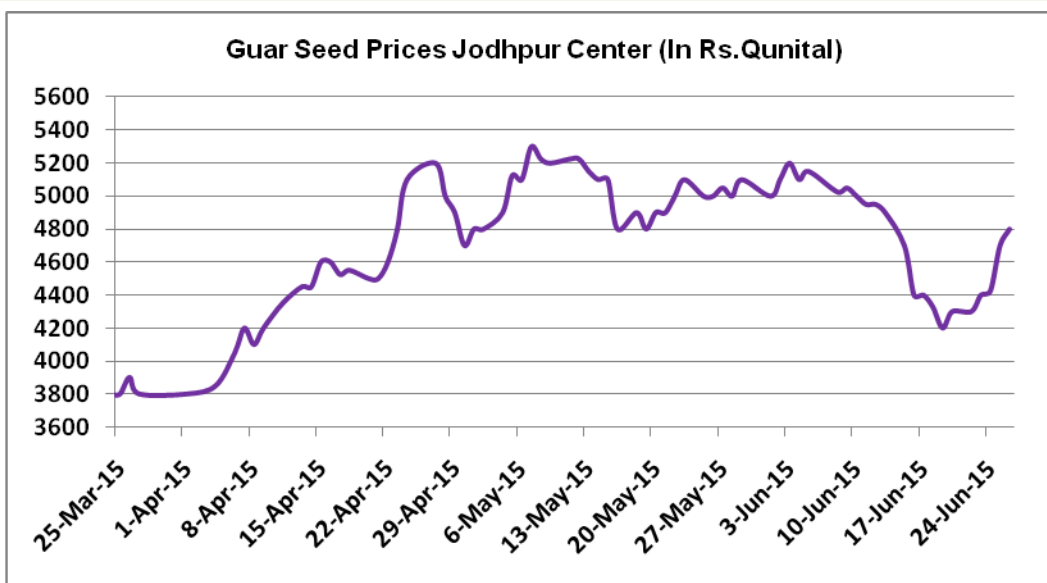
On export front, demands of guar products have decreased in May. Also, demand of guar products among major importers has decreased. Major energy firms decreased their drilling operations in rigs as reported.

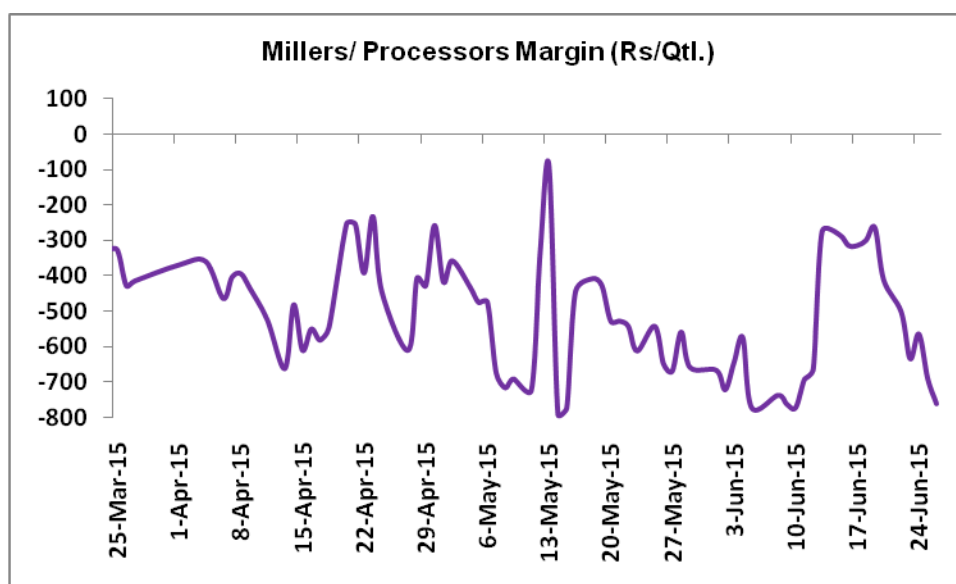
Below are the Rupee Monthly movement and its impact on monthly guar products export figures.



## Price Scenario

In the fourth week of June, the average price of guar seed remained same at Rs.4487/Qtl compared to prior week. However, guar gum prices declined last week by 8% to Rs.10166/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 sharply compared to previous week. In the fourth week of June 2015, average crush margin stood at Rs. -594/Quintal which were -292 per quintal last week. Higher degree of decline in guar gum prices compared to guar seed prices led the margin down compared to last week.

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

Commodity	Centre	19th June to 25th June 15	12th June to 18th June 15	Change
Churi	Jodhpur	1504	1554	-50
Korma	Jodhpur	1779	1792	-13
Churi	Sri-Ganganagar	1392	1388	4
Korma	Sri-Ganganagar	1782	1800	-18
Prices in Rs/75kg				

**Guar Export Weekly Average Prices:**

Commodity	Variety	19th June to 25th June 15	12th June to 18th June 15	Change
Guargum Split		1603	1780	-177
Guargum Powder	200 Mesh 5000 CPS	1918	2092	-174
	200 Mesh 3500 CPS	1839	2014	-175
Guargum Meal	40%	309	312	-3
	50%	359	281	78
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	19th June to 25th June 15	12th June to 18th June 15	
Rajasthan	Jodhpur (Loose)	4188	4413	-225
	Jodhpur(Delivery)	4388	4613	-225
	Sri-Ganganagar(Loose)	4048	4342	-294
	Sri-Ganganagar (Delivery)	4238	4542	-304
	Nagaur (Loose)	3991	4289	-298
	Alwar (loose)	3966	4275	-309
	Churu (Delivery)	4166	4467	-301
	Bikaner (Loose)	4118	4346	-228
	Bikaner (Delivery)	4309	4479	-170
	Khajuwala Bikaner (Loose)	4090	4367	-277
	Khajuwala Bikaner(Delivery)	4254	4541	-287
	Nokha(Loose)	4104	4367	-263
	Nokha (Delivery)	4252	4524	-272
	Hanumangarh (Loose)	4083	4290	-207
	Hanumangarh (Delivery)	4283	4490	-207
Haryana	Adampur (Loose)	4116	4404	-288
	Adampur (Delivery)	4316	4583	-267
	Sirsa (Loose)	4034	4345	-311
	Bhiwani (Delivery)	4183	4533	-350
	Dhabwali (Loose)	3975	4249	-274
	Dhabwali (Delivery)	4191	4433	-242
	Siwani (Loose)	4220	4479	-259
	Ellanabad (Loose)	4120	4353	-233
Gujarat	Deesa (Loose)	4005	4162	-157
	Patan (Loose)	4220	4319	-99
	Rajkot (Loose)	4143	4267	-124
	Dhrol(loose)	3906	4208	-302
Madhya pradesh	Dabra (Loose)	NR	NR	-
	Guar Gum			
Rajasthan	Jodhpur	10083	11267	-1184
	Alwar	10033	10967	-934
Haryana	Sirsa	9933	10750	-817
	Bhiwani	10075	10900	-825
	Dhabwali	9966	10900	-934
	Ellanabad	10091	10792	-701

### Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	25-Jun-15	18-Jun-15	25-May-15	25-Jun-14
Rajasthan	Jodhpur (Loose)	4500	4750	4800	5300
	Jodhpur(Delivery)	4700	4950	5000	5500
	Sri-Ganganagar(Loose)	4175	4450	4600	5200
	Sri-Ganganagar (Delivery)	4275	4650	4800	5350
	Nagaur (Loose)	4150	4400	4750	5325
	Alwar (loose)	4200	4400	NA	5100
	Churu (Delivery)	4400	4600	NA	NA
	Bikaner (Loose)	4280	4575	4700	5350
	Bikaner (Delivery)	4480	4650	4900	5600
	Khajuwala Bikaner (Loose)	4340	4525	4700	5300
	Khajuwala Bikaner(Delivery)	4514	4706	4888	5512
	Nokha(Loose)	4300	NA	4700	5350
	Nokha (Delivery)	4455	NA	4869	5543
	Hanumangarh (Loose)	4100	4500	NA	5400
	Hanumangarh (Delivery)	4300	4700	NA	5600
Haryana	Adampur (Loose)	4300	4550	4700	5300
	Adampur (Delivery)	4500	4750	4900	5500
	Sirsa (Loose)	4200	4450	4625	NA
	Bhiwani (Delivery)	4500	4700	4900	5500
	Dhabwali (Loose)	4000	4370	4600	5300
	Dhabwali (Delivery)	4200	4570	4800	5500
	Siwani (Loose)	4450	4600	4825	5400
	Ellanabad (Loose)	4400	4525	4850	5300
Gujarat	Deesa (Loose)	4025	NA	4500	5125
	Patan (Loose)	4025	4460	NA	5005
	Rajkot (Loose)	4255	4425	4520	5150
	Dhrol(loose)	3805	NR	4425	
Madhya pradesh	Dabra (Loose)	NA	NA	NA	NA
Guar Gum					
Rajasthan	Jodhpur	10600	11300	11500	15600
	Alwar	10500	11300	NA	NA
Haryana	Sirsa	10300	11000	11300	NA
	Bhiwani	10600	11300	11300	15800
	Dhabwali	10000	11200	11300	15400
	Ellanabad	10700	11150	11450	15300

**Guar Cumulative Arrivals in Key Centers**

Centre	Weekly Arrivals (Quintals)			Change
		19th June to 25th June 15	12th June to 18th June 15	
Rajasthan	Jodhpur	200	350	-150
	Sri-Ganganagar	2900	4100	-1200
	Nagaur	1800	1600	200
	Alwar	550	550	Unch
	Churu	1600	1200	400
	Bikaner	2200	1850	350
	Khajuwala Bikaner	1450	1850	-400
	Nokha	1650	1500	150
	Hanumangarh	220	665	-445
Haryana	Adampur	5400	9600	-4200
	Sirsa	2300	4400	-2100
	Bhiwani	2100	5700	-3600
	Dhabwali	720	1525	-805
	Siwani	2600	3800	-1200
	Ellanabad	2575	1800	775
Gujarat	Deesa	1664	236	1428
	Patan	408	1077	-669
	Rajkot	1500	2285	-785
	Dhrol	43	35	8
Madhya pradesh	Dabra	NR	NR	-
Total Arrival		31880	44123	-12243

**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 bullishness.

### Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	July	3725	3875	4265	5160	5405
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	July	Buy	Above 4400	4900	5100	4100



Commodity: Guar Gum  
Contract: July

Exchange: NCDEX  
Expiry: July 20, 2015

## Guar Gum (July Weekly Chart)

GUARGUM 1507(NCUGN5)2015/06/28 - Weekly B:10820.00 A:10830.00  
O:10880.00 H:11000.00 L:10610.00 C:10820.00 V:7,427 | 9,957 -80 -0.73%  
BOL(EXPONENTIAL, 10, 2.0) 11008.0 12190.2 9825.88



### Technical Commentary:

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

### Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	July	8340	9427	10900	11440	12300
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	Buy	Above 10300	11000	11300	9900

**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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