

### Domestic Market Summary:

- Guar prices declined sharply last week due to weak demand and speculation.
- Heavy rainfall reported in various parts of west Rajasthan which raised a concern of damage of guar seed crop sown last month.
- Barmer and Jaisalmer got good rainfall yesterday which enable farmers to grow guar seed in their respective fields. Reportedly, recent rainfall covers 70% land in Barmer region and 40% land of Jaisalmer district.
- Exports figures for guar gum, splits and meal are not very encouraging at the moment. Till the end of second week of July, India has exported 10743 tons of guar byproducts. With falling crude oil prices, exports of guar gum and powder is tumbling. Considering current W-o-W exports, we expect around 23000 tons of guar products export in the month of July which is approx. 58% down compared to prior year.
- India is likely to export around 3.75 lac tons of guar gum and powder (equivalent to 13.03 lac tons of guar seed) in 2014-15. India has exported 3.2 lac tons of guar gum and powder till June 2015 as reported.
- Standing Guar Seed Crop is likely to benefit by recent showers in Haryana and North Rajasthan (Hanumangarh and Ganganagar region). Farmers in Haryana and North Rajasthan have sown guar seed crop on time due to good precipitation. As far as crop condition is concerned, it is good at present. Crop is now 10-30 days old based on the time of rainfall in that particular region.
- Farmers in Haryana have increased guar sowing in their respective fields owing to good rainfall last month. Lower remuneration in Kapas and lower labor and cost of cultivation in guar seed crop urge farmers of Haryana to shift towards guar seed.

### Next Week Price Projections:

Prices are likely to fall Rs 200-300 per quintal in the next week. In the Jodhpur market, loose prices are trading at Rs 3885 and are likely to fall upto Rs 3500-3550 per quintal.

In Ganganagar region, prices are trading at Rs 3858 per quintal which could fall upto Rs 3650-3600 per quintal as expected.

## Current Market Dynamics

Guar seed average prices declined sharply last week. Good rainfall in Barmer, Jodhpur and Northern parts of Gujarat and dull demand lowered down the market sentiments.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (~3300 bags) compared to previous week ~5500 bags. With decline in prices, arrivals also decreased as farmers and traders are unwilling to sell guar seed below Rs 4000 per quintal.

Similarly, In Ganganagar market, arrivals have increased slightly last week upto 3300 bags compared to previous week arrivals data i.e.3100 bags.

## Export and Import Scenario

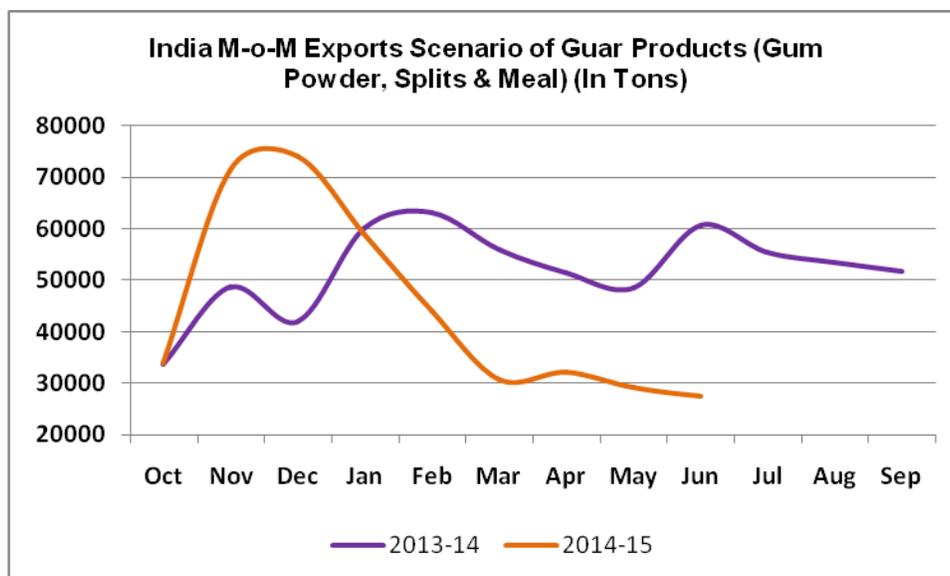
India has exported 27585 tons of Guar Products (Gum, Splits & Meal) in the month of June 2015 which is lower export figures compared to last year. Out of the total guar exports, 18330 tons of Guar gum, 4160 tons of Splits and 5095 tons of Guar splits exported in June 2015.

Notably, recent month guar exports fell by 55% compared to exports of last year same period. 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 are also the major influencing factors for recent decline in guar gum exports.

### Demand Side of Guar and Guar Gum:

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

Below are the monthly guar products exports month wise and its comparison to last year month wise guar products exports.



### Guar Seed Supply & Demand Position

Domestic Guar Seed Supply & Demand Situation (Figures In Lakh Metric Tonnes)		
Item	2014-15	2015-16
<b>Supply</b>		
Opening Stock	6.9	6.5
Production	17.6	16
Import	0	0
<b>Total Availability</b>	<b>24.5</b>	<b>22.5</b>
<b>Demand</b>		
<b>Total Crushing</b>	<b>18</b>	<b>18</b>
Domestic Consumption (Textile, Food & Chemical Industry)	4.97	4.1
Guar Exports	3.75	4
Exports (Guar seed Equivalent)	13.03	13.9
<b>Carry Forward (Farmers and Traders Holdings)</b>	<b>6.5</b>	<b>4.5</b>

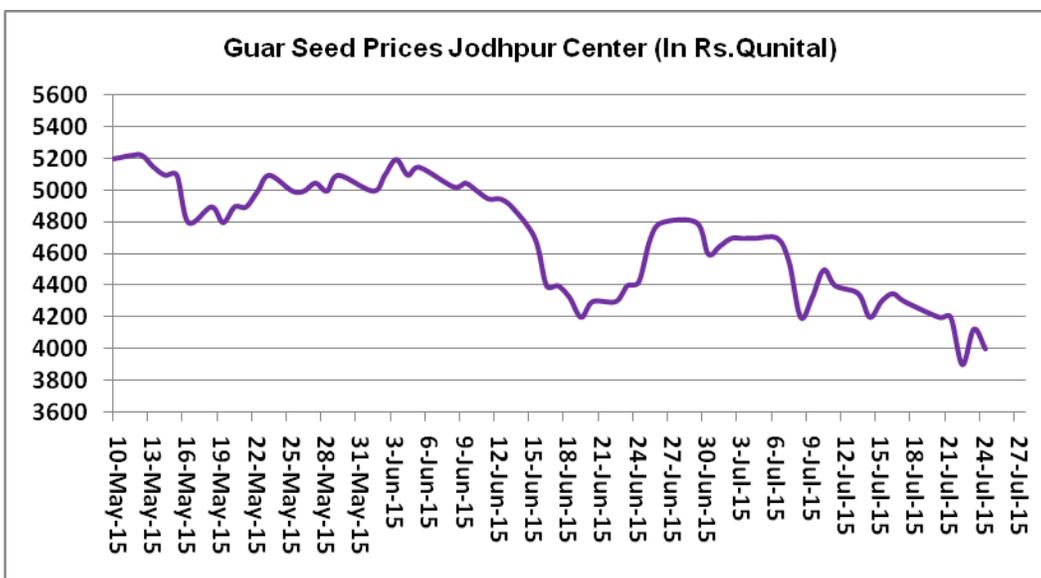
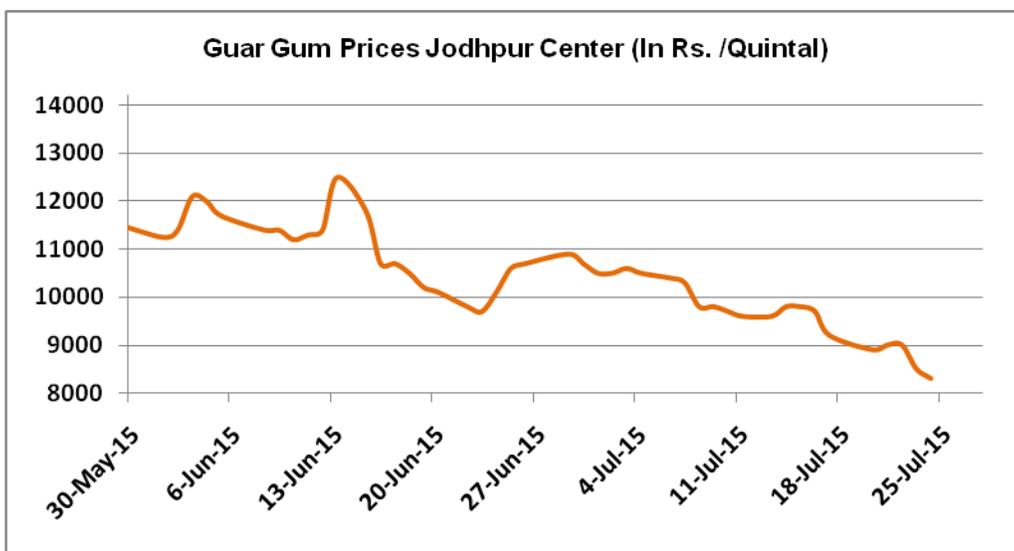
Guar seed opening stock for the marketing year 2015-16 is likely to settle at 6.5 lac tons which is slightly less than last year.

As far as production is concerned, we expect 16 lac tons of guar seed production in 2015-16 which is less compared to last year due to dry belt in Rajasthan and Gujarat. However, production estimates are preliminary and could change according to weather patterns in the next 1 month.

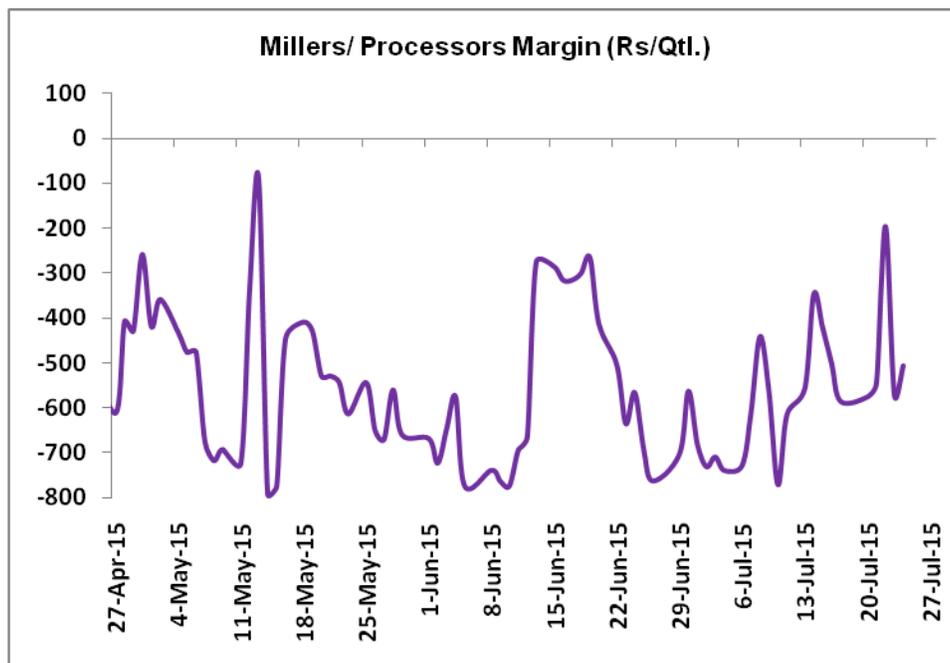
On export front, it is likely to be at higher side for the coming marketing year due to expected increase in crude oil prices.

### Price Scenario

In the third week of July, the average price of guar seed declined by 5.4% to Rs.4085/Qtl compared to previous week. Also, guar gum prices declined last week by 9.1% to Rs.8740/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 has increased compared to previous week. In the fourth week of July 2015, average crush margin stood at Rs. -477/Quintal which were -503 per quintal last week. Increase in Churi and Korma prices led the margin up last week.

### Guar by – Products Weekly Average Prices:

Commodity	Centre	18th July to 24th July 15	11th July to 17th July 15	Change
Churi	Jodhpur	1580	1492	88
Korma	Jodhpur	1860	1775	85
Churi	Sri-Ganganagar	1478	1481	-3
Korma	Sri-Ganganagar	1853	1815	38
Prices in Rs/75kg				

### Guar Export Weekly Average Prices:

Commodity	Variety	18th July to 24th July 15	11th July to 17th July 15	Change
Guargum Split		1395	1524	-129
Guargum Powder	200 Mesh 5000 CPS	1709	1839	-130
	200 Mesh 3500 CPS	1630	1760	-130
Guargum Meal	40%	336	342	-6

	50%	415	410	5
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		18th July to 24th July 15	11th July to 17th July 15	
	<b>Guar Seeds</b>			
Rajasthan	Jodhpur (Loose)	3885	4116	-231
	Jodhpur(Delivery)	4085	4316	-231
	Sri-Ganganagar(Loose)	3858	4031	-173
	Sri-Ganganagar (Delivery)	3992	4230	-238
	Nagaur (Loose)	3710	4050	-340
	Alwar (loose)	3700	3950	-250
	Churu (Delivery)	3900	4150	-250
	Bikaner (Loose)	3810	4080	-270
	Bikaner (Delivery)	3980	4280	-300
	Khajuwala Bikaner (Loose)	3710	4070	-360
	Khajuwala Bikane(Delivery)	3858	4233	-375
	Nokha(Loose)	4004	4049	-45
	Nokha (Delivery)	4148	4195	-47
	Hanumangarh (Loose)	3765	3968	-203
	Hanumangarh (Delivery)	3965	4168	-203
Haryana	Adampur (Loose)	3898	4075	-177
	Adampur (Delivery)	4050	4275	-225
	Sirsa (Loose)	3803	3996	-193
	Bhiwani (Delivery)	3870	4200	-330
	Dhabwali (Loose)	3781	3995	-214
	Dhabwali (Delivery)	4019	4211	-192
	Siwani (Loose)	3930	4150	-220
	Ellanabad (Loose)	3750	4054	-304
Gujarat	Deesa (Loose)	3957	4078	-121
	Patan (Loose)	3834	3957	-123
	Rajkot (Loose)	3977	4103	-126
	Dhrol(loose)	3995	NR	-
Madhya pradesh	Dabra (Loose)	NR	NR	-
	<b>Guar Gum</b>			
Rajasthan	Jodhpur	8740	9617	-877
	Alwar	8600	9600	-1000

Haryana	Sirsa	8650	9600	-950
	Bhiwani	8710	9758	-1048
	Dhabwali	8825	9600	-775
	Ellanabad	8533	9558	-1025

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

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	24-Jul-15	17-Jul-15	24-Jun-15	24-Jul-14
Rajasthan	Jodhpur (Loose)	3800	4100	4225	5350
	Jodhpur(Delivery)	4000	4300	4425	5550
	Sri-Ganganagar(Loose)	NA	3925	4000	5300
	Sri-Ganganagar (Delivery)	NA	4125	4200	5450
	Nagaur (Loose)	3700	4000	3900	5300
	Alwar (loose)	NA	3900	4000	4600
	Churu (Delivery)	NA	4100	4200	5000
	Bikaner (Loose)	3650	3980	4275	5200
	Bikaner (Delivery)	3800	4180	4475	5350
	Khajuwala Bikaner (Loose)	3700	3950	4050	5200
	Khajuwala Bikane(Delivery)	3848	4108	4212	5408
	Nokha(Loose)	3900	3950	4150	5200
	Nokha (Delivery)	4040	4092	4299	5387
	Hanumangarh (Loose)	3650	3900	4100	5100
	Hanumangarh (Delivery)	3850	4100	4300	5300
Haryana	Adampur (Loose)	3800	4000	4125	5200
	Adampur (Delivery)	3900	4200	4325	5400
	Sirsa (Loose)	3700	3925	4000	5000
	Bhiwani (Delivery)	3850	4050	4200	5325
	Dhabwali (Loose)	3650	3850	4000	5300
	Dhabwali (Delivery)	3800	4050	4200	5500
	Siwani (Loose)	3800	4050	4300	5350
	Ellanabad (Loose)	3700	3950	4175	5400
Gujarat	Deesa (Loose)	3930	4090	4000	4950
	Patan (Loose)	4155	3975	4055	4925
	Rajkot (Loose)	NA	4070	NA	5040
	Dhrol(loose)	NA	NR	3905	NA
Madhya pradesh	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>					
Rajasthan	Jodhpur	8300	9200	10100	15000

	Alwar	NA	9400	10000	15000
Haryana	Sirsa	8400	9300	9900	14000
	Bhiwani	8250	9450	10150	15200
	Dhabwali	8500	9300	9900	15000
	Ellanabad	8200	9300	10150	15100

**Guar Cumulative Arrivals in Key Centers**

Weekly Arrivals (Quintals)				
Centre		18th July to 24th July 15	11th July to 17th July 15	Change
Rajasthan	Jodhpur	160	375	-215
	Sri-Ganganagar	1200	3100	-1900
	Nagaur	500	800	-300
	Alwar	200	600	-400
	Churu	200	1400	-1200
	Bikaner	1300	2100	-800
	Khajuwala Bikaner	1000	1300	-300
	Nokha	1250	1450	-200
	Hanumangarh	125	220	-95
Haryana	Adampur	3300	5500	-2200
	Sirsa	2050	2400	-350
	Bhiwani	200	3100	-2900
	Dhabwali	410	1050	-640
	Siwani	2300	2100	200
	Ellanabad	350	1250	-900
Gujarat	Deesa	825	929	-104
	Patan	73	184	-111
	Rajkot	450	1025	-575
	Dhrol	8	NR	-
Madhya pradesh	Dabra	NR	NR	-
<b>Total Arrival</b>		<b>15901</b>	<b>28883</b>	<b>-12982</b>

Commodity: Guar Seed 10MT  
Contract: Oct

Exchange: NCDEX  
Expiry: Oct 20, 2015

**Guar Seed 10MT (Weekly Oct Contract Chart)**



**Technical Commentary:**

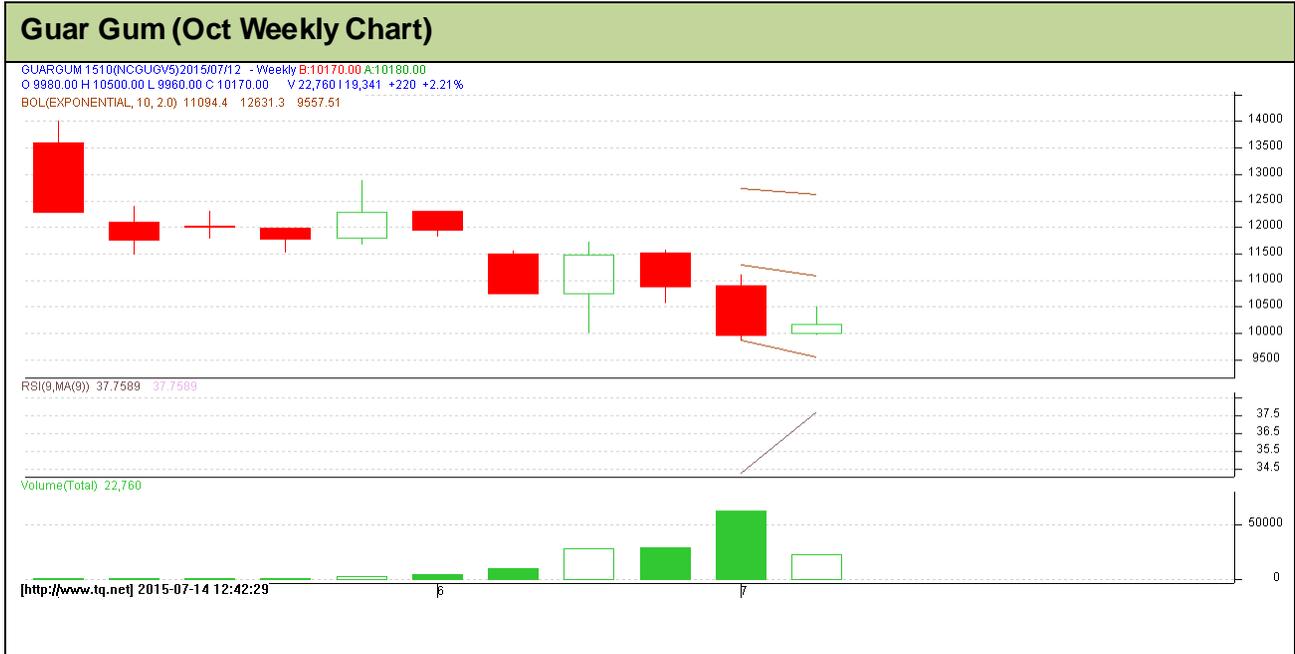
- Guar prices are moving downwards with volume support.
- However, RSI is hovering between neutral and oversold region
- Last candlestick depicts bearishness.

**Strategy: Sell**

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Oct	3050	3200	3807	4486	4927
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Oct	<b>Sell</b>	Below 3800	3500	3350	3980

Commodity: Guar Gum  
Contract: Oct

Exchange: NCDEX  
Expiry: Oct 20, 2015



**Technical Commentary:**

- Guar gum prices are showing weakness.
- However, RSI is hovering at neutral region
- Last candlestick depicts bearishness.

**Strategy: Sell**

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Oct	6500	7500	8650	11440	12300
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Oct	<b>Sell</b>	Below 8400	7800	7500	8760

### Spot Market Outlook:

Guar seed and gum prices continue its downward trend due to weak fundamentals. Higher than normal rainfall especially in West Rajasthan and Gujarat spread the bearish sentiments in the market.

Also, weak crude oil prices also curb any increase in guar seed and gum prices in the near future.

However, if rainfall continues in these parts in the coming days then it could damage the standing crop as expected.

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