

Domestic Market Summary:

- Guar prices declined sharply last week due to weak demand and speculation.
- With fall in prices, arrivals also declined which will restrict sharp decline in prices in near future until new crop hit the market in October month.
- Recent rainfall in Churu district resulted in 10-15% guar seed crop damage as reported. Notably, farmers have sown higher guar seed this year in Churu district despite lower prices.
- Higher degree of decrease in guar gum prices compared to seed led the mills in total disparity. Notably, around 90% of the total guar gum mills are closed at present.
- 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.

Next Week Price Projections:

Prices are likely to fall Rs 100-150 per quintal in the next week. In the Jodhpur market, loose prices are trading at Rs 3829 and are likely to recover upto Rs 3950 per quintal.

In Ganganagar region, prices are trading at Rs 3700 per quintal which could fall upto Rs 3800-3850 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 the market sentiments.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (~3500 bags) compared to previous week ~3900 bags.

Similarly, In Ganganagar market, arrivals have increased last week upto 1000 bags compared to prior week arrivals data i.e.1900 bags.

Export and Import Scenario

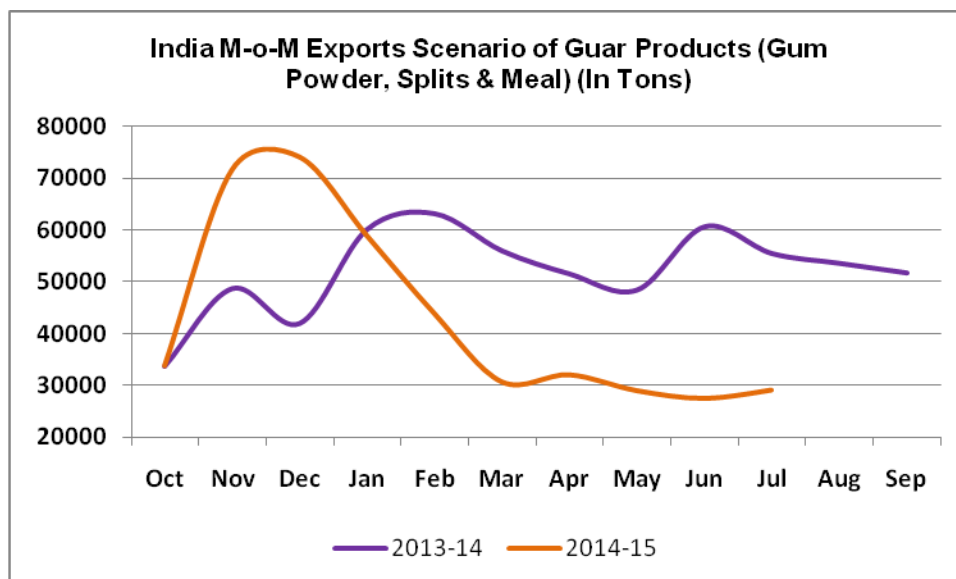
India has exported 29192 tons of Guar Products (Gum, Splits & Meal) in the month of July 2015 which is lower export figures compared to last year. Out of the total guar exports, 19367 tons of Guar gum, 4382 tons of Splits and 5443 tons of Guar meals exported in June 2015.

Notably, in recent month guar exports fell by 47% compared to guar exports during 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 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 July. 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
Supply		
Opening Stock	6.9	6.5
Production	17.6	16.04
Import	0	0
Total Availability	24.5	22.54
Demand		
Total Crushing	18	18
Domestic Consumption (Textile, Food & Chemical Industry)	4.97	4.1
Guar Exports	3.75	4
Exports (Guar seed Equivalent)	13.03	13.9
Carry Forward (Farmers and Traders Holdings)	6.5	4.54

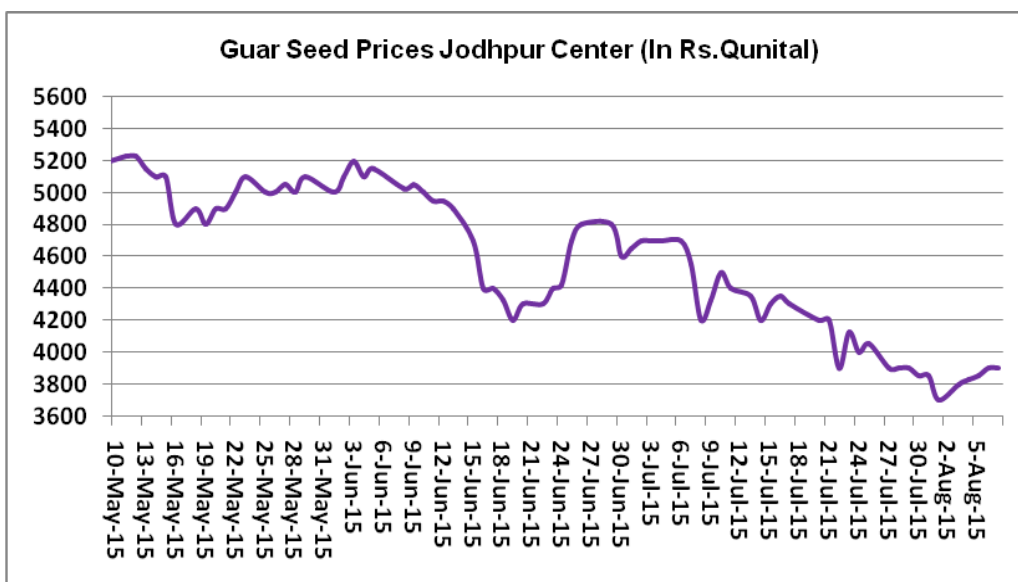
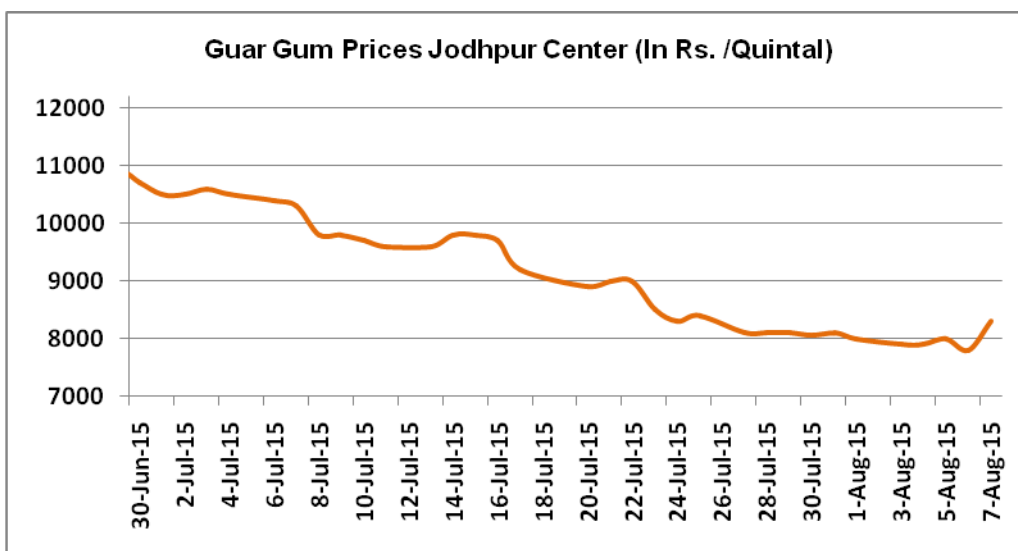
Guar seed opening stock for the marketing year 2015-16 is likely to settle at 6.5 lac tons which is slightly less than last year.

As far as production is concerned, we expect 16.04 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.

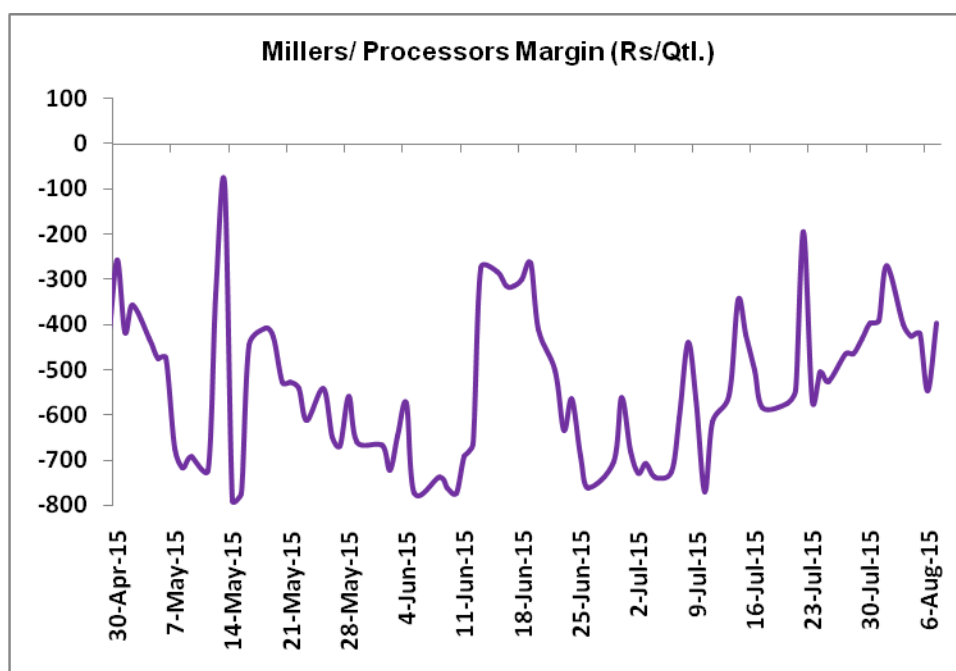
On export front, it is likely to be at higher side for the coming marketing year due to expected increase in crude oil prices.

Price Scenario

In the first week of August, the average price of guar seed declined by 2% to Rs.3829/Qtl compared to previous week. Also, guar gum prices declined last week by 1.9% to Rs.7983/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 improved compared to previous week. In the first week of August 2015, average crush margin improved slightly at Rs. 409/Quintal which was 445 per quintal last week. Higher degree of decline in guar seed prices compared to gum prices led the margin up last week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	1th Aug to 7st Aug 15	25th July to 31st July 15	Change
Churi	Jodhpur	1592	1613	-21
Korma	Jodhpur	1950	1933	17
Churi	Sri-Ganganagar	1344	1382	-38
Korma	Sri-Ganganagar	1834	1807	27
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	1th Aug to 7st Aug 15	25th July to 31st July 15	Change
Guargum Split		1247	1312	-65
Guargum Powder	200 Mesh 5000 CPS	153	1624	-1471
	200 Mesh 3500 CPS	1444	1546	-102

Guargum Meal	40%	332	320	12
	50%	404	404	Unch
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	1th Aug to 7st Aug 15	25th July to 31st July 15	
Rajasthan	Jodhpur (Loose)	3638	3708	-70
	Jodhpur(Delivery)	3829	3908	-79
	Sri-Ganganagar(Loose)	3500	3541	-41
	Sri-Ganganagar (Delivery)	3700	3726	-26
	Nagaur (Loose)	3492	3550	-58
	Alwar (loose)	3520	3600	-80
	Churu (Delivery)	3713	3800	-87
	Bikaner (Loose)	3500	3567	-67
	Bikaner (Delivery)	3644	3714	-70
	Khajuwala Bikaner (Loose)	3513	3583	-70
	Khajuwala Bikaner(Delivery)	3654	3727	-73
	Nokha(Loose)	3518	3742	-224
	Nokha (Delivery)	3644	3876	-232
	Hanumangarh (Loose)	3400	3467	-67
	Hanumangarh (Delivery)	3600	3667	-67
Haryana	Adampur (Loose)	3582	3708	-126
	Adampur (Delivery)	3730	3808	-78
	Sirsa (Loose)	3500	3632	-132
	Bhiwani (Delivery)	3650	3754	-104
	Dhabwali (Loose)	3467	3536	-69
	Dhabwali (Delivery)	3667	3736	-69
	Siwani (Loose)	3658	3730	-72
	Ellanabad (Loose)	3518	3621	-103
Gujarat	Deesa (Loose)	3535	3838	-303
	Patan (Loose)	3527	3523	4
	Rajkot (Loose)	3702	3728	-26
	Dhrol(loose)	3876	3932	-56

Madhya pradesh	Dabra (Loose)	NA	NA	-
	Guar Gum			
Rajasthan	Jodhpur	7983	8142	-159
	Alwar	8080	8000	80
Haryana	Sirsa	7841	8140	-299
	Bhiwani	8025	8471	-446
	Dhabwali	7955	8225	-270
	Ellanabad	7883	8100	-217

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	7-Aug-15	31-Jul-15	7-Jul-15	7-Aug-14
Rajasthan	Jodhpur (Loose)	3700	3650	4350	5125
	Jodhpur(Delivery)	3900	3850	4550	5225
	Sri-Ganganagar(Loose)	3575	Closed	NA	4900
	Sri-Ganganagar (Delivery)	3775	Closed	NA	5150
	Nagaur (Loose)	3450	3750	4100	4900
	Alwar (loose)	3600	3600	4000	4600
	Churu (Delivery)	NR	3800	4200	5000
	Bikaner (Loose)	3625	3450	4200	4950
	Bikaner (Delivery)	3825	3600	4400	5100
	Khajuwala Bikaner (Loose)	3650	3500	4175	4850
	Khajuwala Bikane(Delivery)	3796	3640	4342	5044
	Nokha(Loose)	3600	3600	4150	4850
	Nokha (Delivery)	3730	3730	4299	5024
	Hanumangarh (Loose)	NR	NA	4100	4850
	Hanumangarh (Delivery)	NR	NA	4300	5050
Haryana	Adampur (Loose)	3700	3650	4200	5000
	Adampur (Delivery)	3900	3750	4400	5200
	Sirsa (Loose)	3550	NA	NR	5000
	Bhiwani (Delivery)	3750	3750	4250	5100
	Dhabwali (Loose)	3450	NA	4200	4800
	Dhabwali (Delivery)	3650	NA	4400	5025
	Siwani (Loose)	3775	3750	4275	5050
	Ellanabad (Loose)	3625	3700	4200	5000
Gujarat	Deesa (Loose)	NR	Closed	4300	4750

Madhya pradesh	Patan (Loose)	3675	Closed	4265	4785
	Rajkot (Loose)	3690	3800	4275	4875
	Dhrol(loose)	NR	4000	4255	NA
	Dabra (Loose)	NA	NA	NA	4500
Guar Gum					
Rajasthan	Jodhpur	8300	8100	10300	14500
	Alwar	8400	8000	9600	14600
Haryana	Sirsa	8000	NA	NA	14500
	Bhiwani	8300	8800	9800	14300
	Dhabwali	8125	NA	9800	14400
	Ellanabad	8100	7800	9700	14500

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		1th Aug to 7st Aug 15	25th July to 31st July 15	
Rajasthan	Jodhpur	0	0	Unch
	Sri-Ganganagar	1000	1900	-900
	Nagaur	650	450	200
	Alwar	400	100	300
	Churu	1000	300	700
	Bikaner	1480	1450	30
	Khajuwala Bikaner	990	350	640
	Nokha	1150	900	250
	Hanumangarh	1015	150	865
Haryana	Adampur	3500	3900	-400
	Sirsa	1050	1200	-150
	Bhiwani	1200	1200	Unch
	Dhabwali	270	650	-380
	Siwani	1700	2700	-1000
	Ellanabad	950	810	140
Gujarat	Deesa	65	350	-285
	Patan (Loose)	133	21	112
	Rajkot	1035	800	235
	Dhrol(loose)	23	9	14
Madhya pradesh	Dabra	0	0	Unch
Total Arrival		17611	17240	371

Commodity: Guar Seed 10MT
Contract: Oct

Exchange: NCDEX
Expiry: Oct 20, 2015

Guar Seed 10MT (Weekly Oct Contract Chart)



Technical Commentary:

- Guar prices having a recovery after heavy downside.
- However, RSI is hovering near to oversold region
- Last candlestick depicts bearishness.
- Breach of Rs 3767 would take the prices up to Rs 4000 and then 4200.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Oct	-	3050	3691	4486	4927
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Oct	Buy	Above 3600	4000	4200	3360

Commodity: Guar Gum
Contract: Oct

Exchange: NCDEX
Expiry: Oct 20, 2015

Guar Gum (Oct Weekly Chart)



Technical Commentary:

- Guar gum prices are showing recovery but still trend is down.
- However, RSI is hovering at oversold region
- Last candlestick depicts indecision in the market.
- Breach of Rs 8760 would take the prices upto Rs 9400 and then 10000 per quintal.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Oct	6500	7500	8170	9400	10000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Oct	Buy	Above 8400	9000	9300	8040

Spot Market Outlook:

Guar prices declined last week due to weak overseas demand. Also, higher sowing by farmers in Haryana and Rajasthan and higher ending stock of guar seed also support the bearishness in guar seed prices.

However, if rainfall continues in these parts in the coming days it could damage the standing crop. With week on week decline in arrivals of guar seed in the markets we expect some recovery in prices in the coming weeks.

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.