

**Domestic Market Summary:**

- Guar prices traded mixed in key markets last week.
- With fall in prices, and drop in arrivals will restrict sharp decline in prices in near future until new crop hit the market in October month. Guar seed prices are likely to recover upto Rs 4000-4200 per quintal October contract.
- Fresh rainfall in guar growing regions in Rajasthan benefitted standing crop which will result in good yield of guar seed.
- Steep decrease in guar gum prices compared to seed led the mills into 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. Reports show that India has exported 3.2 lac tons of guar gum and powder till June 2015.

**Next Week Price Projections:**

Prices are likely to move up by Rs 100 per quintal in the next week. In the Jodhpur market, delivery prices are trading at Rs 3892 and are likely to recover upto Rs 3950-4000 per quintal.

In Ganganagar region, prices are trading at Rs 3675 per quintal which could increase upto Rs 3750 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 (~2800 bags) compared to previous week ~3500 bags.

Similarly, In Ganganagar market, arrivals have increased last week upto 2800 bags compared to prior week arrivals data i.e.1000 bags.

## Export and Import Scenario

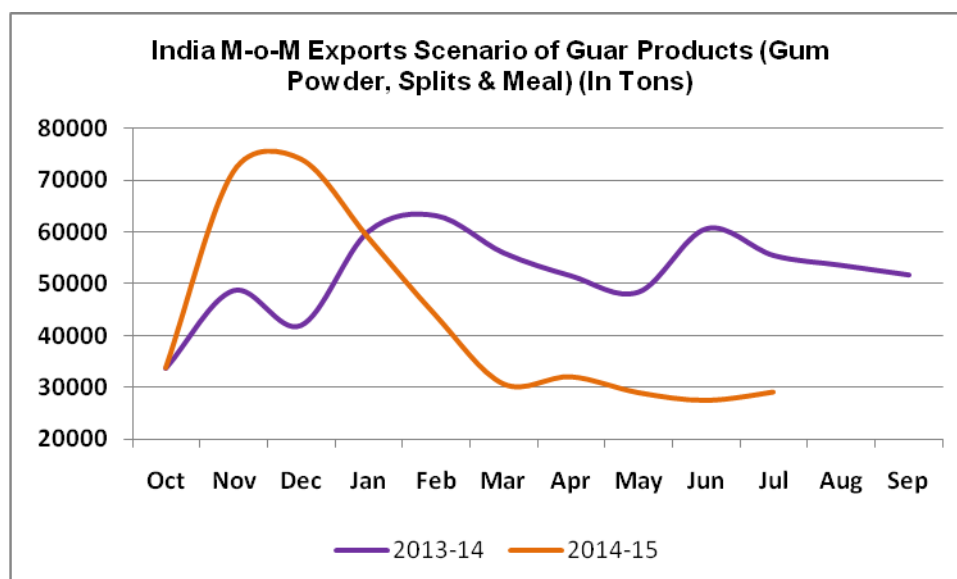
India has exported 29192 tons of Guar Products (Gum, Splits & Meal) in the month of July 2015 which is lower than the export figures of last year. Out of the total guar exports, 19367 tons of Guar gum, 4382 tons of Splits and 5443 tons of Guar meals exported in July 2015.

Notably, in the 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. As reported, major energy firms lessened their drilling operations in rigs.

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



## Guar Seed Supply & Demand Position

<b>Domestic Guar Seed Supply &amp; Demand Situation (Figures In Lakh Metric Tonnes)</b>		
<b>Item</b>	<b>2014-15</b>	<b>2015-16</b>
<b>Supply</b>		
Opening Stock	6.9	6.5
Production	17.6	16.04
Import	0	0
Total Availability	24.5	22.54
<b>Demand</b>		
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

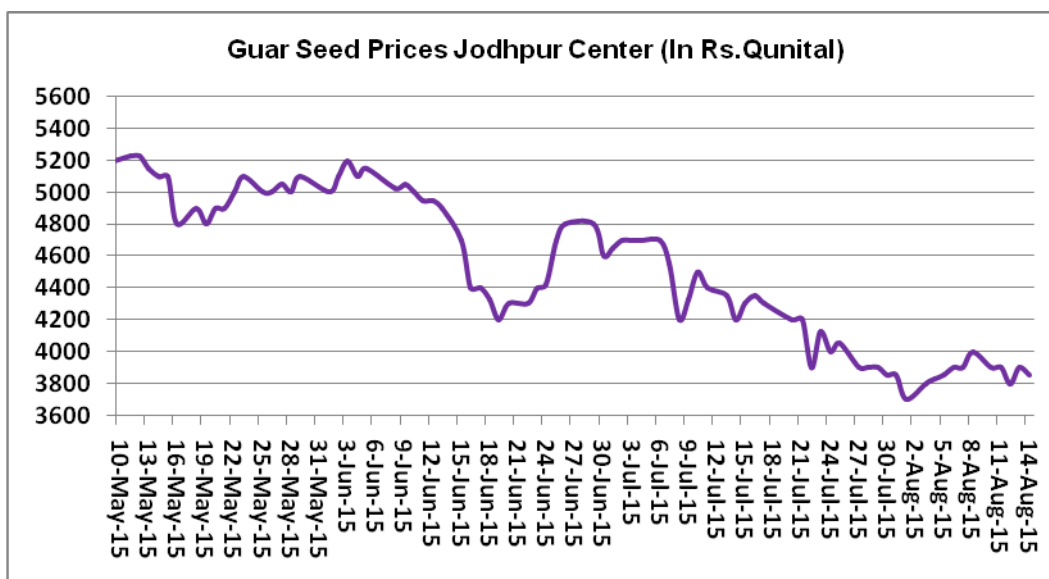
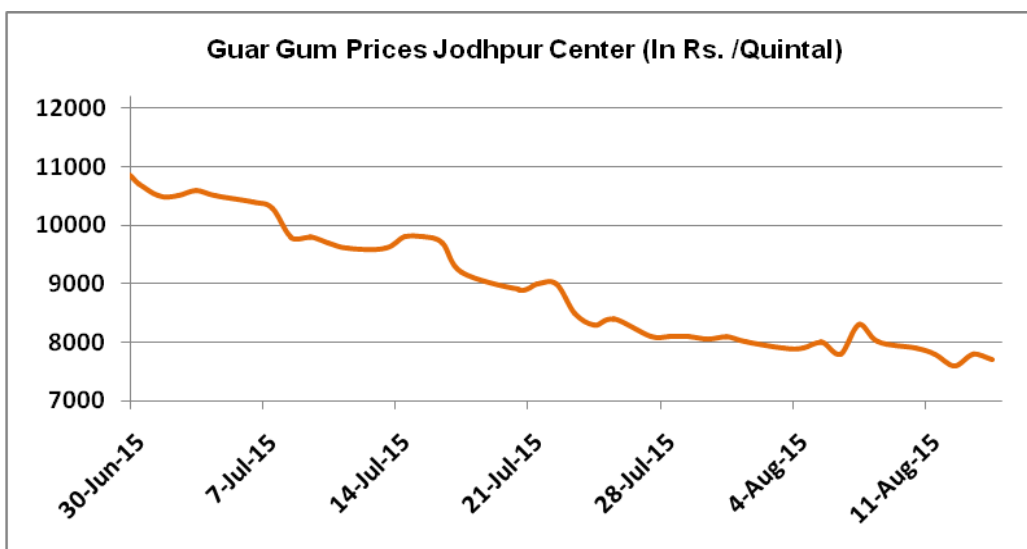
Guar seed opening stock for the marketing year 2015-16 is likely to settle at 6.5 lac tons which is slightly lesser than last year.

In the production front, due to dry belt in Rajasthan and Gujarat, we expect guar seed production to be at 16.04 lac tons in 2015-16 which is less compared to last year. However, production estimates are preliminary and could change according to weather patterns in the next 1 month.

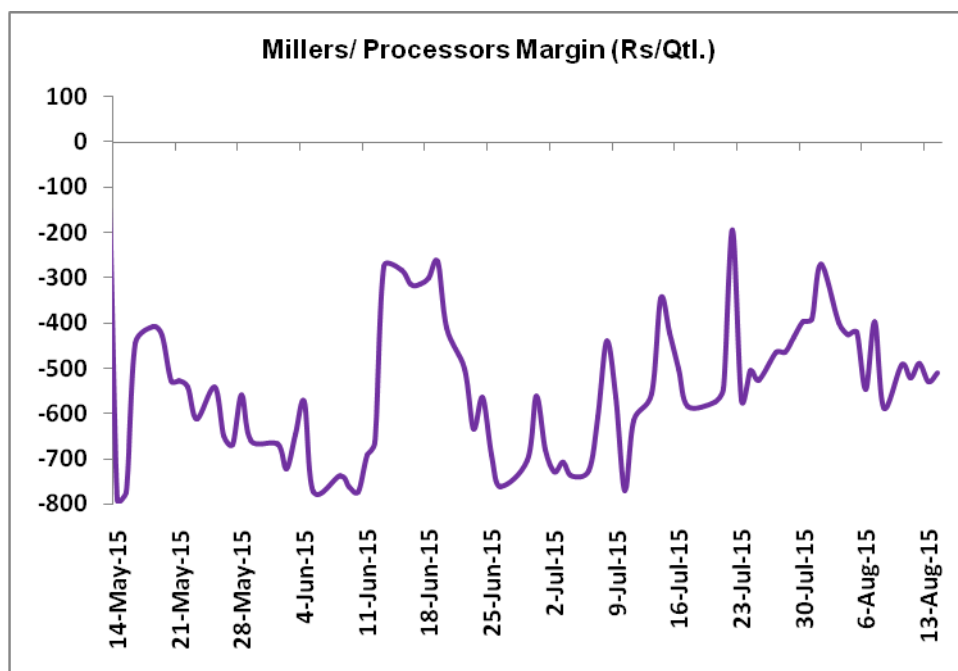
On export front, it is likely to be at higher side for the coming marketing year due to expected increase in crude oil prices.

## Price Scenario

In the second week of August, the average price of guar seed improved by 1.6% and was at Rs.3891/Qtl compared to previous week. However, guar gum prices declined last week by 2.3% at Rs.7800/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 declined compared to previous week. In the second week of August 2015, average crush margin declined at Rs. -521/Quintal which was -409 per quintal last week.

Guar seed prices improved last week but guar gum prices declined. This increased the disparity and reduced the margin for millers making gum from guar seed.

### Guar by – Products Weekly Average Prices:

Commodity	Centre	8th Aug to 14th Aug 15	1st Aug to 7th Aug 15	Change
Churi	Jodhpur	1596	1592	4
Korma	Jodhpur	1979	1950	29
Churi	Sri-Ganganagar	1446	1344	102
Korma	Sri-Ganganagar	1877	1834	43
Prices in Rs/75kg				

### Guar Export Weekly Average Prices:

Commodity	Variety	8th Aug to 14th Aug 15	1st Aug to 7th Aug 15	Change
Guargum Split		1221	1247	-26
Guargum Powder	200 Mesh 5000 CPS	1532	1503	29
	200 Mesh 3500 CPS	1454	1444	10
Guargum Meal	40%	326	332	-6
	50%	404	404	Unch
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	8th Aug to 14th Aug 2015	1 <sup>st</sup> Aug to 7th Aug 2015	
Rajasthan	Jodhpur (Loose)	3696	3638	58
	Jodhpur(Delivery)	3892	3829	63
	Sri-Ganganagar(Loose)	3464	3500	-36
	Sri-Ganganagar (Delivery)	3650	3700	-50
	Nagaur (Loose)	3480	3492	-12
	Alwar (loose)	3567	3520	47
	Churu (Delivery)	3733	3713	20
	Bikaner (Loose)	3508	3500	8
	Bikaner (Delivery)	3696	3644	52
	Khajuwala Bikaner (Loose)	3505	3513	-8
	Khajuwala Bikaner(Delivery)	3645	3654	-9
	Nokha(Loose)	3530	3518	12
	Nokha (Delivery)	3657	3644	13
	Hanumangarh (Loose)	3392	3400	-8
	Hanumangarh (Delivery)	3592	3600	-8
Haryana	Adampur (Loose)	3575	3582	-7
	Adampur (Delivery)	3775	3730	45
	Sirsa (Loose)	3498	3500	-2
	Bhiwani (Delivery)	3642	3650	-8
	Dhabwali (Loose)	3532	3467	65
	Dhabwali (Delivery)	3718	3667	51
	Siwani (Loose)	3621	3658	-37
	Ellanabad (Loose)	3504	3518	-14
Gujarat	Deesa (Loose)	NA	3535	-
	Patan (Loose)	3652	3527	125
	Rajkot (Loose)	3636	3702	-66
	Dhrol(loose)	NA	3876	-
Madhya pradesh	Dabra (Loose)	NA	NA	-
	Guar Gum	#DIV/0!		
Rajasthan	Jodhpur	7800	7983	-183
	Alwar	7900	8080	-180
Haryana	Sirsa	7800	7841	-41
	Bhiwani	7925	8025	-100
	Dhabwali	7892	7955	-63
	Ellanabad	7808	7883	-75

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

Commodity	Centre	Today	Week ago	Month ago	Year ago
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	Guar Seeds	14-Aug-15	7-Aug-15	14-Jul-15	14-Aug-14
Rajasthan	Jodhpur (Loose)	3650	3700	4000	5300
	Jodhpur(Delivery)	3850	3900	4200	5500
	Sri-Ganganagar(Loose)	3400	3575	4000	5200
	Sri-Ganganagar (Delivery)	3600	3775	4200	5700
	Nagaur (Loose)	3450	3450	4100	5150
	Alwar (loose)	NR	3600	NR	5250
	Churu (Delivery)	NR	NR	NR	NR
	Bikaner (Loose)	3425	3625	4050	5350
	Bikaner (Delivery)	3600	3825	4250	5550
	Khajuwala Bikaner (Loose)	3500	3650	4200	5300
	Khajuwala Bikaner(Delivery)	3640	3796	4368	5512
	Nokha(Loose)	3550	3600	4100	5350
	Nokha (Delivery)	3678	3730	4248	5543
	Hanumangarh (Loose)	3400	NR	4000	5400
	Hanumangarh (Delivery)	3600	NR	4200	5550
Haryana	Adampur (Loose)	3600	3700	4125	5350
	Adampur (Delivery)	3750	3900	4325	5550
	Sirsa (Loose)	3450	3550	4050	5400
	Bhiwani (Delivery)	3550	3750	4350	5500
	Dhabwali (Loose)	3600	3450	4100	5375
	Dhabwali (Delivery)	3800	3650	4300	5575
	Siwani (Loose)	3650	3775	4250	5400
	Ellanabad (Loose)	3400	3625	4100	5400
Gujarat	Deesa (Loose)	NA	NR	4125	5300
	Patan (Loose)	3495	3675	4015	NR
	Rajkot (Loose)	3650	3690	4100	5275
	Dhrol(loose)	NR	NR	NR	NR
Madhya pradesh	Dabra (Loose)	NA	NA	NA	4500
	<b>Guar Gum</b>				
Rajasthan	Jodhpur	7700	8300	9800	15600
	Alwar	NR	8400	NR	15800
Haryana	Sirsa	7700	8000	9900	15800
	Bhiwani	7750	8300	10200	15800
	Dhabwali	7800	8125	9700	15500
	Ellanabad	7700	8100	9750	15500

### Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		8th Aug to 14th Aug 15	1th Aug to 7th Aug 15	
Rajasthan	Jodhpur	NA	NA	-
	Sri-Ganganagar	2800	1000	1800
	Nagaur	550	650	-100
	Alwar	300	400	-100

	Churu	800	1000	-200
	Bikaner	1000	1480	-480
	Khajuwala Bikaner	660	990	-330
	Nokha	1300	1150	150
	Hanumangarh	55	1015	-960
Haryana	Adampur	2800	3500	-700
	Sirsa	1100	1050	50
	Bhiwani	900	1200	-300
	Dhabwali	605	270	335
	Siwani	1050	1700	-650
	Ellanabad	650	950	-300
Gujarat	Deesa	NA	65	-
	Patan	169	133	36
	Rajkot	940	1035	-95
	Dhrol	NA	23	-
Madhya pradesh	Dabra	NA	NA	-
Total Arrival		15679	55856	-40177





Commodity: Guar Seed 10MT  
Contract: Oct

Exchange: NCDEX  
Expiry: Oct 20, 2015

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

GUAR SEED 1510(NCGRSV5)2015/08/09 - Weekly B:3557.00 A:3559.00  
O 3685.00 H 3700.00 L 3431.00 C 3581.00 V 495,780 I 44,850 -130 -3.52%



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### Technical Commentary:

- Guar prices are consolidating 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 from support levels.

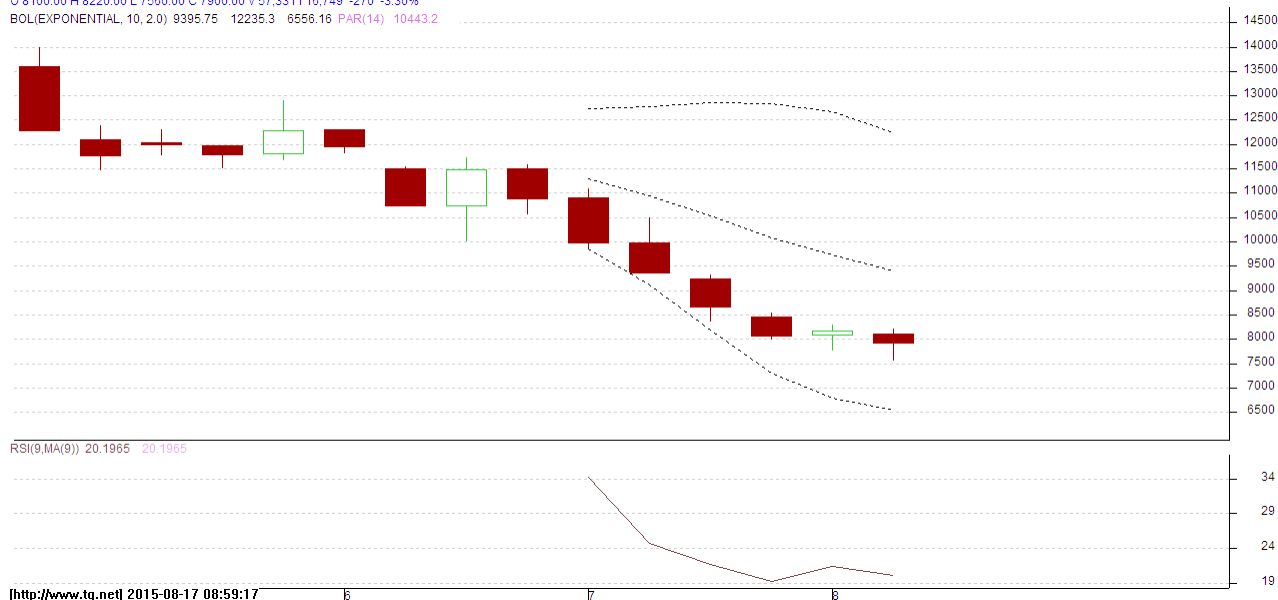
Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Oct	-	3050	3561	4486	4927
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Oct	Buy	Above 3450	3650	3750	3320

Commodity: Guar Gum  
Contract: Oct

Exchange: NCDEX  
Expiry: Oct 20, 2015

## Guar Gum (Oct Weekly Chart)

GUARGUM 1510(NCGUGV5)2015/08/09 - Weekly B:7800.00 A:7940.00  
O 8100.00 H 8220.00 L 7560.00 C 7900.00 V 57,331 I 16,749 -270 -3.30%  
BOL(EXPONENTIAL, 10, 2.0) 9395.75 12235.3 6556.16 PAR(14) 10443.2



### Technical Commentary:

- Guar gum prices are consolidating 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	7900	9400	10000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Oct	Buy	Above 7700	8000	8150	7520

### **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.

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