

Domestic Market Summary:

- Guar prices traded firm in key markets last week.
- During the week period, arrivals have increased in Haryana.
- With increase in prices and increase in arrival during the week period indicates firmness in market. 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 3946 and are likely to recover upto Rs 4000-4050 per quintal.

Export and Import Scenario

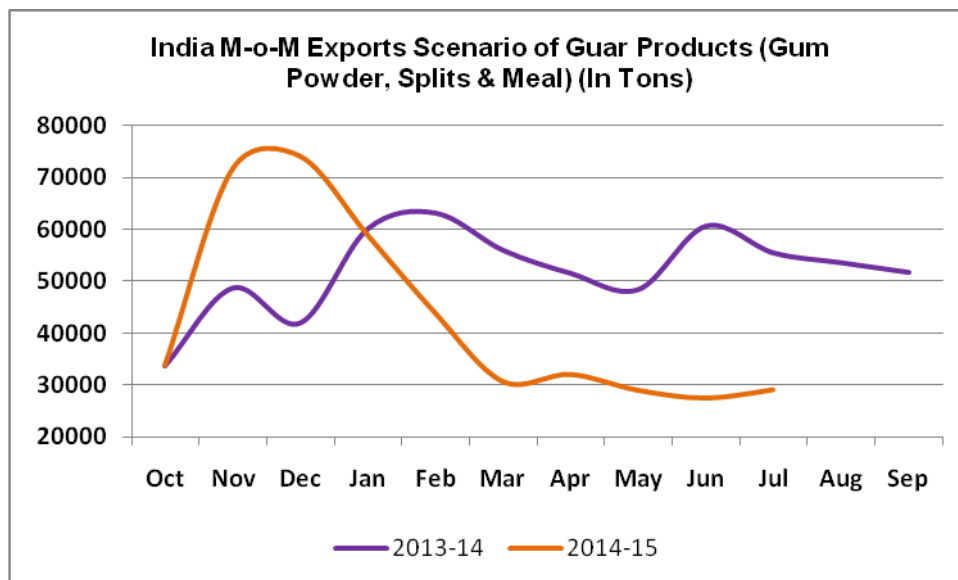
India has exported 29192 tons of Guar Products (Gum, Splits & Meal) in the month of July 2015 which is lower than the export figures of last year. Out of the total guar exports, 19367 tons of Guar gum, 4382 tons of Splits and 5443 tons of Guar meals exported in July 2015.

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

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

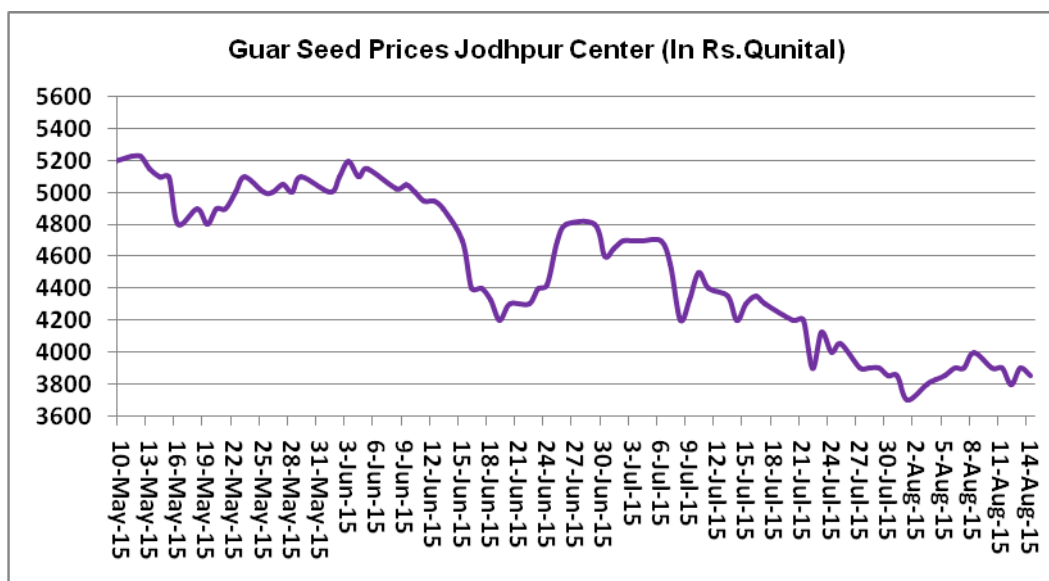
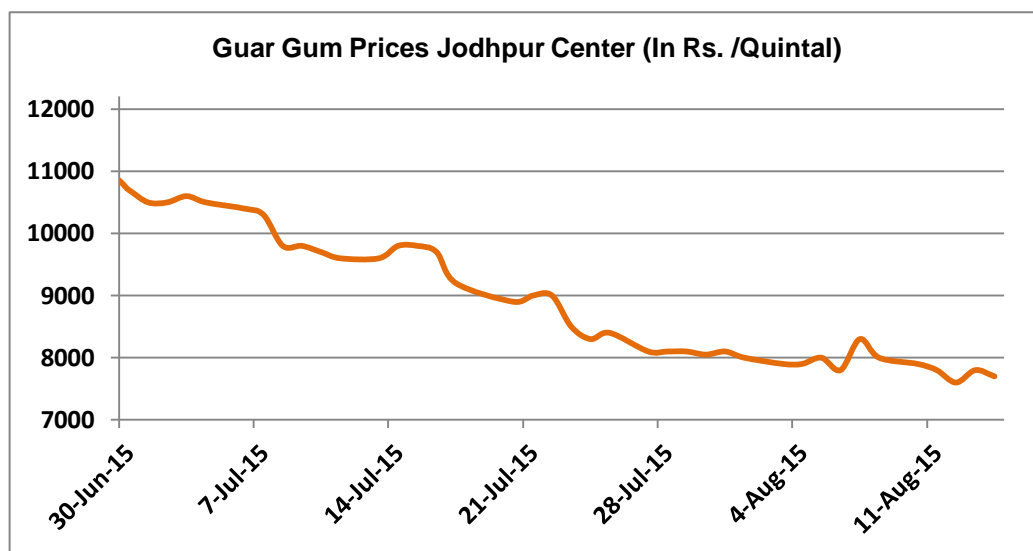
Guar seed opening stock for the marketing year 2015-16 is likely to settle at 6.5 lac tons which is slightly lesser than last year.

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.

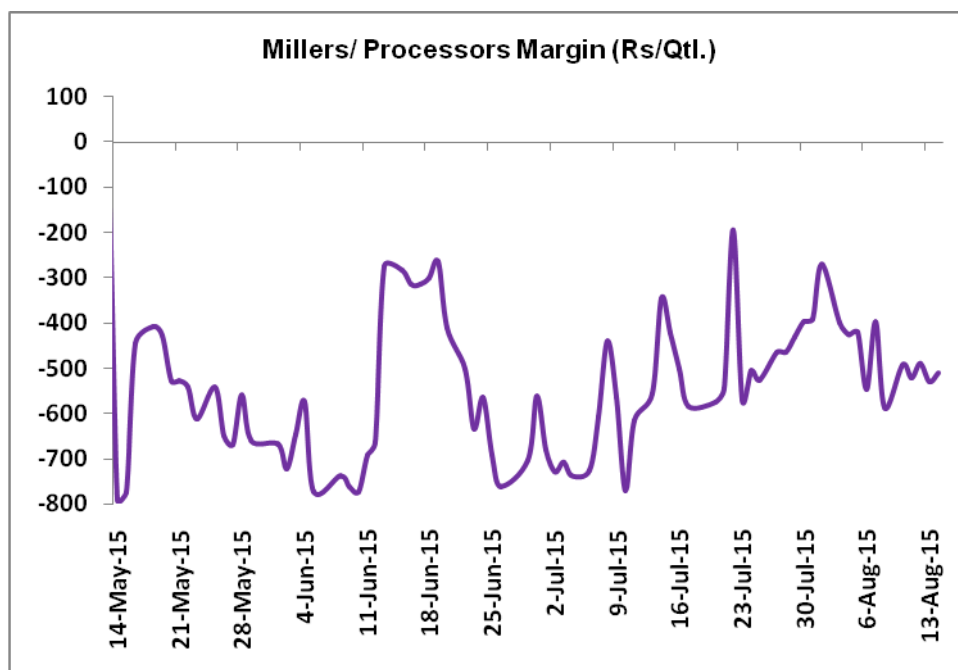
On export front, it is likely to be at higher side for the coming marketing year due to expected increase in crude oil prices.

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	17th Aug to 21th Aug 15	8th Aug to 14th Aug 15	Change
Churi	Jodhpur	1580	1596	-16
Korma	Jodhpur	1940	1979	-39
Churi	Sri-Ganganagar	1470	1446	24
Korma	Sri-Ganganagar	1860	1877	-17
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	17th Aug to 21th Aug 15	8th Aug to 14th Aug 15	Change
Guargum Split		1223	1221	2
Guargum Powder	200 Mesh 5000 CPS	1529	1532	-3
	200 Mesh 3500 CPS	1453	1454	-1
Guargum Meal	40%	321	326	-5
	50%	404	404	Unch

Prices in \$/MT

Commodity	Centre	Weekly Prices (Average)		Change
		17th Aug to 21th Aug 15	8th Aug to 14th Aug 15	
Rajasthan	Jodhpur (Loose)	3765	3696	69
	Jodhpur(Delivery)	3946	3892	54
	Sri-Ganganagar(Loose)	3550	3464	86
	Sri-Ganganagar (Delivery)	3713	3650	63
	Nagaur (Loose)	3475	3480	-5
	Alwar (loose)	3517	3567	-50
	Churu (Delivery)	3700	3733	-33
	Bikaner (Loose)	3483	3508	-25
	Bikaner (Delivery)	3650	3696	-46
	Khajuwala Bikaner (Loose)	3544	3505	39
	Khajuwala Bikaner(Delivery)	3697	3645	52
	Nokha(Loose)	3500	3530	-30
	Nokha (Delivery)	3639	3657	-18
	Hanumangarh (Loose)	3408	3392	16
	Hanumangarh (Delivery)	3610	3592	18
Haryana	Adampur (Loose)	3608	3575	33
	Adampur (Delivery)	3780	3775	5
	Sirsa (Loose)	3513	3498	15
	Bhiwani (Delivery)	3745	3642	103
	Dhabwali (Loose)	3568	3532	36
	Dhabwali (Delivery)	3752	3718	34
	Siwani (Loose)	3700	3621	79
	Ellanabad (Loose)	3555	3504	51
Gujarat	Deesa (Loose)	3915	NA	-
	Patan (Loose)	3463	3652	-190
	Rajkot (Loose)	3615	3636	-21
	Dhrol(loose)	3522	NA	-
Madhya pradesh	Dabra (Loose)	NA	NA	-
	Guar Gum			
Rajasthan	Jodhpur	8000	7800	200
	Alwar	8033	7900	133
Haryana	Sirsa	7980	7800	180
	Bhiwani	8020	7925	95
	Dhabwali	8050	7892	158

	Ellanabad	7940	7808	132
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Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	21-Aug-15	14-Aug-15	21-Jul-15	21-Aug-14
Rajasthan	Jodhpur (Loose)	3800	3650	3800	6000
	Jodhpur(Delivery)	4000	3850	4000	6300
	Sri-Ganganagar(Loose)	3625	3400	NR	6200
	Sri-Ganganagar (Delivery)	3750	3600	NR	6400
	Nagaur (Loose)	3550	3450	3700	NR
	Alwar (loose)	NR	NR	NR	5800
	Churu (Delivery)	NR	NR	NR	NR
	Bikaner (Loose)	3600	3425	3650	6050
	Bikaner (Delivery)	3650	3600	3800	6200
	Khajuwala Bikaner (Loose)	NR	3500	3700	NR
	Khajuwala Bikane(Delivery)	NR	3640	3848	NR
	Nokha(Loose)	3600	3550	3700	5350
	Nokha (Delivery)	3730	3678	3833	5543
	Hanumangarh (Loose)	3450	3400	3650	6100
	Hanumangarh (Delivery)	3650	3600	3850	6250
Haryana	Adampur (Loose)	3700	3600	3800	6000
	Adampur (Delivery)	3850	3750	3900	6200
	Sirsa (Loose)	3650	3450	3700	6250
	Bhiwani (Delivery)	3850	3550	3850	6200
	Dhabwali (Loose)	3600	3600	3650	6000
	Dhabwali (Delivery)	3750	3800	3800	6250
	Siwani (Loose)	3800	3650	3800	6100
	Ellanabad (Loose)	3600	3400	3700	6000
Gujarat	Deesa (Loose)	NA	NA	3930	5985
	Patan (Loose)	3550	3495	4155	6000
	Rajkot (Loose)	3550	3650	NA	5700
	Dhrol(loose)	3500	NR	NA	NR
Madhya pradesh	Dabra (Loose)	NA	NA	NA	4800
Guar Gum					
Rajasthan	Jodhpur	8100	7700	8300	17800
	Alwar	NR	NR	NR	18200
Haryana	Sirsa	8100	7700	8400	18300
	Bhiwani	8200	7750	8250	18000
	Dhabwali	8250	7800	8500	17600
	Ellanabad	8100	7700	8200	17800

Guar Cumulative Arrivals in Key Centers

Weekly Arrivals (Quintals)				
Centre		17th Aug to 21th Aug 15	8th Aug to 14th Aug 15	Change

Rajasthan	Jodhpur	NA	NA	-
	Sri-Ganganagar	2700	2800	-100
	Nagaur	800	550	250
	Alwar	500	300	200
	Churu	1500	800	700
	Bikaner	500	1000	-500
	Khajuwala Bikaner	800	660	140
	Nokha	900	1300	-400
	Hanumangarh	80	55	25
Haryana	Adampur	3100	2800	300
	Sirsa	1400	1100	300
	Bhiwani	1550	900	650
	Dhabwali	760	605	155
	Siwani	1600	1050	550
	Ellanabad	575	650	-75
Gujarat	Deesa	60	NA	-
	Patan	94	169	-75
	Rajkot	1578	940	638
	Dhrol	24	NA	-
Madhya pradesh	Dabra	NA	NA	-
Total Arrival		18521	15679	2842