

Domestic Market Summary:

- Guar prices improved today in key markets due to good demand at lower levels. Big stockists purchased guar seed at lower levels as reported
- Guar seed acreage likely to fall in Jalore district (Rajasthan) as farmers find guar seed crop less lucrative compared to Bajra and sesame.
- As per our estimates, Guar seed prices hit Rs 4200 due to weak arrivals. Meanwhile, current weather conditions are not favorable for standing guar seed crop which would cause considerable damage to the crop. We expect prices to move up to Rs 4500 in the coming week.
- 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 250-300 per quintal in the next week. In the Jodhpur market, delivery prices are trading at Rs 4233 and are likely to recover upto Rs 4450-4500 per quintal.

In Ganganagar region, prices are trading at Rs 3983 per quintal which could increase upto Rs 4300 per quintal as expected.

Current Market Dynamics

Guar prices recovered from recent lows due to spur buying at lower levels. Lesser rainfall in Rajasthan and Haryana and heavy wind flowing in Western Rajasthan disturb standing guar seed crop which support the prices.

In addition to it, firm crude oil prices in last couple of days also gives some boost to the prices.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (~5500 bags) compared to previous week ~3100 bags.

Similarly, In Ganganagar market, arrivals have increased last week upto 3200 bags compared to prior week arrivals data i.e.2700 bags.

Export and Import Scenario

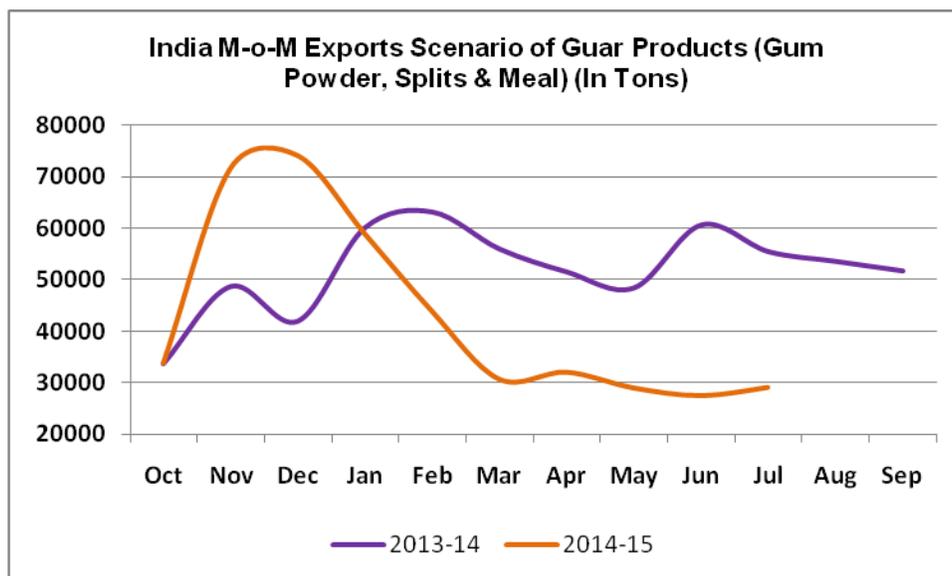
India has exported 29192 tons of Guar Products (Gum, Splits & Meal) in the month of July 2015 which is lower than the export figures of last year. Out of the total guar exports, 19367 tons of Guar gum, 4382 tons of Splits and 5443 tons of Guar meals exported in July 2015.

Notably, in the recent month guar exports fell by 47% compared to guar exports during corresponding 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.



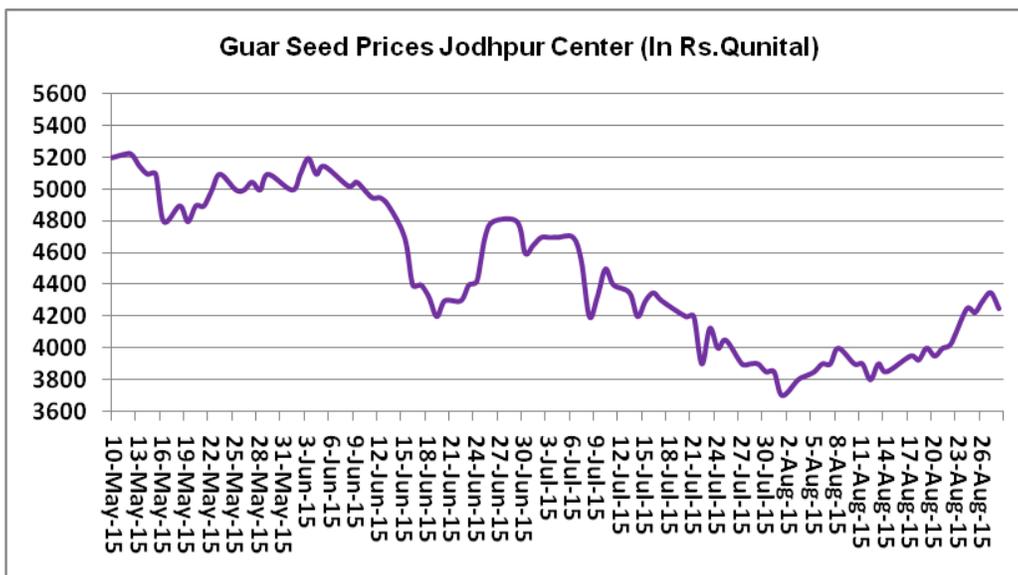
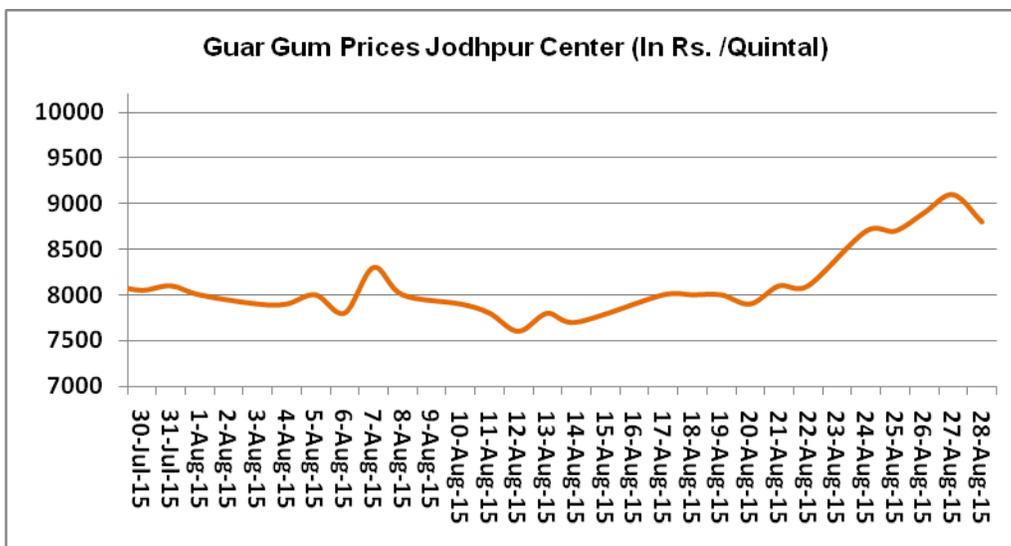
Crop Situation:

In Jaisalmer region, Guar seed crop is increasing compared to last year. Some farmers have re-sowed twice due to high temperature. Meanwhile, heavy wind flowing for last 3-4 days in Jaisalmer region is a cause for major concern of farmers as it will destroy the growth and flower of the plant. Crop is now 1.5 foot to 3foot depending on seed and time of sowing. Overall crop condition is good and it is increasing compared to last year.

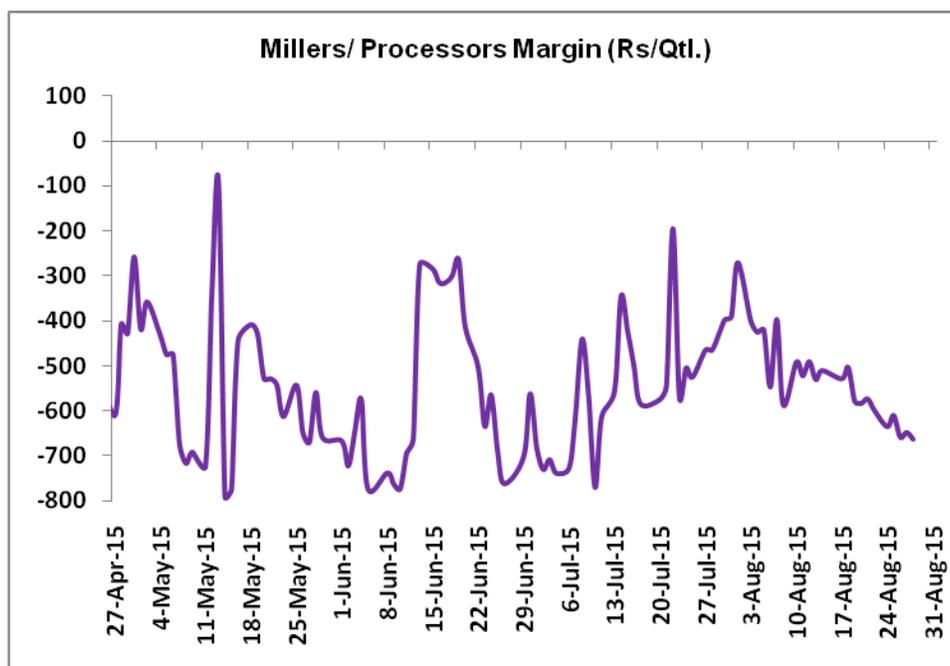
As far as Jodhpur district is concerned, guar seed crop is increasing here too due to good rainfall this year.

Price Scenario

In the last week of August, the average price of guar seed improved by 7% and was at Rs.4233/Qtl compared to previous week. Also, guar gum prices surged last week by 9% at Rs.8716/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 last week of August 2015, average crush margin declined at Rs. 635/Quintal which were 553 per quintal last week.

Prices of Churi and korma decline last week. This increased the disparity and reduced the margin for millers making gum from guar seed.

Guar by – Products Weekly Average Prices:

Commodity	Centre	22nd Aug to 28th Aug 15	17th Aug to 21st Aug 15	Change
		1950 1344 1834	1950 1344 1834	
Churi	Jodhpur	1517	1580	-63
Korma	Jodhpur	1917	1940	-23
Churi	Sri-Ganganagar	1465	1470	-5
Korma	Sri-Ganganagar	1863	1860	3
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	22nd Aug to 28th Aug 15	17th Aug to 21st Aug 15	Change

		1950 1344 1834	1950 1344 1834	
Guargum Split		1290	1223	67
Guargum Powder	200 Mesh 5000 CPS	1592	1529	63
	200 Mesh 3500 CPS	1517	1453	64
Guargum Meal	40%	317	321	-4
	50%	408	404	4
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		22nd Aug to 28th Aug 15	17th Aug to 21st Aug 15	
	Guar Seeds	1950 1344 1834	1950 1344 1834	
Rajasthan	Jodhpur (Loose)	4033	3765	268
	Jodhpur(Delivery)	4233	3946	287
	Sri-Ganganagar(Loose)	3788	3550	238
	Sri-Ganganagar (Delivery)	3983	3713	270
	Nagaur (Loose)	3758	3475	283
	Alwar (loose)	3830	3517	313
	Churu (Delivery)	4000	3700	300
	Bikaner (Loose)	3850	3483	367
	Bikaner (Delivery)	4003	3650	353
	Khajuwala Bikaner (Loose)	3873	3544	329
	Khajuwala Bikane(Delivery)	4028	3697	331
	Nokha(Loose)	3843	3500	343
	Nokha (Delivery)	3981	3639	342
	Hanumangarh (Loose)	3775	3408	367
Hanumangarh (Delivery)	3924	3610	314	
Haryana	Adampur (Loose)	3892	3608	284
	Adampur (Delivery)	4058	3780	278
	Sirsa (Loose)	3802	3513	289
	Bhiwani (Delivery)	4012	3745	267
	Dhabwali (Loose)	3771	3568	203
	Dhabwali (Delivery)	3918	3752	166
	Siwani (Loose)	3988	3700	288
	Ellanabad (Loose)	3883	3555	328

Gujarat	Deesa (Loose)	NA	3915	-
	Patan (Loose)	3595	3463	132
	Rajkot (Loose)	3830	3615	215
	Dhrol(loose)	3525	3522	3
Madhya pradesh	Dabra (Loose)	NA	NA	-
Guar Gum				
Rajasthan	Jodhpur	8717	8000	717
	Alwar	8900	8033	867
Haryana	Sirsa	8725	7980	745
	Bhiwani	8800	8020	780
	Dhabwali	8708	8050	658
	Ellanabad	8783	7940	843

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
		28-Aug-15	21-Aug-15	28-Jul-15	28-Aug-14
	Guar Seeds				
Rajasthan	Jodhpur (Loose)	4050	3800	3700	5400
	Jodhpur(Delivery)	4250	4000	3900	5800
	Sri-Ganganagar(Loose)	3900	3625	3500	5520
	Sri-Ganganagar (Delivery)	4100	3750	3700	5700
	Nagaur (Loose)	3850	3550	3400	NA
	Alwar (loose)	3800	NA	NR	5300
	Churu (Delivery)	4000	NA	NR	5700
	Bikaner (Loose)	3825	3600	3550	5400
	Bikaner (Delivery)	4025	3650	3700	5600
	Khajuwala Bikaner (Loose)	3800	NA	3580	5450
	Khajuwala Bikane(Delivery)	3952	NA	3723	5650
	Nokha(Loose)	3850	3600	3750	5450
	Nokha (Delivery)	3989	3730	3885	5646
	Hanumangarh (Loose)	3700	3450	3450	5550
Hanumangarh (Delivery)	3895	3650	3650	5800	
Haryana	Adampur (Loose)	3900	3700	3700	5600
	Adampur (Delivery)	4100	3850	3800	5800
	Sirsa (Loose)	3825	3650	3580	5600
	Bhiwani (Delivery)	4050	3850	3800	5800
	Dhabwali (Loose)	3725	3600	3450	5600
	Dhabwali (Delivery)	3925	3750	3650	5800
	Siwani (Loose)	3950	3800	3700	5625

	Ellanabad (Loose)	3900	3600	3525	5700
Gujarat	Deesa (Loose)	NA	NA	NA	5275
	Patan (Loose)	3660	3550	NA	5295
	Rajkot (Loose)	3795	3550	NA	5325
	Dhrol(loose)	NA	3500	NA	NA
Madhya pradesh	Dabra (Loose)	NA	NA	NA	NA
Guar Gum					
Rajasthan	Jodhpur	8800	8100	8100	16200
	Alwar	8800	NA	NR	16400
Haryana	Sirsa	8700	8100	8000	16000
	Bhiwani	8850	8200	8550	16400
	Dhabwali	8800	8250	8100	16200
	Ellanabad	9000	8100	8000	16600

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		22nd Aug to 28th Aug 15	17th Aug to 21th Aug 15	
Rajasthan	Jodhpur	NA	NA	-
	Sri-Ganganagar	3200	2700	500
	Nagaur	1700	800	900
	Alwar	1800	500	1300
	Churu	3400	1500	1900
	Bikaner	1100	500	600
	Khajuwala Bikaner	1750	800	950
	Nokha	1450	900	550
	Hanumangarh	155	80	75
Haryana	Adampur	5500	3100	2400
	Sirsa	1150	1400	-250
	Bhiwani	5800	1550	4250
	Dhabwali	620	760	-140
	Siwani	2000	1600	400
	Ellanabad	650	575	75
Gujarat	Deesa	NA	60	-60
	Patan (Loose)	56	94	-38
	Rajkot	1840	1578	262

	Dhrol(loose)	2	24	-22
Madhya pradesh	Dabra	NA	NA	-
Total Arrival		32173	18521	13652

Commodity: Guar Seed 10MT
Contract: Oct

Exchange: NCDEX
Expiry: Oct 20, 2015



Technical Commentary:

- Guar prices are consolidating after heavy downside.
- However, RSI is hovering near oversold region
- Last candlestick depicts bullishness.

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 4000	4300	4450	3820

Commodity: Guar Gum
Contract: Oct

Exchange: NCDEX
Expiry: Oct 20, 2015

Guar Gum (Oct Weekly Chart)



Technical Commentary:

- Guar gum prices are consolidating but trend continues to be up.
- RSI is hovering at oversold region
- Last candlestick depicts bullishness 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	7500	8400	8800	10008	11500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Oct	Buy	Above 9000	9500	9700	8700

Spot Market Outlook:

Guar prices recovered last week due to weak arrivals. Also, bad weather for standing guar seed crop, speculation and sharp increase in crude oil prices support the prices of guar seed.

We expect prices to increase in the coming week.

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