

**Domestic Market Summary:**

- Guar prices improved last week in key markets due to good demand at lower levels. Big stockists purchased guar seed at lower levels as reported
- Weather forecasters are predicting some rainfall after 16<sup>th</sup> September which has discounted by markets already in the first day of the week. Meanwhile, at present, crop condition is average and needs immediate rainfall if not got then it would decrease the yield of the crop up to certain extent as expected.
- Solvay and L'oreal join hands to promote sustainable guar farming among 1500 guar seed farmers in Bikaner region.
- 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 4500 due to weak arrivals. From higher levels, we predict a small recovery in the prices supported by weak crude oil prices. We expect prices to test Rs 4100 per quintal in the near month running contract in NCDEX platform.

**Next Week Price Projections:**

Prices are likely to move down by Rs 300 per quintal in the next week. In the Jodhpur market, delivery prices are trading at Rs 4515 and are likely to trade down to Rs 4200 per quintal.

In Ganganagar region, prices are trading at Rs 4300 per quintal which could decrease upto Rs 4000 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 lower arrivals (~3700 bags) compared to previous week ~5500 bags.

Similarly, In Ganganagar market, arrivals have declined last week upto 2400 bags compared to prior week arrivals data i.e.3200 bags.

## Export and Import Scenario

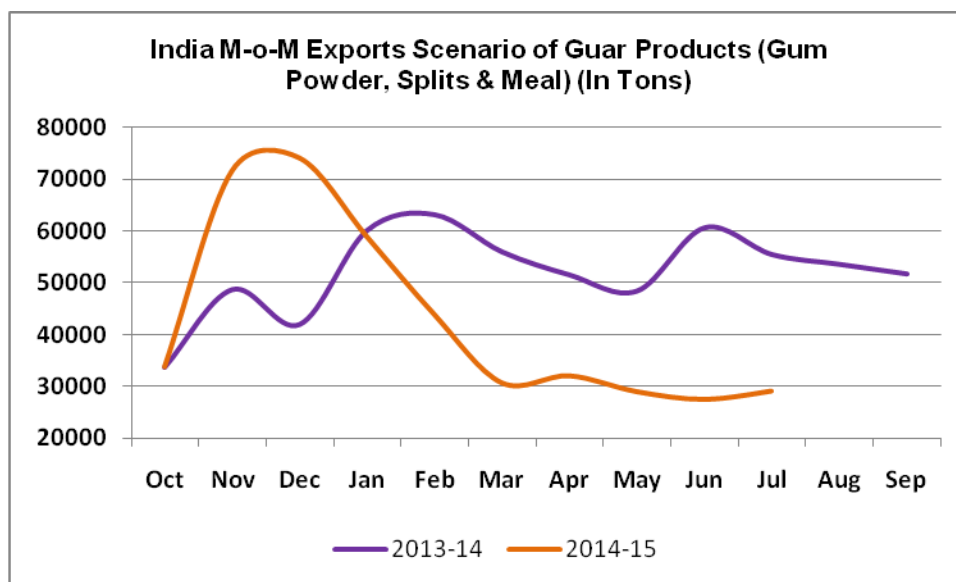
India has exported 29192 tons of Guar Products (Gum, Splits & Meal) in the month of July 2015 which is lower than the export figures of last year. Out of the total guar exports, 19367 tons of Guar gum, 4382 tons of Splits and 5443 tons of Guar meals exported in July 2015.

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.



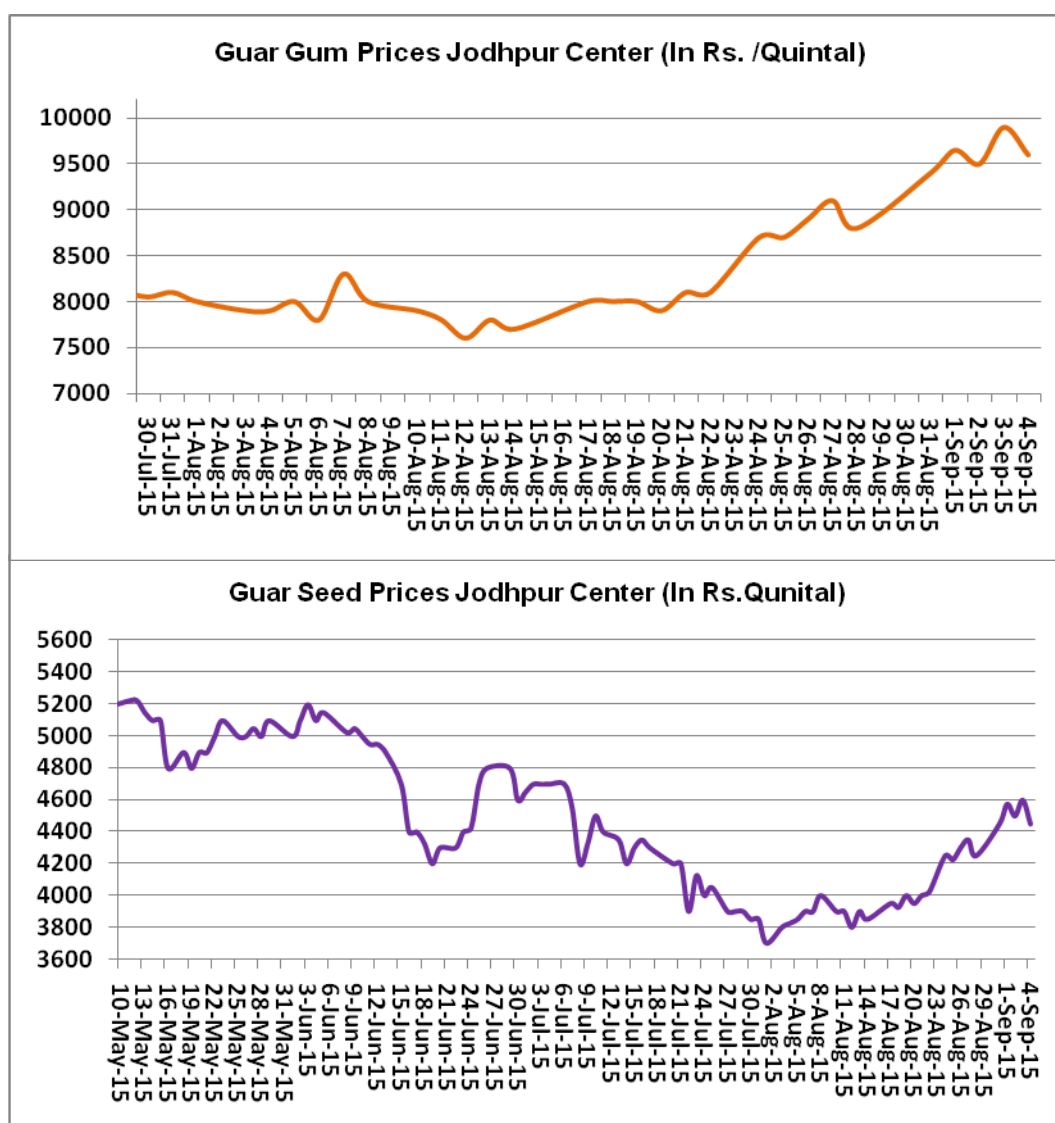
### Crop Situation:

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.

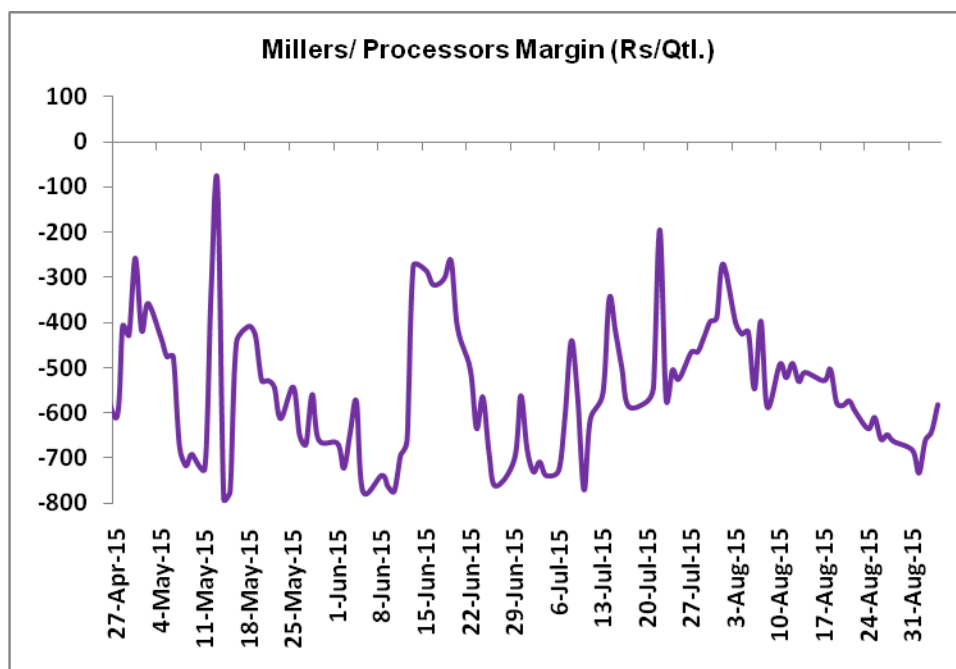
As far as Jodhpur district is concerned, guar seed crop is increasing here too due to good rainfall this year.

### Price Scenario

In the first week of September, the average price of guar seed improved by 6.7% and was at Rs.4515/Qtl compared to previous week. Also, guar gum prices surged last week by 10.2% at Rs.9610/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 first week of September 2015, average crush margin declined at Rs. -660/Quintal which were -635 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	31st Aug to 4th Sep 15	22nd Aug to 28th Aug 15	Change
Churi	Jodhpur	1495	1517	-22
Korma	Jodhpur	1905	1917	-12
Churi	Sri-Ganganagar	1415	1465	-50
Korma	Sri-Ganganagar	1913	1863	50
Prices in Rs/75kg				

## Guar Export Weekly Average Prices:

Commodity	Variety	31st Aug to 4th Sep 15	22nd Aug to 28th Aug 15	Change
Guargum Split		1361	1290	71
Guargum Powder	200 Mesh 5000 CPS	1663	1592	71
	200 Mesh 3500 CPS	1587	1517	70



Guargum Meal	40%	317	317	Unch
	50%	407	408	-1
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	31st Aug to 4th Sep 15	22nd Aug to 28th Aug 15	
Rajasthan	Jodhpur (Loose)	4315	4033	282
	Jodhpur(Delivery)	4515	4233	282
	Sri-Ganganagar(Loose)	4100	3788	312
	Sri-Ganganagar (Delivery)	4300	3983	317
	Nagaur (Loose)	4255	3758	497
	Alwar (loose)	4030	3830	200
	Churu (Delivery)	4130	4000	130
	Bikaner (Loose)	4174	3850	324
	Bikaner (Delivery)	4355	4003	352
	Khajuwala Bikaner (Loose)	4155	3873	282
	Khajuwala Bikaner(Delivery)	4321	4028	293
	Nokha(Loose)	4105	3843	262
	Nokha (Delivery)	4253	3981	272
	Hanumangarh (Loose)	4080	3775	305
	Hanumangarh (Delivery)	4280	3924	356
Haryana	Adampur (Loose)	4220	3892	328
	Adampur (Delivery)	4420	4058	362
	Sirsa (Loose)	4175	3802	373
	Bhiwani (Delivery)	4345	4012	333
	Dhabwali (Loose)	4102	3771	331
	Dhabwali (Delivery)	4302	3918	384
	Siwani (Loose)	4270	3988	282
	Ellanabad (Loose)	4215	3883	332
Gujarat	Deesa (Loose)	NA	NA	-
	Patan (Loose)	3869	3595	274
	Rajkot (Loose)	4027	3830	197
	Dhrol(Loose)	4010	3525	485
Madhya pradesh	Dabra (Loose)	NA	NA	-
Guar Gum				
Rajasthan	Jodhpur	9610	8717	893
	Alwar	9680	8900	780
Haryana	Sirsa	9600	8725	875

	Bhiwani	9680	8800	880
	Dhabwali	9670	8708	962
	Ellanabad	9640	8783	857

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	4-Sep-15	28-Aug-15	4-Aug-15	4-Sep-14
Rajasthan	Jodhpur (Loose)	4250	4050	3625	5900
	Jodhpur(Delivery)	4450	4250	3825	6100
	Sri-Ganganagar(Loose)	4100	3900	3475	5750
	Sri-Ganganagar (Delivery)	4300	4100	3675	5925
	Nagaur (Loose)	4100	3850	3400	5600
	Alwar (loose)	4000	3800	3500	5200
	Churu (Delivery)	4100	4000	3750	5600
	Bikaner (Loose)	4225	3825	3400	5700
	Bikaner (Delivery)	4400	4025	3500	5900
	Khajuwala Bikaner (Loose)	4180	3800	3450	5650
	Khajuwala Bikaner(Delivery)	4347	3952	3588	5876
	Nokha(Loose)	4150	3850	3475	5500
	Nokha (Delivery)	4299	3989	3600	5698
	Hanumangarh (Loose)	4250	3700	NA	5750
	Hanumangarh (Delivery)	4450	3895	NA	6000
Haryana	Adampur (Loose)	4200	3900	3550	5700
	Adampur (Delivery)	4400	4100	3600	5900
	Sirsa (Loose)	4300	3825	3500	5770
	Bhiwani (Delivery)	4250	4050	3650	5800
	Dhabwali (Loose)	4150	3725	3500	5600
	Dhabwali (Delivery)	4350	3925	3700	5850
	Siwani (Loose)	4325	3950	3600	5800
	Ellanabad (Loose)	4225	3900	3450	5700
Gujarat	Deesa (Loose)	NA	NA	3545	5500
	Patan (Loose)	3940	3660	3375	5505
	Rajkot (Loose)	Closed	3795	3690	5400
	Dhrol(Loose)	NA	NA	NA	NA
Madhya Pradesh	Dabra(Loose)	NA	NA	NA	4500
Guar Gum					
Rajasthan	Jodhpur	9600	8800	7900	16500
	Alwar	9700	8800	8000	16300

Haryana	Sirsa	9700	8700	8000	16500
	Bhiwani	9800	8850	8000	17400
	Dhabwali	9800	8800	8000	16500
	Ellanabad	9800	9000	7800	16500

### Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		31st Aug to 4th Sep 15	22nd Aug to 28th Aug 15	
Rajasthan	Jodhpur	NA	NA	-
	Sri-Ganganagar	2400	3200	-800
	Nagaur	1050	1700	-650
	Alwar	1900	1800	100
	Churu	5200	3400	1800
	Bikaner	1050	1100	-50
	Khajuwala Bikaner	1400	1750	-350
	Nokha	1250	1450	-200
	Hanumangarh	40	155	-115
Haryana	Adampur	3700	5500	-1800
	Sirsa	900	1150	-250
	Bhiwani	2900	5800	-2900
	Dhabwali	850	620	230
	Siwani	2400	2000	400
	Ellanabad	550	650	-100
Gujarat	Deesa	NA	NA	-
	Patan (Loose)	199	56	143
	Rajkot	1925	1840	85
	Dhrol(Loose)	8	2	6
Madhya Pradesh	Dabra(Loose)	NA	NA	-
Total Arrival		27722	18521	9201



Commodity: Guar Seed 10MT  
Contract: Oct

Exchange: NCDEX  
Expiry: Oct 20, 2015

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



### Technical Commentary:

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

### Strategy: Sell from resistance levels

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Oct	3000	3900	4424	4927	5200
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Oct	<b>Sell</b>	Below 4400	4100	4000	4580



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 overbought region
- Last candlestick depicts bullishness in the market.

### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Oct	7500	8400	10090	11500	12000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Oct	<b>Sell</b>	Below 10100	9400	9100	10500

### **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 take a downward correction.

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