

**Domestic Market Summary:**

- Guar prices declined last week in key markets due to weak demand at higher levels.
- Fresh arrivals from new crop started arriving in Ganganagar region. However, the volume is quite low at present. Traders are expecting 3000-4000 bags daily arrivals in the coming week in the mandi.
- Reportedly, the quantity of unsold gum stored in US has decreased as stockists are selling it at lower quotes as unsold gum would expire soon. There is only need based buying reported from foreign buyers.
- India has exported 17618 tons of guar gum powder in the month of August which is 9% lower compared to prior month. Weak demand from overseas led the export market of guar gum down.
- Higher volatility persists in guar seed and gum prices. Lower rainfall in guar growing regions since August till present raises concerns of crop damage and lower yields. However, higher closing stocks of guar seed and lower demand of guar gum powder from overseas due to weak sentiments of crude oil offset the impact of bullishness. With current price volatility, we recommend not to create any fresh positions in guar seed until it makes new direction either side.

**Next Week Price Projections:**

Prices are likely to move trading range of 100 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 are currently trading in a range after heavy correction in prices from higher levels. Weak demand and higher carry over stock curb any hike in prices of guar seed. Also, supply pressure from new crop arrivals from next couple of weeks also pressurize the prices as expected.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (~5000 bags) compared to previous week ~3700 bags.

Similarly, In Ganganagar market, arrivals have declined last week upto 2500 bags compared to prior week arrivals data i.e.2400 bags.

### Export and Import Scenario

India has exported 28356 tons of Guar Products (Gum, Splits & Meal) in the month of August 2015 which is lower than the export figures of last year. Out of the total guar exports, 17618 tons of Guar gum, 4222 tons of Splits and 6516 tons of Guar meals exported in August 2015.

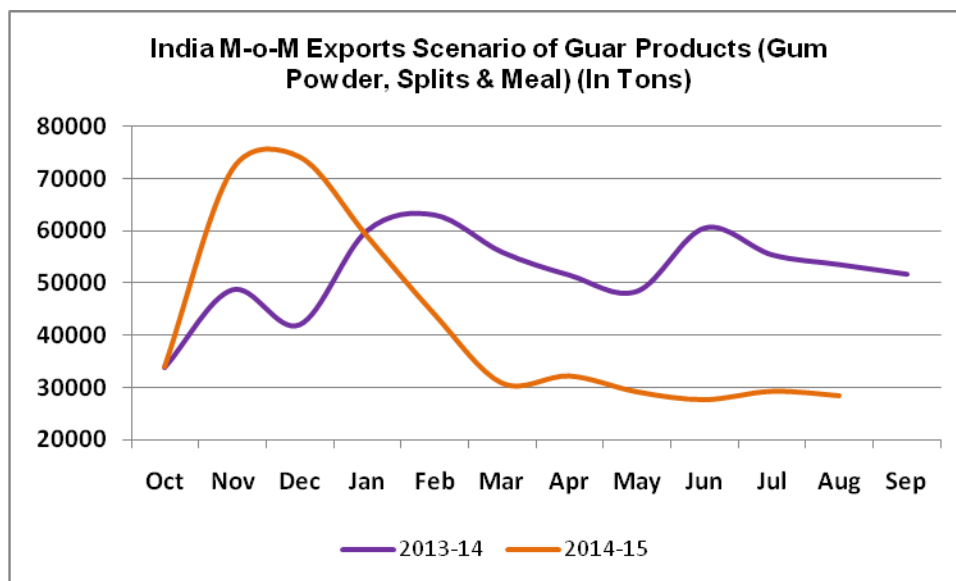
Notably, in the recent month guar exports fell by 47% compared to guar exports during corresponding period last year. Weak demand of guar gum overseas mainly due to falling crude oil prices led the gum exports down in the last couple of months. Falling rig count and new shale gas explorations are also 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 August. Also, demand of guar products among major importers has decreased.

Reportedly, the quantity of unsold gum stored in US has decreased as stockists are selling it at lower quotes as unsold gum would expire soon. There is only need based buying reported from foreign buyers.

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



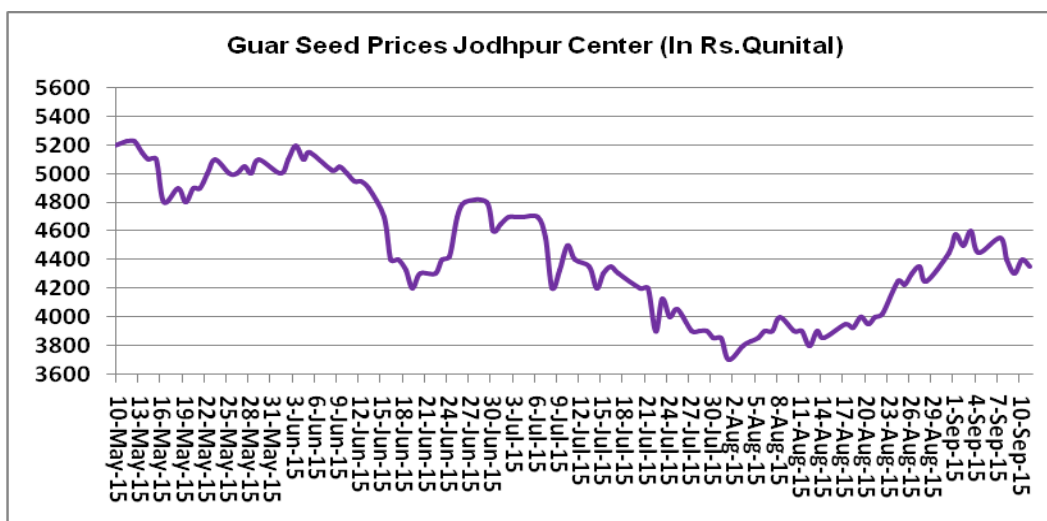
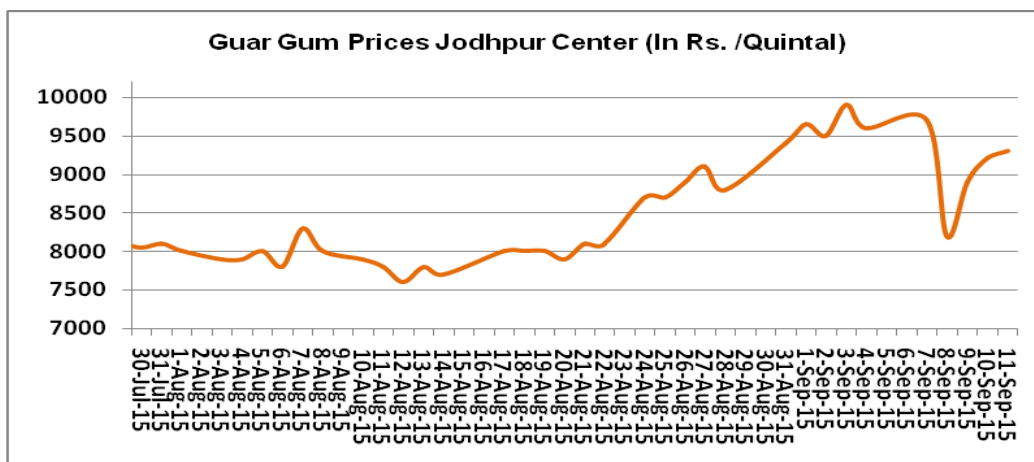
### Crop Situation:

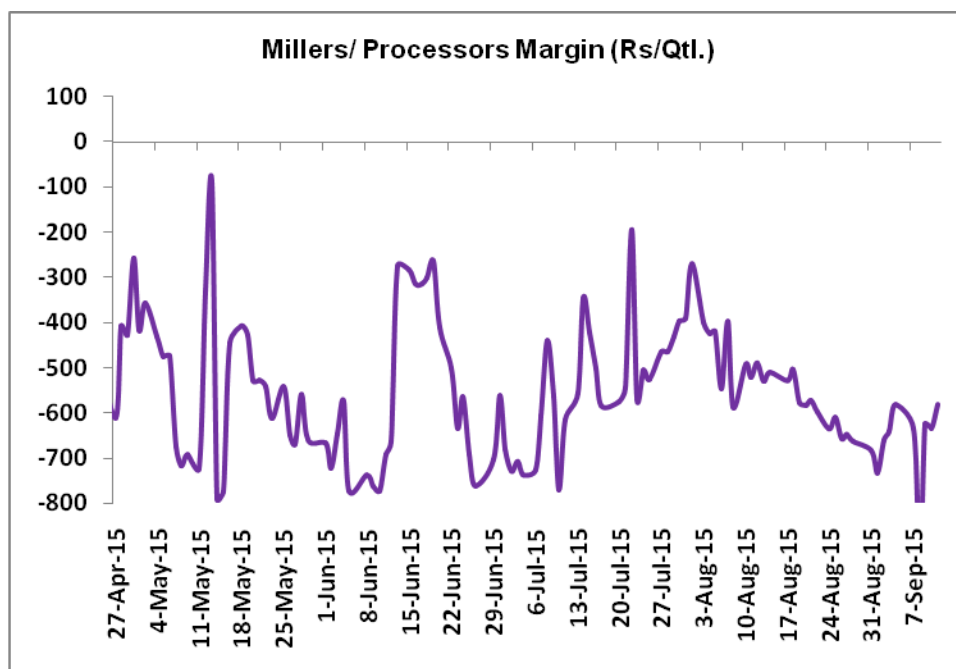
In Jaisalmer region, Guar seed crop is increasing compared to last year. Some farmers have re-sowed twice due to high temperature. Meanwhile, heavy wind flowing for last 3-4 days in Jaisalmer region is a cause for major concern of farmers as it will destroy the growth and flower of the plant. Crop is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

### Price Scenario

In the second week of September, the average price of guar seed declined by 3% and was at Rs.4400/Qtl compared to previous week. Also, guar gum prices declined last week by 6% at Rs.9060/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 September 2015, average crush margin declined at Rs. -682/Quintal which were -660 per quintal last week.

Higher degree of decline in gum prices compared to seed increased the disparity and reduced the margin for millers making gum from guar seed.

**Guar by – Products Weekly Average Prices:**

Commodity	Centre	7th Sep to 11th Sep 15	31st Aug to 4th Sep 15	Change
<b>Churi</b>	Jodhpur	1545	1495	50
<b>Korma</b>	Jodhpur	1940	1905	35
<b>Churi</b>	Sri-Ganganagar	1425	1415	10
<b>Korma</b>	Sri-Ganganagar	1875	1913	-38
<b>Prices in Rs/75kg</b>				

**Guar Export Weekly Average Prices:**

Commodity	Variety	7st Sep to 11th Sep 15	31st Aug to 4th Sep 15	Change
<b>Guargum Split</b>		1353	1361	-8
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1654	1663	-9
	200 Mesh 3500 CPS	1578	1587	-9
<b>Guargum Meal</b>	40%	316	317	-1
	50%	391	407	-16

Prices in \$/MT

Commodity	Centre	Weekly Prices (Average)		Change
		7st Sep to 11th Sep 15	31st Aug to 4th Sep 15	
Rajasthan	Guar Seeds			
	Jodhpur (Loose)	4200	4315	-115
	Jodhpur(Delivery)	4400	4515	-115
	Sri-Ganganagar(Loose)	3980	4100	-120
	Sri-Ganganagar (Delivery)	4190	4300	-110
	Nagaur (Loose)	3980	4255	-275
	Alwar (loose)	3963	4030	-67
	Churu (Delivery)	4125	4130	-5
	Bikaner (Loose)	3998	4174	-176
	Bikaner (Delivery)	4198	4355	-157
	Khajuwala Bikaner (Loose)	4058	4155	-97
	Khajuwala Bikane(Delivery)	4220	4321	-101
	Nokha(Loose)	4018	4105	-87
	Nokha (Delivery)	4163	4253	-90
	Hanumangarh (Loose)	3936	4080	-144
	Hanumangarh (Delivery)	4136	4280	-144
Haryana	Adampur (Loose)	4130	4220	-90
	Adampur (Delivery)	4330	4420	-90
	Sirsa (Loose)	4021	4175	-154
	Bhiwani (Delivery)	4220	4345	-125
	Dhabwali (Loose)	3990	4102	-112
	Dhabwali (Delivery)	4190	4302	-112
	Siwani (Loose)	4130	4270	-140
	Ellanabad (Loose)	3970	4215	-245
Gujarat	Deesa (Loose)	3993	NA	-
	Patan (Loose)	3837	3869	-32
	Rajkot (Loose)	4054	4027	27
	Dhrol(Loose)	3905	4010	-105
Madhya pradesh	Dabra (Loose)	NA	NA	-
	Guar Gum			
Rajasthan	Jodhpur	9060	9610	-550
	Alwar	9200	9680	-480
Haryana	Sirsa	9140	9600	-460

	Bhiwani	9100	9680	-580
	Dhabwali	9080	9670	-590
	Ellanabad	9110	9640	-530

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

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	11-Sep-15	4-Sep-15	11-Aug-15	11-Sep-14
Rajasthan	Jodhpur (Loose)	4150	4050	3700	5200
	Jodhpur(Delivery)	4350	4250	3900	5400
	Sri-Ganganagar(Loose)	3900	3900	3500	5400
	Sri-Ganganagar (Delivery)	4100	4100	3700	5550
	Nagaur (Loose)	3950	3850	3500	5200
	Alwar (loose)	NR	3800	3600	5100
	Churu (Delivery)	NR	4000	3800	5400
	Bikaner (Loose)	4000	3825	3500	5350
	Bikaner (Delivery)	4200	4025	3650	5550
	Khajuwala Bikaner (Loose)	4020	3800	3500	5350
	Khajuwala Bikane(Delivery)	4181	3952	3640	5564
	Nokha(Loose)	4000	3850	3460	5300
	Nokha (Delivery)	4144	3989	3585	5491
	Hanumangarh (Loose)	3900	3700	3400	5350
	Hanumangarh (Delivery)	4100	3895	3600	5550
Haryana	Adampur (Loose)	4150	3900	3575	5400
	Adampur (Delivery)	4350	4100	3800	5550
	Sirsa (Loose)	4000	3825	3550	5380
	Bhiwani (Delivery)	4200	4050	3650	5550
	Dhabwali (Loose)	4000	3725	3500	5400
	Dhabwali (Delivery)	4200	3925	3700	5600
	Siwani (Loose)	4125	3950	3600	5500
	Ellanabad (Loose)	4000	3900	3500	5400
Gujarat	Deesa (Loose)	NA	NA	NR	5125
	Patan (Loose)	4050	3660	4000	5135
	Rajkot (Loose)	4050	3795	NR	5360
	Dhrol(Loose)	3815	NA	NR	NR
Madhya Pradesh	Dabra(Loose)	NA	NA	NR	4800
Guar Gum					
Rajasthan	Jodhpur	9300	8800	7800	15500
	Alwar	NR	8800	7900	15800
Haryana	Sirsa	9000	8700	7800	16000

	Bhiwani	9250	8850	7850	15700
	Dhabwali	9000	8800	7850	15800
	Ellanabad	9000	9000	7800	16000

### Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		7st Sep to 11th Sep 15	31st Aug to 4th Sep 15	
Rajasthan	Jodhpur	NA	NA	-
	Sri-Ganganagar	2500	2400	100
	Nagaur	850	1050	-200
	Alwar	1200	1900	-700
	Churu	3000	5200	-2200
	Bikaner	1400	1050	350
	Khajuwala Bikaner	1050	1400	-350
	Nokha	720	1250	-530
	Hanumangarh	355	40	315
Haryana	Adampur	5000	3700	1300
	Sirsa	850	900	-50
	Bhiwani	2300	2900	-600
	Dhabwali	355	850	-495
	Siwani	1900	2400	-500
	Ellanabad	400	550	-150
Gujarat	Deesa	195	NA	-
	Patan (Loose)	121	199	-78
	Rajkot	1680	1925	-245
	Dhrol(Loose)	35	8	27
Madhya Pradesh	Dabra(Loose)	NA	NA	-
Total Arrival		23911	27722	-3811

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 likely to move in a range with weak tone due to weak overseas demand of gum.

We expect prices to take a downward correction.

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