

**Domestic Market Summary:**

- Guar prices declined last week in key markets due to weak demand at higher levels.
- Farmers in Ganganagar are expecting 1.5-2 quintal bags per bigha due to failed rains for one month and recent rainfall which damage the quality of the standing crop.
- Weather forecasters have predicted rainfall in Guar growing regions in Rajasthan in the next 3-4 days. However, market already discounted this news and plunged sharply down this week. However, if rainfall occurred now, it will delay the arrivals of guar as expected.
- Fresh arrivals from new crop started arriving in Ganganagar region. However, the volume is quite low at present. Traders are expecting daily arrivals of 3000-4000 bags 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 is going to 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.

**Next Week Price Projections:**

Prices are likely to move upside range of 200-300 per quintal in the next week. In the Jodhpur market, delivery prices are trading at Rs 4058 and are likely to trade upto to Rs 4200-4300 per quintal.

In Ganganagar region, prices are trading at Rs 3892 per quintal which could increase upto Rs 4100 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 (~3700 bags) compared to previous week ~5000 bags.

Similarly, In Ganganagar market, arrivals have increased last week to 4100 bags compared to prior week arrivals data i.e.2500 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.

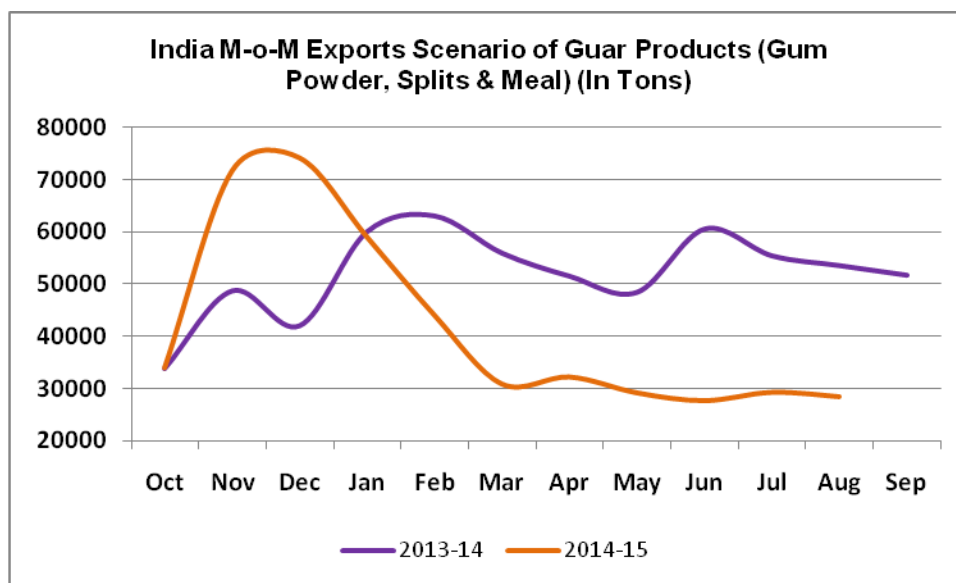
Notably, in the recent month guar exports fell by 47% compared to guar exports during corresponding period last year. Weak demand of guar gum overseas mainly due to falling crude oil prices led the gum exports down in the last couple of months. Falling rig count and new shale gas explorations are also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



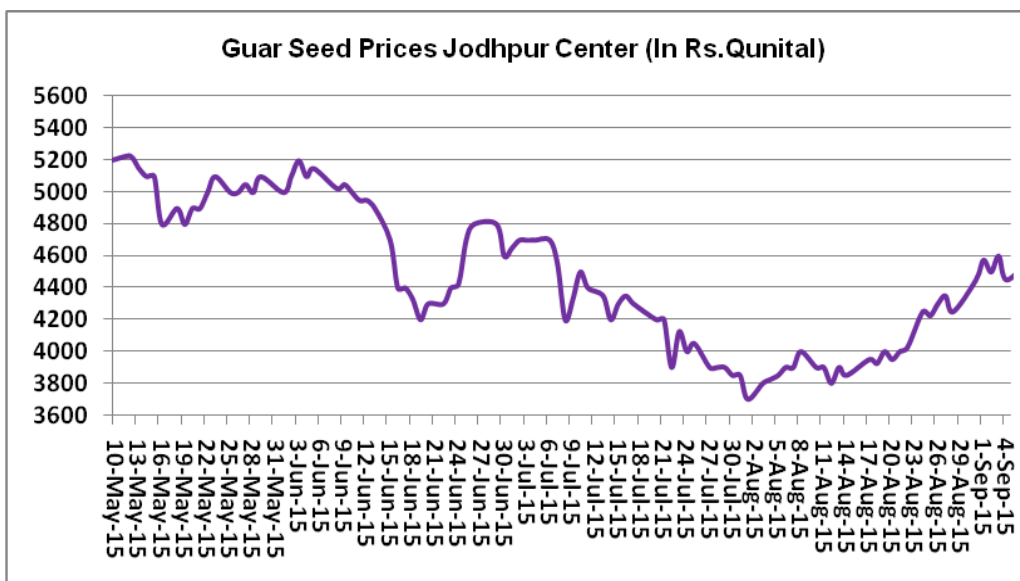
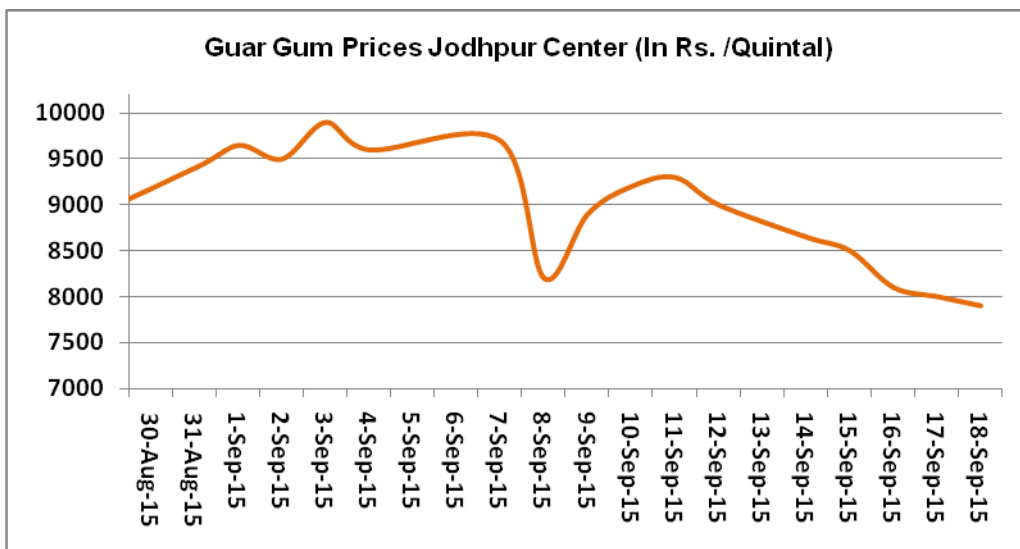
### Crop Situation:

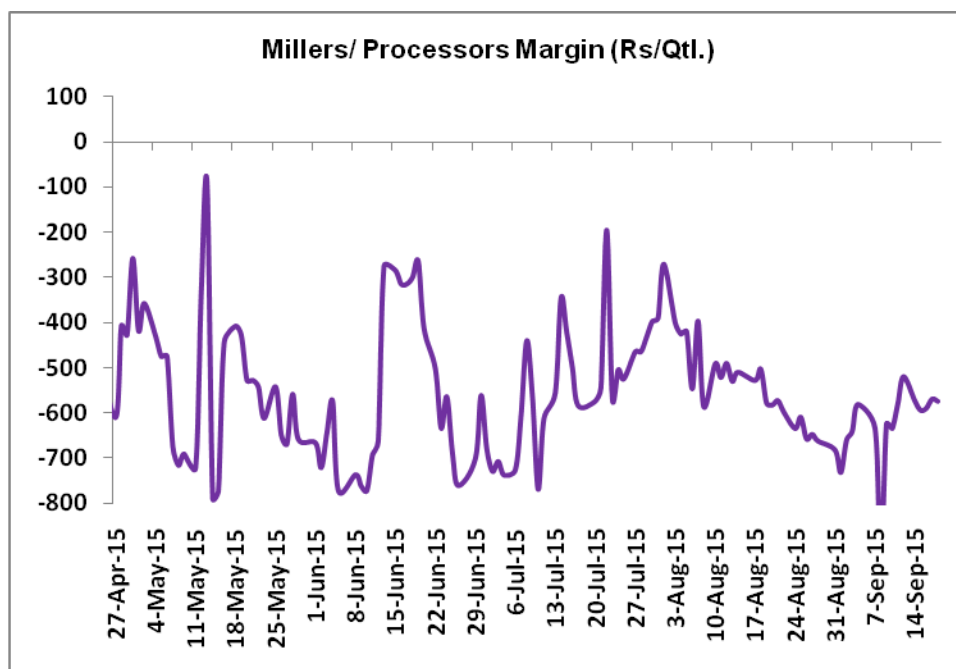
Recent rainfall proved boon to the standing crop in Jaisalmer, Barmer and Jodhpur region as farmers had grown guar crop in early August which needs immediate rainfall.

However, rainfall proved bad in irrigated areas like Ganganagar, Hanumangarh, and parts of Haryana as crop is in its harvesting stage. Farmers are expecting 30-40% lesser yield this year compared to last year due to lack of rainfall in the last one month and heavy rainfall at the time of harvesting which deteriorates the quality of guar seed also.

### Price Scenario

In the third week of September, the average price of guar seed declined by 8% and was at Rs.4058/Qtl compared to previous week. Also, guar gum prices declined last week by 8% at Rs.8358/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 improved compared to previous week. In the third week of September 2015, average crush margin declined at Rs. -570/Quintal which were -682 per quintal last week.

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

Commodity	Centre	12th Sep to 18th Sep 15	7th Sep to 11th Sep 15	Change
Churi	Jodhpur	1525	1545	-20
Korma	Jodhpur	1900	1940	-40
Churi	Sri-Ganganagar	1388	1425	-37
Korma	Sri-Ganganagar	1875	1875	Unch
Prices in Rs/75kg				

**Guar Export Weekly Average Prices:**

Commodity	Variety	12th Sep to 18th Sep 15	7th Sep to 11th Sep 15	Change
Guargum Split		1357	1353	4
Guargum Powder	200 Mesh 5000 CPS	1658	1654	4
	200 Mesh 3500 CPS	1583	1578	5
Guargum Meal	40%	317	316	1
	50%	392	391	1
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	12th Sep to 18th Sep 15	7th Sep to 11th Sep 15	
Rajasthan	Jodhpur (Loose)	3858	4200	-342
	Jodhpur(Delivery)	4058	4400	-342
	Sri-Ganganagar(Loose)	3708	3980	-272
	Sri-Ganganagar (Delivery)	3892	4190	-298
	Nagaur (Loose)	3700	3980	-280
	Alwar (loose)	3650	3963	-313
	Churu (Delivery)	3800	4125	-325
	Bikaner (Loose)	3713	3998	-285
	Bikaner (Delivery)	3871	4198	-327
	Khajuwala Bikaner (Loose)	3820	4058	-238
	Khajuwala Bikaner(Delivery)	3976	4220	-244
	Nokha(Loose)	3733	4018	-285
	Nokha (Delivery)	3868	4163	-295
	Hanumangarh (Loose)	3716	3936	-220
	Hanumangarh (Delivery)	3906	4136	-230
Haryana	Adampur (Loose)	3871	4130	-259
	Adampur (Delivery)	4063	4330	-267
	Sirsa (Loose)	3753	4021	-268
	Bhiwani (Delivery)	3900	4220	-320
	Dhabwali (Loose)	3745	3990	-245
	Dhabwali (Delivery)	3928	4190	-262
	Siwani (Loose)	3888	4130	-242
	Ellanabad (Loose)	3725	3970	-245
Gujarat	Deesa (Loose)	NA	3993	-
	Patan (Loose)	3695	3837	-142
	Rajkot (Loose)	3865	4054	-189
	Dhrol(Loose)	3785	3905	-120
Madhya pradesh	Dabra (Loose)	NA	NA	-
	Guar Gum			
Rajasthan	Jodhpur	8358	9060	-702
	Alwar	8175	9200	-1025
Haryana	Sirsa	8367	9140	-773
	Bhiwani	8600	9100	-500
	Dhabwali	8367	9080	-713
	Ellanabad	8317	9110	-793

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

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	18-Sep-15	11-Sep-15	18-Aug-15	18-Sep-14
<b>Rajasthan</b>	Jodhpur (Loose)	3725	4150	3725	5400
	Jodhpur(Delivery)	3925	4350	3925	5700
	Sri-Ganganagar(Loose)	3650	3900	3475	5400
	Sri-Ganganagar (Delivery)	3850	4100	3675	5600
	Nagaur (Loose)	3550	3950	3500	5250
	Alwar (loose)	3600	NR	3500	5300
	Churu (Delivery)	3700	NR	3700	5600
	Bikaner (Loose)	3550	4000	3450	5500
	Bikaner (Delivery)	3700	4200	3650	5600
	Khajuwala Bikaner (Loose)	Closed	4020	3530	5400
	Khajuwala Bikaner(Delivery)	Closed	4181	3671	5616
	Nokha(Loose)	3650	4000	3450	5380
	Nokha (Delivery)	3781	4144	3574	5574
	Hanumangarh (Loose)	3500	3900	3400	5350
	Hanumangarh (Delivery)	3700	4100	3600	5550
<b>Haryana</b>	Adampur (Loose)	3750	4150	3600	5450
	Adampur (Delivery)	3950	4350	3750	5600
	Sirsa (Loose)	3700	4000	3500	5400
	Bhiwani (Delivery)	3750	4200	3725	5650
	Dhabwali (Loose)	3560	4000	3550	5300
	Dhabwali (Delivery)	3760	4200	3750	5500
	Siwani (Loose)	3725	4125	3700	5600
	Ellanabad (Loose)	3625	4000	3550	5500
<b>Gujarat</b>	Deesa (Loose)	NA	NA	NA	5055
	Patan (Loose)	3460	4050	3410	5185
	Rajkot (Loose)	NA	4050	3680	5210
	Dhrol(Loose)	3750	3815	NA	NA
<b>Madhya Pradesh</b>	Dabra(Loose)	NA	NA	NA	3500
<b>Guar Gum</b>					
<b>Rajasthan</b>	Jodhpur	7900	9300	8000	16300
	Alwar	8000	NR	8000	16200
<b>Haryana</b>	Sirsa	7900	9000	7900	16100
	Bhiwani	8350	9250	8000	16250
	Dhabwali	7900	9000	8000	16050
	Ellanabad	7900	9000	7800	16100

### Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		12th Sep to 18th Sep 15	7th Sep to 11th Sep 15	
Rajasthan	Jodhpur	NA	NA	-
	Sri-Ganganagar	4100	2500	1600
	Nagaur	1050	850	200
	Alwar	900	1200	-300
	Churu	2700	3000	-300
	Bikaner	1450	1400	50
	Khajuwala Bikaner	800	1050	-250
	Nokha	850	720	130
	Hanumangarh	475	355	120
Haryana	Adampur	3700	5000	-1300
	Sirsa	925	850	75
	Bhiwani	400	2300	-1900
	Dhabwali	470	355	115
	Siwani	1450	1900	-450
	Ellanabad	580	400	180
Gujarat	Deesa	NA	195	-
	Patan (Loose)	227	121	106
	Rajkot	875	1680	-805
	Dhrol(Loose)	21	35	-14
Madhya Pradesh	Dabra(Loose)	NA	NA	-
Total Arrival		20973	23457	-2484





Commodity: Guar Seed 10MT  
Contract: Oct

Exchange: NCDEX  
Expiry: Oct 20, 2015

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

GUAR SEED 1510(NCGRSV5)2015/09/22 - Daily B:3736.00 A:3740.00  
O 3825.000 H 3862.000 L 3690.000 C 3739.000 ↑ V 44,630 I 48,970 -63 -1.66%  
BOL(EXPONENTIAL, 10, 2.0) 3834.48 4118.18 3550.77



### Technical Commentary:

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

### Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Oct	3000	3400	3656	4927	5200
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Oct	Buy	Above 3700	4000	4150	3520



Commodity: Guar Gum  
Contract: Oct

Exchange: NCDEX  
Expiry: Oct 20, 2015

### Guar Gum (Oct Weekly Chart)

GUARGUM 1510(NCGUGV5)2015/09/20 - Weekly B:8090.00 A:8100.00  
O:7930.000 H:8530.000 L:7850.000 C:8090.000 V:7,457 I:18,135 +180 +2.28%  
BOL(EXPONENTIAL, 10, 2.0) 8844.44 10144.7 7544.19



### 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: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Oct	6700	7500	7910	11500	12000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Oct	Buy	Above 8000	8500	8800	7700

### Spot Market Outlook:

Guar prices are trading in a pretty crucial range. Heavy rainfall in parts of Rajasthan, Gujarat and Haryana impacts the crop both ways.

We expect prices to trade in a range with firm tone in the coming week until next crop arrives in the market.

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