

**Domestic Market Summary:**

- Guar prices traded in a range with firm tone last week.
- In a guar conference held in Bikaner, Traders are expecting 15 lac tons of guar seed production with an opening stock of 8 lac tons for 2015-16 marketing year
- Fresh buying of guar seed reported from various millers for the first time in many days due to good demand of Churi and Korma. Millers are processing guar seed for making churi and korma and left apart Guar gum as demand of guar gum is not good at present. Millers are finding huge disparity for guar seed for making guar gum at present as reported. This is the only reason why guar seed prices are moving higher more compared to guar gum.
- NCDEX issued a circular in which Guar gum and seed deposited in NCDEX approved warehouses at Adampur and Barmer centers has been removed applicable for contracts expiring in the months of February 2016 and thereafter.
- 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.

**Next Week Price Projections:**

As per our projections, prices move up but left our target only by Rs 100 per quintal

For the next week, Prices are likely to move upside range of 100 per quintal in the next week. In the Jodhpur market, delivery prices are trading at Rs 4100 and are likely to trade upto to Rs 4200-4300 per quintal.

In Ganganagar region, prices are trading at Rs 3700 per quintal which could likely to move in a range and likely to trade upto Rs 3800 quintal as expected.

## **Current Market Dynamics**

Guar prices are showing some strength from lower levels due to moderate demand of guar seed from millers due to the prices of Churi and Korma. However, weak demand of guar gum and arrival pressure of guar seed in major mandis should pressurize the prices of guar seed in the coming week and proved this upside short-lived.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (~6500 bags) compared to previous week ~4200 bags.

Similarly, In Ganganagar market, arrivals have increased sharply last week to 20800 bags compared to prior week arrivals data i.e.6700 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.

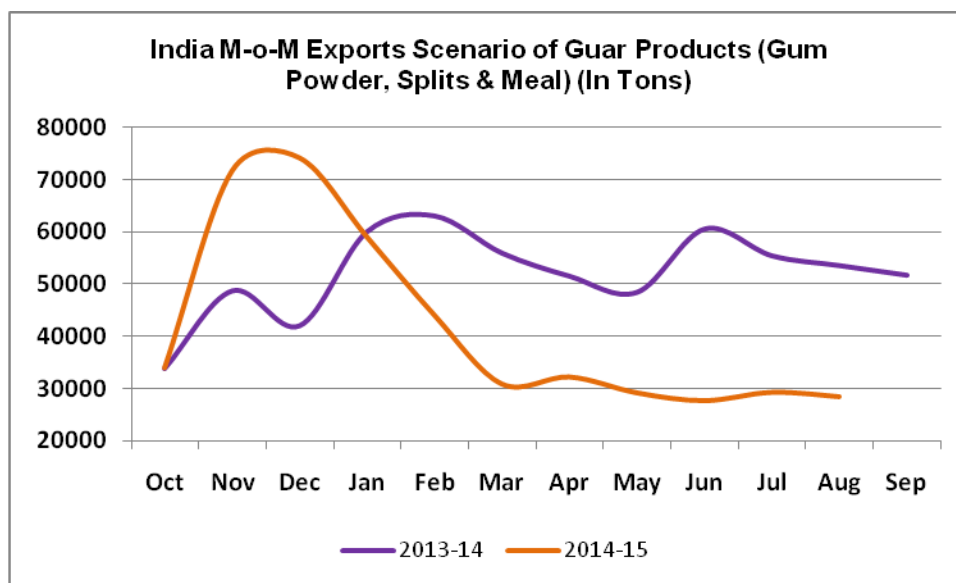
Notably, in the recent month guar exports fell by 47% compared to guar exports during corresponding period last year. Weak demand of guar gum overseas mainly due to falling crude oil prices led the gum exports down in the last couple of months. Falling rig count and new shale gas explorations are also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



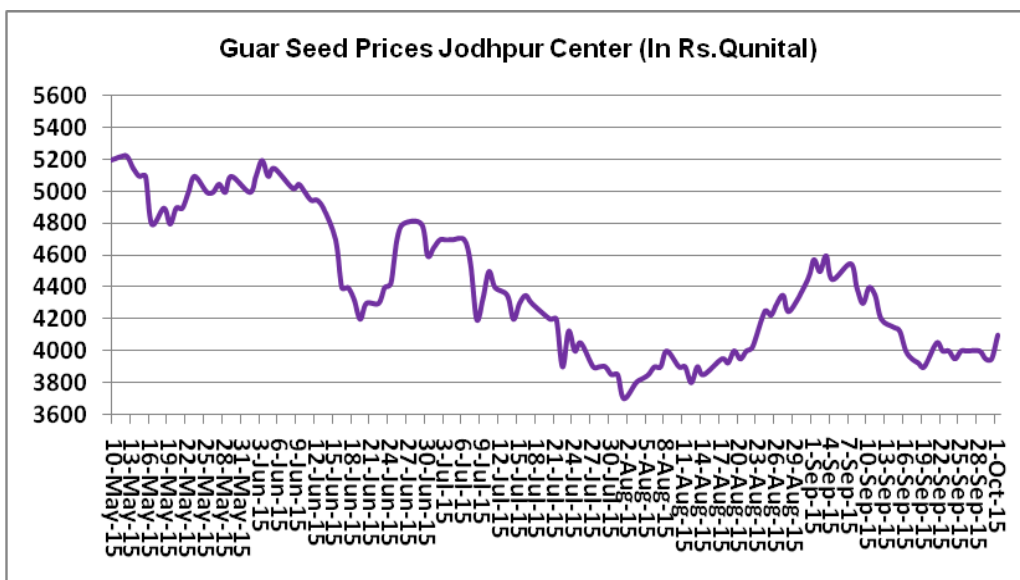
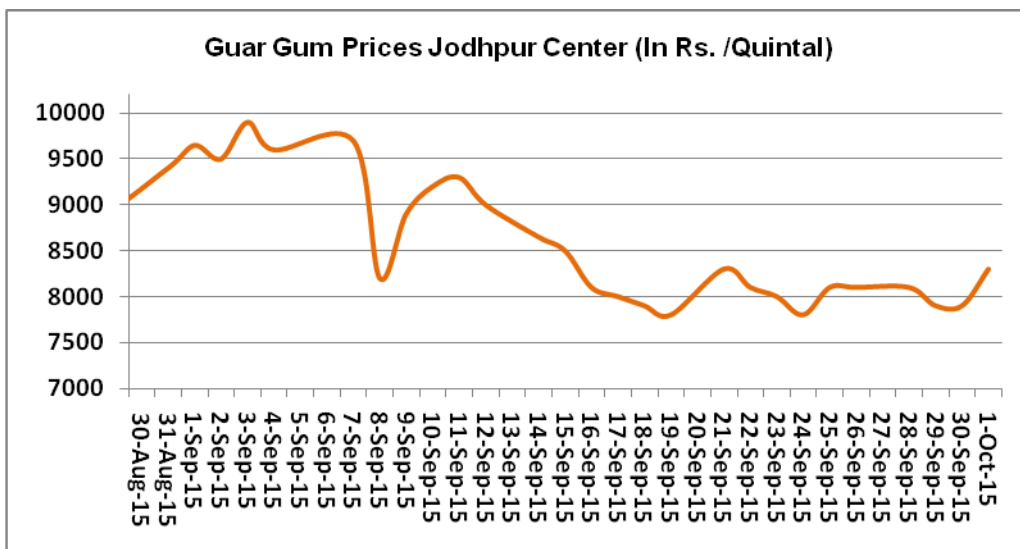
### Crop Situation:

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.

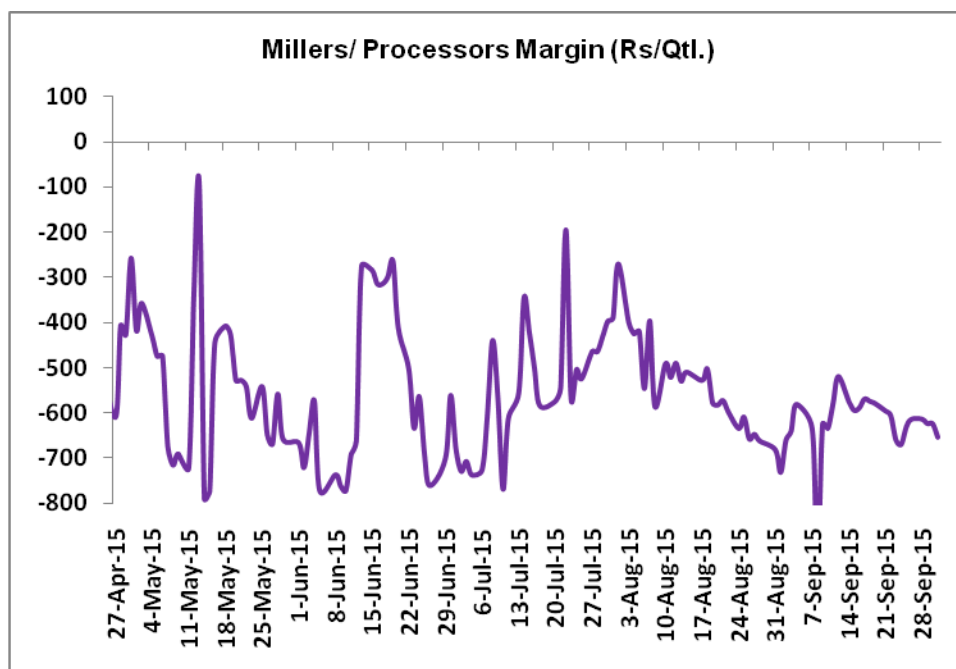
However, rainfall proved bad in irrigated areas like Ganganagar, Hanumangarh, and parts of Haryana as crop is in its harvesting stage. Farmers are expecting 30-40% lesser yield this year compared to last year due to lack of rainfall in the last one month and heavy rainfall at the time of harvesting which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

### Price Scenario

In the fourth week of September, the average price of guar seed surged marginally by 0.4% and was at Rs.4000/Qtl compared to previous week. Also, guar gum prices improved last week by 0.5% at Rs.8060/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 fourth week of September 2015, average crush margin declined marginally at Rs. -626.5/Quintal which were -624 per quintal last week. Decline in churi prices led the margin down last week.

### Guar by – Products Weekly Average Prices:

Commodity	Centre	26th to 01th Oct 15	19th to 25th Sep 15	Change
Churi	Jodhpur	1470	1525	-55
Korma	Jodhpur	1880	1900	-20
Churi	Sri-Ganganagar	1435	1388	47
Korma	Sri-Ganganagar	1883	1875	8
Prices in Rs/75kg				

### Guar Export Weekly Average Prices:

Commodity	Variety	26th to 01th Oct 15	19th to 25th Sep 15	Change
Guargum Split		1213	1279	-66
Guargum Powder	200 Mesh 5000 CPS	1517	1582	-65
	200 Mesh 3500 CPS	1441	1506	-65
Guargum Meal	40%	321	329	-8
	50%	412	416	-4
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	26th to 01th Oct 15	19th to 25th Sep 15	
Rajasthan	Jodhpur (Loose)	3760	3775	-15
	Jodhpur(Delivery)	4000	3975	25
	Sri-Ganganagar(Loose )	3530	3586	-56
	Sri-Ganganagar (Delivery)	3720	3786	-66
	Nagaur (Loose)	3630	3750	-120
	Alwar (loose)	3680	3643	37
	Churu (Delivery)	3850	3771	79
	Bikaner (Loose)	3635	3600	35
	Bikaner (Delivery)	3825	3766	59
	Khajuwala Bikaner (Loose)	3656	3646	10
	Khajuwala Bikaner(Delivery)	3802	3792	10
	Nokha(Loose)	3647	3707	-60
	Nokha (Delivery)	3778	3841	-63
	Hanumangarh (Loose)	3520	3500	20
	Hanumangarh (Delivery)	3700	3700	Unch
Haryana	Adampur (Loose)	3675	3743	-68
	Adampur (Delivery)	3855	3943	-88
	Sirsa (Loose)	3610	3719	-109
	Bhiwani (Delivery)	3810	3778	32
	Dhabwali (Loose)	3619	3613	6
	Dhabwali (Delivery)	3801	3841	-40
	Siwani (Loose)	3806	3778	28
	Ellanabad (Loose)	3640	3736	-96
Gujarat	Deesa (Loose)	NA	NA	-
	Patan (Loose)	3500	3486	14
	Rajkot (Loose)	3719	3768	-49
	Dhrol(Loose)	3644	3702	-58
Madhya pradesh	Dabra (Loose)	NA	NA	-
	Guar Gum			
Rajasthan	Jodhpur	8060	8000	60
	Alwar	8080	8071	9
Haryana	Sirsa	8000	8130	-130
	Bhiwani	8154	8207	-53
	Dhabwali	8030	7992	38

	Ellanabad	8010	8050	-40
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Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	1-Oct-15	25-Sep-15	1-Sep-15	1-Oct-14
Rajasthan	Jodhpur (Loose)	3900	3800	4375	5200
	Jodhpur(Delivery)	4100	4000	4575	5500
	Sri-Ganganagar(Loose)	3500	3550	4100	5250
	Sri-Ganganagar (Delivery)	3700	3750	4300	5450
	Nagaur (Loose)	3600	Closed	4350	5000
	Alwar (loose)	3800	3700	4100	5200
	Churu (Delivery)	3950	3850	4200	5500
	Bikaner (Loose)	3750	Closed	4150	5250
	Bikaner (Delivery)	3950	Closed	4325	5450
	Khajuwala Bikaner (Loose)	3720	3700	4190	5130
	Khajuwala Bikane(Delivery)	3869	3848	4358	5335
	Nokha(Loose)	3760	3600	4100	5150
	Nokha (Delivery)	3895	3730	4248	5335
	Hanumangarh (Loose)	3700	3500	4200	5150
	Hanumangarh (Delivery)	3900	3700	4400	5350
Haryana	Adampur (Loose)	3700	3750	4300	5200
	Adampur (Delivery)	3900	3950	4500	5400
	Sirsa (Loose)	3700	3630	4175	5150
	Bhiwani (Delivery)	3950	3800	4400	5350
	Dhabwali (Loose)	3610	3625	4100	5250
	Dhabwali (Delivery)	3810	3825	4300	5400
	Siwani (Loose)	3900	3800	4250	5350
	Ellanabad (Loose)	3700	3625	4300	5200
Gujarat	Deesa (Loose)	NA	NA	NA	5005
	Patan (Loose)	3605	3440	NA	5055
	Rajkot (Loose)	3740	3720	4160	5160
	Dhrol(Loose)	3705	3650	4010	
Madhya Pradesh	Dabra(Loose)	NA	NA	NA	3800
Guar Gum					
Rajasthan	Jodhpur	8300	8100	9650	15900
	Alwar	8200	8100	9700	16000
Haryana	Sirsa	8200	8000	9600	15600
	Bhiwani	8370	8350	9750	15500
	Dhabwali	8300	8050	9700	15500

	Ellanabad	8250	8000	9700	15900
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### Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		26th to 01th Oct 15	19th to 25th Sep 15	
Rajasthan	Jodhpur	100	NA	-
	Sri-Ganganagar	20800	6700	14100
	Nagaur	800	800	Unch
	Alwar	1200	1600	-400
	Churu	3600	3900	-300
	Bikaner	1100	1150	-50
	Khajuwala Bikaner	1300	1050	250
	Nokha	1050	1000	50
	Hanumangarh	320	95	225
Haryana	Adampur	6500	4200	2300
	Sirsa	850	350	500
	Bhiwani	200	NA	-
	Dhabwali	2050	510	1540
	Siwani	1200	1000	200
	Ellanabad	600	185	415
Gujarat	Deesa	NA	NA	-
	Patan (Loose)	217	226	-9
	Rajkot	1610	1762	-152
	Dhrol(Loose)	19	35	-16
Madhya Pradesh	Dabra(Loose)	NA	NA	-
Total Arrival		43516	24563	18953





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: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Oct	3000	3400	3698	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)



### 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	8060	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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