

### **Domestic Market Summary:**

- Guar prices traded in a range with firm tone last week.
- Demand from big millers came for guar seed at lower levels as reported. It indicates prices could continue its rally in the coming days. However, recent price rise could be short lived due to weak overseas demand for guar gum.
- India has exported 11246 tons of guar gum powder in September 2015 which is 69% down compared to prior year.
- 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 Guar gum untouched 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 compared to guar gum.

### **Next Week Price Projections:**

As per our projections, prices move up and hit all the levels in Jodhpur and Ganganagar spot markets.

For the next week, Prices are likely to move upside range of 150 per quintal in the next week. In the Jodhpur market, delivery prices are trading at Rs 4213 and are likely to trade upto to Rs 4400 per quintal.

In Ganganagar region, prices are trading at Rs 3867 per quintal which is likely to move in a range and trade upto Rs 3950-4000 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 weeks and prove this hike short-lived.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (~8600 bags) compared to previous week ~6500 bags.

Similarly, In Ganganagar market, arrivals have increased sharply last week to 43300 bags compared to prior week arrivals data i.e.20800 bags.

## **Export and Import Scenario**

India has exported 19022 tons of Guar Products (Gum, Splits & Meal) in the month of September 2015 which is lower export figures compared to last year. Out of the total guar exports, 11246 tons of Guar gum, 2580 tons of Splits and 5196 tons of Guar meals exported in September 2015.

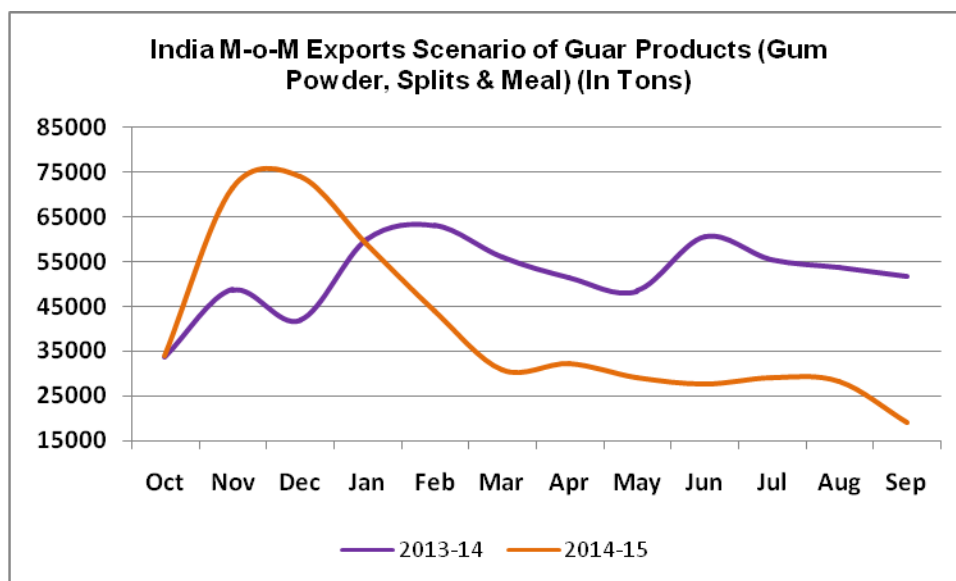
Notably, recent month guar exports fell by 68% compared to guar exports during corresponding period last year. Weak demand of guar gum overseas mainly due to falling crude oil prices led to fall in gum exports in the last couple of months. Falling rig count and new shale gas explorations are also the 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 will 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.



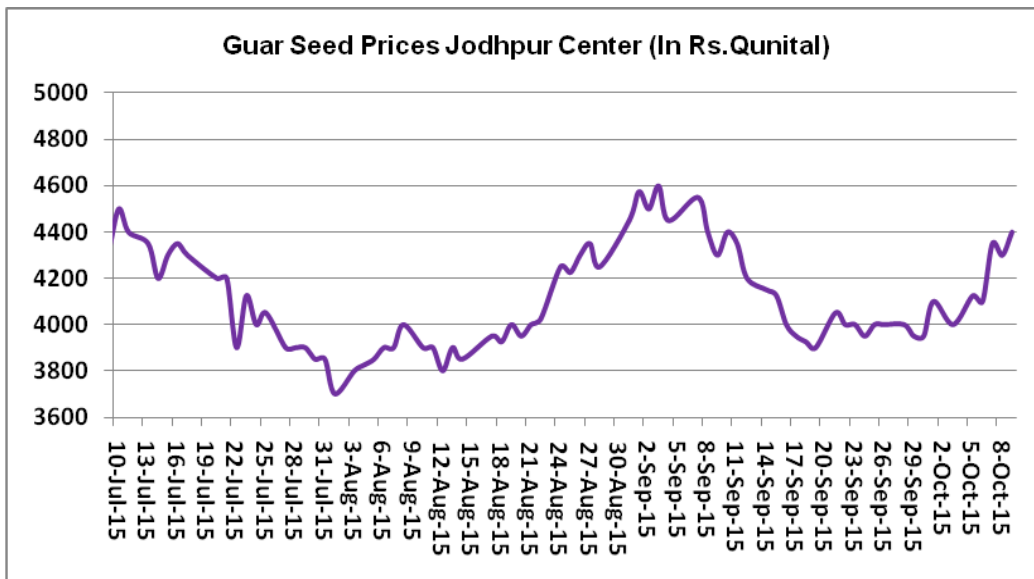
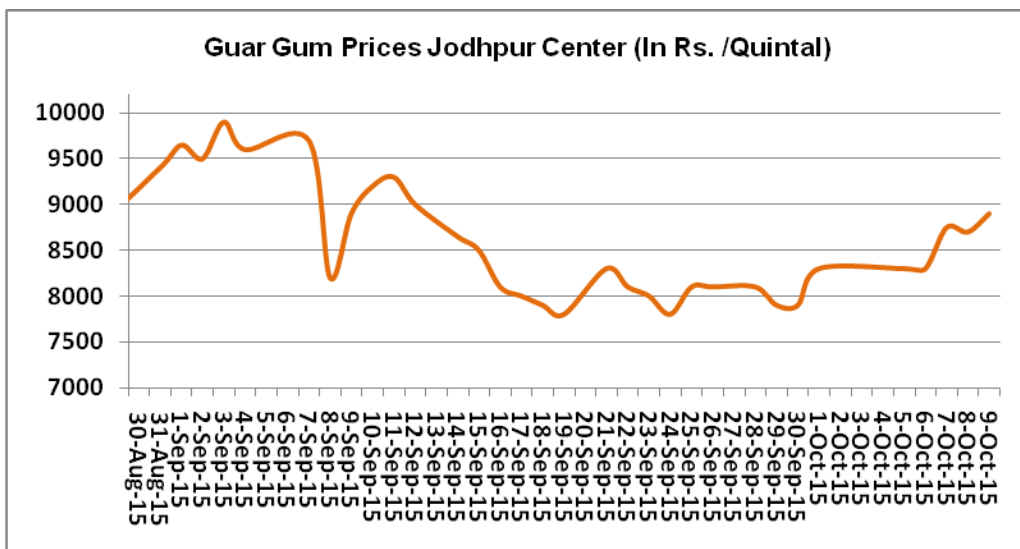
### Crop Situation:

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.

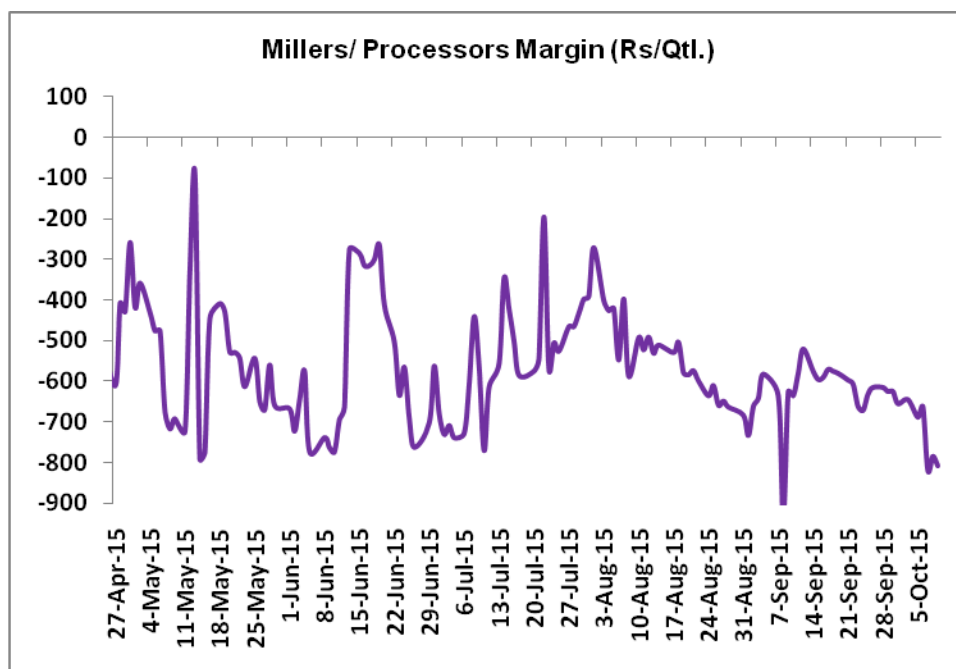
However, rainfall proved bad in irrigated areas like Ganganagar, Hanumangarh, and parts of Haryana as crop is in its harvesting stage. Farmers are expecting 30-40% lesser yield this year compared to last year due to lack of rainfall in the last one month and heavy rainfall at the time of harvesting which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

### Price Scenario

In the first week of October, the average price of guar seed surged by 5.3% and was at Rs.4212/Qtl compared to previous week. Also, guar gum prices improved last week by 5.4% at Rs.8491/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 October 2015, average crush margin declined at Rs. -734.25/Quintal which were -626.5 per quintal last week. Decline in churi and korma prices led the margin down last week.

## Guar by – Products Weekly Average Prices:

Commodity	Centre	03th to 08th Oct 15	26th to 01th Oct 15	Change
Churi	Jodhpur	1450	1470	-20
Korma	Jodhpur	1825	1880	-55
Churi	Sri-Ganganagar	1402	1435	-33
Korma	Sri-Ganganagar	1837	1883	-46
Prices in Rs/75kg				

## Guar Export Weekly Average Prices:

Commodity	Variety	03th to 08th Oct 15	26th to 01th Oct 15	Change
Guargum Split		1296	1213	83
Guargum Powder	200 Mesh 5000 CPS	1602	1517	85
	200 Mesh 3500 CPS	1525	1441	84
Guargum Meal	40%	326	321	5
	50%	418	412	6
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	03th to 08th Oct 15	26th to 01th Oct 15	
Rajasthan	Jodhpur (Loose)	4013	3760	253
	Jodhpur(Delivery)	4213	4000	213
	Sri-Ganganagar(Loose)	3667	3530	137
	Sri-Ganganagar (Delivery)	3867	3720	147
	Nagaur (Loose)	3550	3630	-80
	Alwar (loose)	3925	3680	245
	Churu (Delivery)	4058	3850	208
	Bikaner (Loose)	3833	3635	198
	Bikaner (Delivery)	4025	3825	200
	Khajuwala Bikaner (Loose)	3803	3656	147
	Khajuwala Bikaner(Delivery)	3955	3802	153
	Nokha(Loose)	3938	3647	291
	Nokha (Delivery)	4079	3778	301
	Hanumangarh (Loose)	3703	3520	183
	Hanumangarh (Delivery)	3903	3700	203
Haryana	Adampur (Loose)	3804	3675	129
	Adampur (Delivery)	4004	3855	149
	Sirsa (Loose)	3760	3610	150
	Bhiwani (Delivery)	4013	3810	203
	Dhabwali (Loose)	3743	3619	124
	Dhabwali (Delivery)	3960	3801	159
	Siwani (Loose)	3940	3806	134
	Ellanabad (Loose)	3808	3640	168
Gujarat	Deesa (Loose)	NA	NA	-
	Patan (Loose)	369	3500	-3131
	Rajkot (Loose)	3858	3719	139
	Dhrol(Loose)	3709	3644	65
Madhya pradesh	Dabra (Loose)	NA	NA	-
	Guar Gum			
Rajasthan	Jodhpur	8491	8060	431
	Alwar	8466	8080	386
Haryana	Sirsa	8433	8000	433
	Bhiwani	8341	8154	187
	Dhabwali	8475	8030	445

	Ellanabad	8425	8010	415
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Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	8-Oct-15	1-Oct-15	8-Sep-15	8-Oct-14
Rajasthan	Jodhpur (Loose)	4200	3900	4100	5300
	Jodhpur(Delivery)	4400	4100	4300	5600
	Sri-Ganganagar(Loose)	3900	3500	3900	5100
	Sri-Ganganagar (Delivery)	4100	3700	4100	5300
	Nagaur (Loose)	3550	3600	3550	5500
	Alwar (loose)	4100	3800	4000	5150
	Churu (Delivery)	4250	3950	4100	5400
	Bikaner (Loose)	4000	3750	3950	5400
	Bikaner (Delivery)	4200	3950	4150	5600
	Khajuwala Bikaner (Loose)	3925	3720	3870	5300
	Khajuwala Bikaner(Delivery)	4082	3869	4025	5512
	Nokha(Loose)	4100	3760	4000	5400
	Nokha (Delivery)	4248	3895	4144	5594
	Hanumangarh (Loose)	3925	3700	3825	5300
	Hanumangarh (Delivery)	4125	3900	4025	5450
Haryana	Adampur (Loose)	4000	3700	3750	5300
	Adampur (Delivery)	4200	3900	3950	5500
	Sirsa (Loose)	3900	3700	3760	5375
	Bhiwani (Delivery)	4100	3950	3950	5500
	Dhabwali (Loose)	3900	3610	3925	5350
	Dhabwali (Delivery)	4150	3810	4125	5550
	Siwani (Loose)	4000	3900	4050	5550
	Ellanabad (Loose)	3900	3700	3900	5450
Gujarat	Deesa (Loose)	NA	NA	NA	Closed
	Patan (Loose)	3805	3605	NA	5175
	Rajkot (Loose)	3950	3740	3950	5165
	Dhrol(Loose)	NA	3705	3730	NA
	Dabra(Loose)	NA	NA	NA	4800
Madhya Pradesh					
Guar Gum					
Rajasthan	Jodhpur	8900	8300	8700	16000
	Alwar	8900	8200	8600	16000
Haryana	Sirsa	8800	8200	8600	16150
	Bhiwani	8700	8370	8350	16000

	Dhabwali	9000	8300	8700	16025
	Ellanabad	8850	8250	8650	16100

### Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		03th to 08th Oct 15	26th to 01th Oct 15	
Rajasthan	Jodhpur	NA	100	-
	Sri-Ganganagar	43300	20800	22500
	Nagaur	1000	800	200
	Alwar	1600	1200	400
	Churu	4800	3600	1200
	Bikaner	2800	1100	1700
	Khajuwala Bikaner	2100	1300	800
	Nokha	2100	1050	1050
	Hanumangarh	3300	320	2980
Haryana	Adampur	8600	6500	2100
	Sirsa	9100	850	8250
	Bhiwani	700	200	500
	Dhabwali	5900	2050	3850
	Siwani	1700	1200	500
	Ellanabad	4500	600	3900
Gujarat	Deesa	NA	NA	-
	Patan (Loose)	272	217	55
	Rajkot	3075	1610	1465
	Dhrol(Loose)	21	19	2
Madhya Pradesh	Dabra(Loose)	NA	NA	-
Total Arrival		94868	43516	51352



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	4155	4927	5200
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Oct	Buy	Above 4150	4350	4450	4030

**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	8750	9400	10000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Oct	Buy	Above 8700	9100	9300	8460

**Spot Market Outlook:**

Guar prices are moving up over lower arrivals in major markets due to rainfall. However, overall weak export demand and higher carry over stock of guar seed curb any major hike in guar seed prices in near future.

Also, new crop arrival pressure of guar seed will definitely pressurize the prices in the coming weeks ahead.

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