

Domestic Market Summary:

- Guar prices traded in a range with firm tone last week.
- Guar seed crop damage was much higher than estimated previously due to weak rainfall and white pest attack which ultimately reduced yield of guar seed.
- India has exported 11246 tons of guar gum powder in September 2015 which is 69% lower 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 find huge disparity in 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 are likely to move up and hit all the levels in Jodhpur and Ganganagar spot markets.

For the next week, prices are likely to move down to Rs 200 per quintal. In the Jodhpur market, delivery prices are trading at Rs 4333 and are likely to trade upto to Rs 4100 per quintal.

In Ganganagar region, prices are trading at Rs 4113 per quintal which is likely to fall 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 (~6500 bags) compared to previous week ~8600 bags.

Similarly, In Ganganagar market, arrivals have declined sharply last week to 31000 bags compared to prior week arrivals data i.e.43300 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.

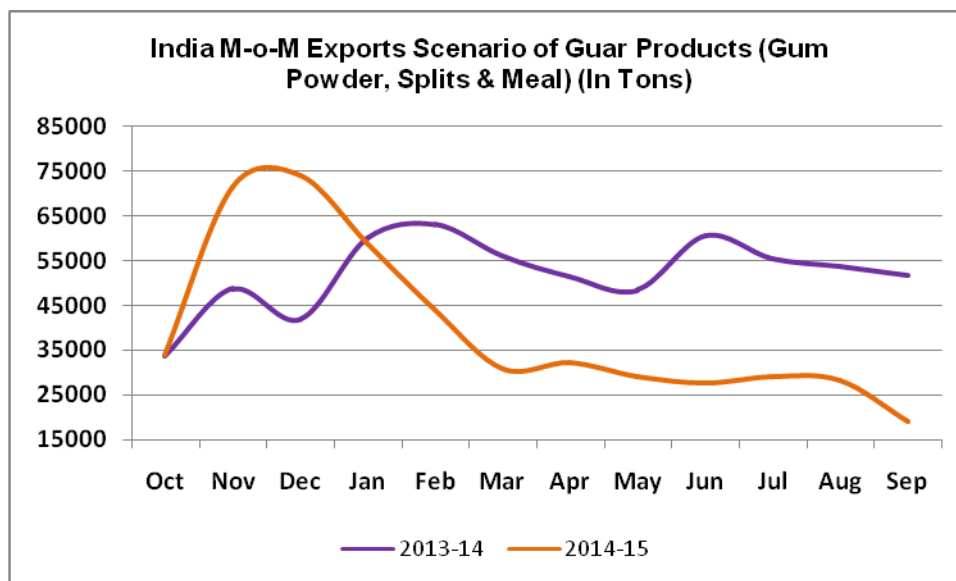
Notably, recent month guar exports fell by 68% compared to guar exports during corresponding period last year. Weak demand of guar gum overseas mainly due to falling crude oil prices led to fall in gum exports in the last couple of months. Falling rig count and new shale gas explorations are also the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

Demand Side of Guar and Guar Gum:

On export front, demands of guar products 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.



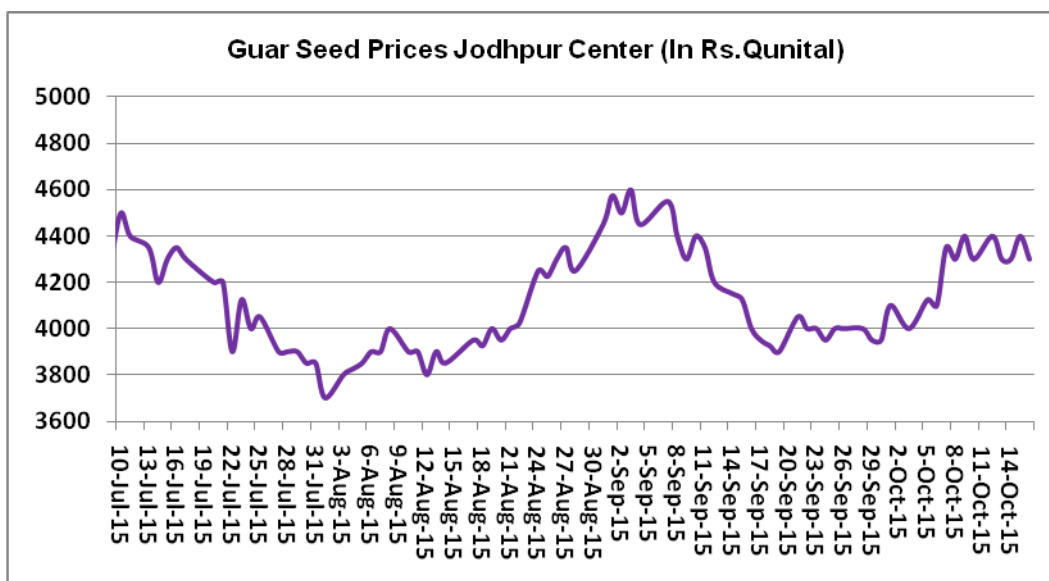
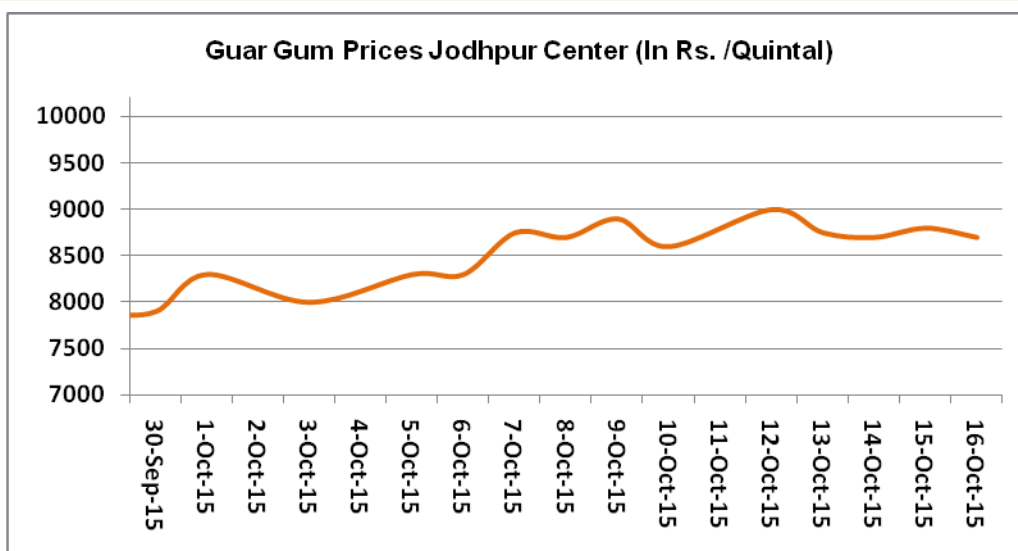
Crop Situation:

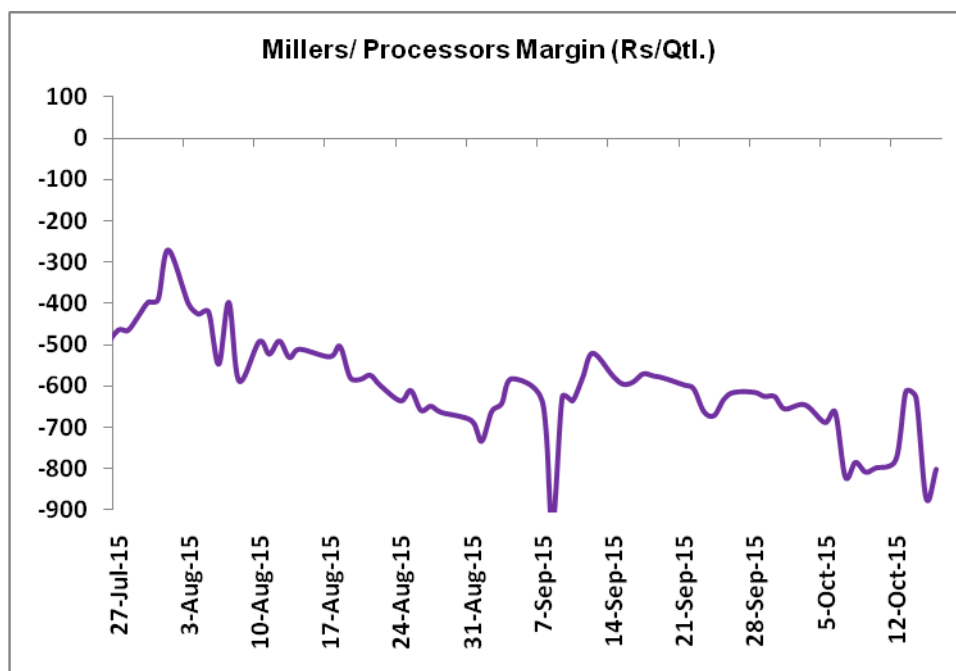
Recent rainfall proved boon to the standing crop in Jaisalmer, Barmer and Jodhpur region as farmers had grown guar crop in early August which needs immediate rainfall.

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 second week of October, the average price of guar seed surged by 2.9% and was at Rs.4333/Qtl compared to previous week. Also, guar gum prices improved last week by 3.1% at Rs.8758/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 October 2015, average crush margin declined to Rs. 747.5/Quintal which were 734.25 per quintal last week. Decline in churi and korma prices led the margin down last week.

Guar by – Products Weekly Average Prices:

| Commodity | Centre | 10th to 16th Oct 15 | 03th to 08th Oct 15 | Change |
|-------------------|----------------|---------------------|---------------------|--------|
| Churi | Jodhpur | 1500 | 1450 | 50 |
| Korma | Jodhpur | 1880 | 1825 | 55 |
| Churi | Sri-Ganganagar | 1476 | 1402 | 74 |
| Korma | Sri-Ganganagar | 1928 | 1837 | 91 |
| Prices in Rs/75kg | | | | |

Guar Export Weekly Average Prices:

| Commodity | Variety | 10th to 16th Oct 15 | 03th to 08th Oct 15 | Change |
|-----------------|-------------------|---------------------|---------------------|--------|
| Guargum Split | | 1353 | 1296 | 57 |
| Guargum Powder | 200 Mesh 5000 CPS | 1662 | 1602 | 60 |
| | 200 Mesh 3500 CPS | 1585 | 1525 | 60 |
| Guargum Meal | 40% | 321 | 326 | -5 |
| | 50% | 426 | 418 | 8 |
| Prices in \$/MT | | | | |

| Commodity | Centre | Weekly Prices (Average) | | Change |
|----------------|-----------------------------|-------------------------|---------------------|--------|
| | | 10th to 16th Oct 15 | 03th to 08th Oct 15 | |
| Rajasthan | Jodhpur (Loose) | 4133 | 4013 | 120 |
| | Jodhpur(Delivery) | 4333 | 4213 | 120 |
| | Sri-Ganganagar(Loose) | 3920 | 3667 | 253 |
| | Sri-Ganganagar (Delivery) | 4113 | 3867 | 246 |
| | Nagaur (Loose) | 4030 | 3550 | 480 |
| | Alwar (loose) | 3990 | 3925 | 65 |
| | Churu (Delivery) | 4230 | 4058 | 172 |
| | Bikaner (Loose) | 3944 | 3833 | 111 |
| | Bikaner (Delivery) | 4123 | 4025 | 98 |
| | Khajuwala Bikaner (Loose) | 3948 | 3803 | 145 |
| | Khajuwala Bikaner(Delivery) | 4105 | 3955 | 150 |
| | Nokha(Loose) | 4020 | 3938 | 82 |
| | Nokha (Delivery) | 4165 | 4079 | 86 |
| | Hanumangarh (Loose) | 3895 | 3703 | 192 |
| | Hanumangarh (Delivery) | 4079 | 3903 | 176 |
| Haryana | Adampur (Loose) | 3975 | 3804 | 171 |
| | Adampur (Delivery) | 4158 | 4004 | 154 |
| | Sirsa (Loose) | 4007 | 3760 | 247 |
| | Bhiwani (Delivery) | 4083 | 4013 | 70 |
| | Dhabwali (Loose) | 3950 | 3743 | 207 |
| | Dhabwali (Delivery) | 4133 | 3960 | 173 |
| | Siwani (Loose) | 4075 | 3940 | 135 |
| | Ellanabad (Loose) | 3854 | 3808 | 46 |
| Gujarat | Deesa (Loose) | NA | NA | - |
| | Patan (Loose) | 3854 | 3610 | 244 |
| | Rajkot (Loose) | 3988 | 3858 | 130 |
| | Dhrol(Loose) | 3844 | 3709 | 135 |
| Madhya pradesh | Dabra (Loose) | NA | NA | - |
| Guar Gum | | | | |
| Rajasthan | Jodhpur | 8758 | 8491 | 267 |
| | Alwar | 8800 | 8466 | 334 |
| Haryana | Sirsa | 8780 | 8433 | 347 |
| | Bhiwani | 8666 | 8341 | 325 |
| | Dhabwali | 8716 | 8475 | 241 |
| | Ellanabad | 8766 | 8425 | 341 |

Week on Week Price: Scenario of Guarseed and Guargum:

| Commodity | Centre | Today | Week ago | Month ago | Year ago |
|----------------|-----------------------------|-----------|----------|-----------|-----------|
| | Guar Seeds | 16-Oct-15 | 8-Oct-15 | 16-Sep-15 | 16-Oct-14 |
| Rajasthan | Jodhpur (Loose) | 4100 | 4200 | 3800 | 5300 |
| | Jodhpur(Delivery) | 4300 | 4400 | 4000 | 5600 |
| | Sri-Ganganagar(Loose) | 3950 | 3900 | 3650 | 5350 |
| | Sri-Ganganagar (Delivery) | 4150 | 4100 | 3850 | 5550 |
| | Nagaur (Loose) | 4000 | 3550 | 3600 | 5300 |
| | Alwar (loose) | NR | 4100 | 3600 | NR |
| | Churu (Delivery) | NR | 4250 | 3700 | NR |
| | Bikaner (Loose) | 3940 | 4000 | 3600 | 5250 |
| | Bikaner (Delivery) | 4140 | 4200 | 3800 | 5450 |
| | Khajuwala Bikaner (Loose) | 3960 | 3925 | 3625 | 5260 |
| | Khajuwala Bikaner(Delivery) | 4118 | 4082 | 3770 | 5470 |
| | Nokha(Loose) | 3970 | 4100 | 3650 | 5400 |
| | Nokha (Delivery) | 4113 | 4248 | 3781 | 5594 |
| | Hanumangarh (Loose) | 3875 | 3925 | 3700 | 5250 |
| | Hanumangarh (Delivery) | 4075 | 4125 | 3900 | 5400 |
| Haryana | Adampur (Loose) | 4000 | 4000 | 3775 | 5300 |
| | Adampur (Delivery) | 4200 | 4200 | 3975 | 5500 |
| | Sirsa (Loose) | 4000 | 3900 | 3690 | 5325 |
| | Bhiwani (Delivery) | 4100 | 4100 | 3800 | 5500 |
| | Dhabwali (Loose) | 4000 | 3900 | 3700 | 5300 |
| | Dhabwali (Delivery) | 4200 | 4150 | 3900 | 5500 |
| | Siwani (Loose) | 4075 | 4000 | 3775 | 5450 |
| | Ellanabad (Loose) | 3725 | 3900 | 3650 | 5300 |
| Gujarat | Deesa (Loose) | NA | NA | NA | 5150 |
| | Patan (Loose) | 3905 | 3805 | 3655 | 5250 |
| | Rajkot (Loose) | 3980 | 3950 | 3795 | 5130 |
| | Dhrol(Loose) | 3845 | NA | 3775 | |
| Madhya Pradesh | Dabra(Loose) | NA | NA | NA | 4400 |
| Guar Gum | | | | | |
| Rajasthan | Jodhpur | 8700 | 8900 | 8100 | 16000 |
| | Alwar | NR | 8900 | 8000 | NR |
| Haryana | Sirsa | 8700 | 8800 | 8000 | 16100 |
| | Bhiwani | 8650 | 8700 | 8400 | 16200 |
| | Dhabwali | 8650 | 9000 | 8100 | 15800 |
| | Ellanabad | 8400 | 8850 | 8000 | 15900 |

Guar Cumulative Arrivals in Key Centers

| Centre | Weekly Arrivals (Quintals) | | | Change |
|----------------|----------------------------|---------------------|---------------------|--------|
| | | 10th to 16th Oct 15 | 03th to 08th Oct 15 | |
| Rajasthan | Jodhpur | NA | NA | - |
| | Sri-Ganganagar | 31000 | 43300 | -12300 |
| | Nagaur | 1200 | 1000 | 200 |
| | Alwar | 1200 | 1600 | -400 |
| | Churu | 4300 | 4800 | -500 |
| | Bikaner | 8000 | 2800 | 5200 |
| | Khajuwala Bikaner | 3200 | 2100 | 1100 |
| | Nokha | 4050 | 2100 | 1950 |
| | Hanumangarh | 6500 | 3300 | 3200 |
| Haryana | Adampur | 6500 | 8600 | -2100 |
| | Sirsa | 5300 | 9100 | -3800 |
| | Bhiwani | 6200 | 700 | 5500 |
| | Dhabwali | 3750 | 5900 | -2150 |
| | Siwani | 2450 | 1700 | 750 |
| | Ellanabad | 5300 | 4500 | 800 |
| Gujarat | Deesa | NA | NA | - |
| | Patan (Loose) | 479 | 272 | 207 |
| | Rajkot | 3095 | 3075 | 20 |
| | Dhrol(Loose) | 37 | 21 | 16 |
| Madhya Pradesh | Dabra(Loose) | NA | NA | - |
| Total Arrival | | 92561 | 94868 | -2307 |



Commodity: Guar Seed 10MT
Contract: Nov

Exchange: NCDEX
Expiry: Nov 20, 2015

Guar Seed 10MT (Weekly Nov 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 | Nov | 3000 | 3400 | 4063 | 4927 | 5200 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Seed 10MT | NCDEX | Nov | Buy | Above 4000 | 4400 | 4600 | 3760 |

Commodity: Guar Gum
Contract: Nov

Exchange: NCDEX
Expiry: Nov 20, 2015

Guar Gum (Nov Weekly Chart)

GUARGUM 1510(NCGUGV5)2015/10/11 - Weekly B:8920.00 A:8930.00
 O 8860.000 H 8980.000 L 8770.000 C 8910.000 V 1,849 13,202 +160 +1.83%
 BOL(EXPONENTIAL, 10, 2.0) 8764.54 10047.1 7481.95



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 | Nov | 6700 | 7500 | 8410 | 9400 | 10000 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Gum | NCDEX | Nov | Buy | Above 8100 | 8700 | 9000 | 7740 |

Spot Market Outlook:

Guar prices are moving up due to lower arrivals in major markets due to rainfall. Arrivals in October are not picking up which could extend the rally of guar seed and gum after some downward correction.

We expect prices to trade in a range with weak tone in the coming week.

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