

Domestic Market Summary:

- Guar prices traded in a range with weak tone last week despite of lower arrivals.
- Daily around 80000 bags of guar seed arrived in all India guar seed markets as reported.
- All 15 guar gum mills are presently active in Bikaner region. Higher margin from extracting Churi and Korma from guar seed led the millers run their mills.
- 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.

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 up to Rs 200 per quintal. In the Jodhpur market, delivery prices are trading at Rs 4180 and are likely to trade upto to Rs 4300 per quintal.

In Ganganagar region, prices are trading at Rs 3985 per quintal which is likely to fall upto Rs 4100 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 (~4500 bags) compared to previous week ~6500 bags.

Similarly, In Ganganagar market, arrivals have declined sharply last week to 26000 bags compared to prior week arrivals data i.e.31000 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.

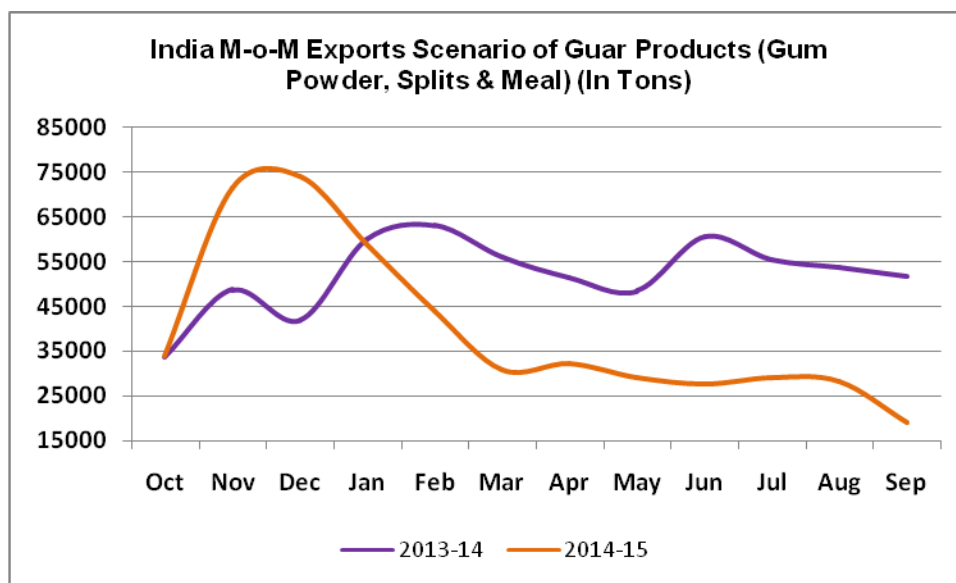
Notably, recent month guar exports fell by 68% compared to guar exports during corresponding period last year. Weak demand of guar gum overseas mainly due to falling crude oil prices led to fall in gum exports in the last couple of months. Falling rig count and new shale gas explorations are also the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



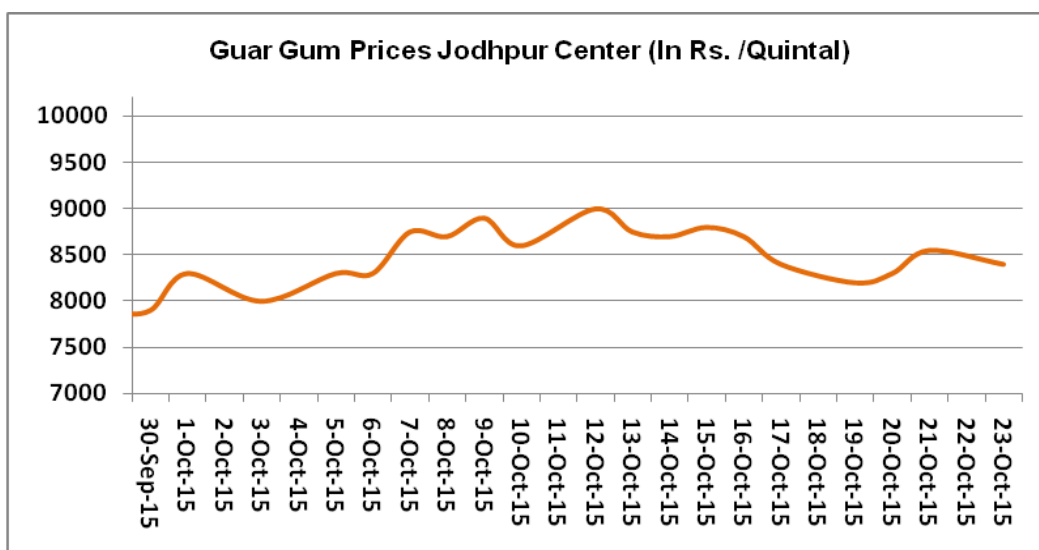
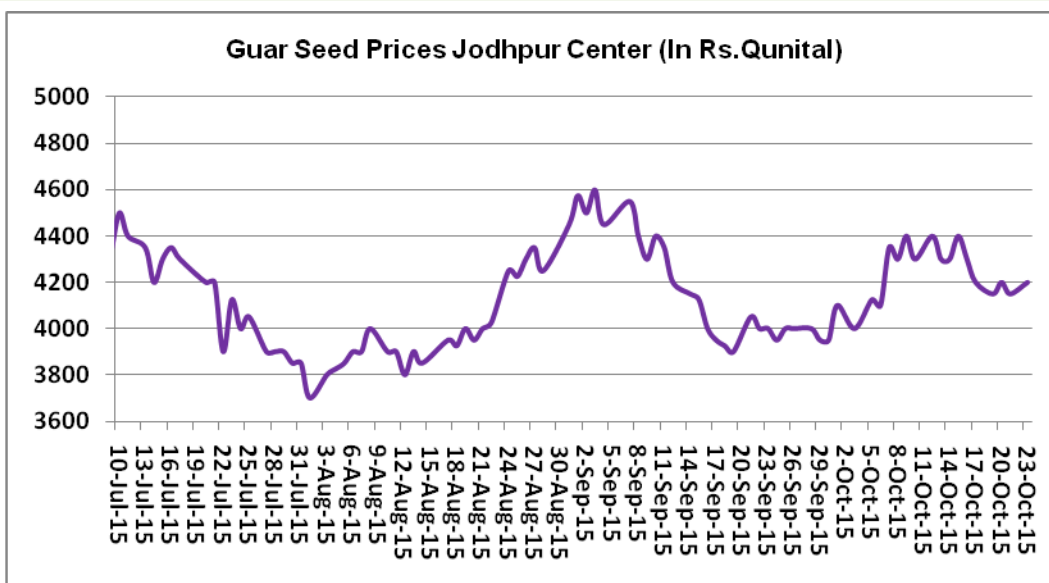
Crop Situation:

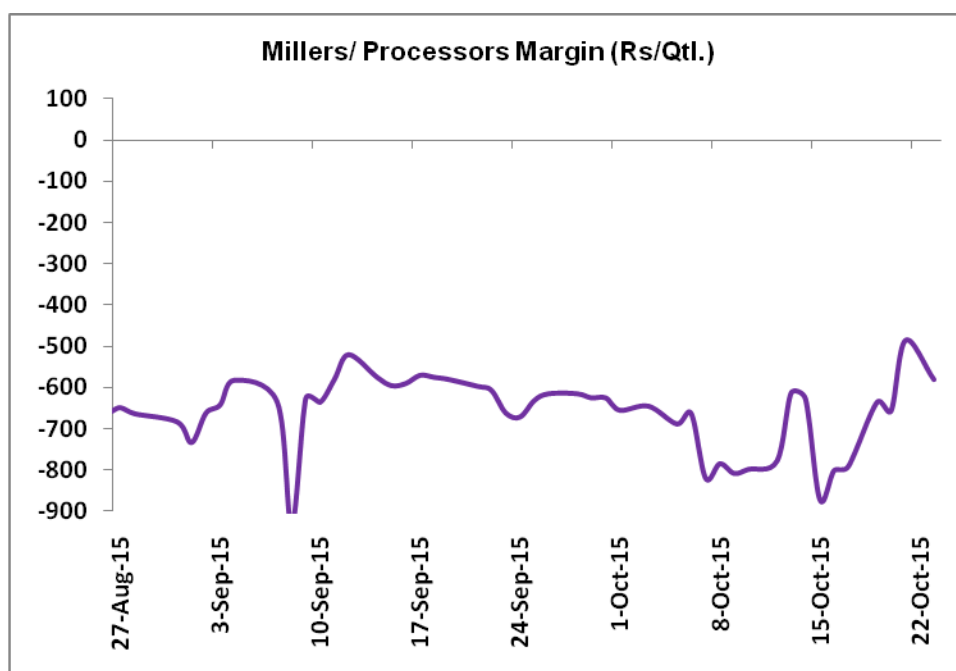
Recent rainfall proved boon to the standing crop in Jaisalmer, Barmer and Jodhpur region as farmers had grown guar crop in early August which needs immediate rainfall.

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 third week of October, the average price of guar seed declined by 3.5% and was at Rs.4180/Qtl compared to previous week. Also, guar gum prices declined last week by 4.4% at Rs.8370/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 October 2015, average crush margin surged to Rs. -629.4/Quintal which were -747.5 per quintal last week. Increase in churi and korma prices led the margin up last week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	17th to 23th Oct 15	10th to 16th Oct 15	Change
Churi	Jodhpur	1595	1500	95
Korma	Jodhpur	2010	1880	130
Churi	Sri-Ganganagar	1513	1476	37
Korma	Sri-Ganganagar	1979	1928	51
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	17th to 23th Oct 15	10th to 16th Oct 15	Change
Guargum Split		1269	1353	-84
Guargum Powder	200 Mesh 5000 CPS	1576	1662	-86
	200 Mesh 3500 CPS	1500	1585	-85
Guargum Meal	40%	320	321	-1
	50%	418	426	-8
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		17th to 23th Oct 15	10th to 16th Oct 15	
Rajasthan	Jodhpur (Loose)	3980	4133	-153
	Jodhpur(Delivery)	4180	4333	-153
	Sri-Ganganagar(Loose)	3800	3920	-120
	Sri-Ganganagar (Delivery)	3985	4113	-128
	Nagaur (Loose)	3887	4030	-143
	Alwar (loose)	3830	3990	-160
	Churu (Delivery)	4010	4230	-220
	Bikaner (Loose)	3810	3944	-134
	Bikaner (Delivery)	4010	4123	-113
	Khajuwala Bikaner (Loose)	3784	3948	-164
	Khajuwala Bikaner(Delivery)	3935	4105	-170
	Nokha(Loose)	3840	4020	-180
	Nokha (Delivery)	3978	4165	-187
	Hanumangarh (Loose)	3754	3895	-141
	Hanumangarh (Delivery)	3954	4079	-125
Haryana	Adampur (Loose)	3825	3975	-150
	Adampur (Delivery)	4015	4158	-143
	Sirsa (Loose)	3838	4007	-169
	Bhiwani (Delivery)	3930	4083	-153
	Dhabwali (Loose)	3814	3950	-136
	Dhabwali (Delivery)	4014	4133	-119
	Siwani (Loose)	3925	4075	-150
	Ellanabad (Loose)	3835	3854	-19
Gujarat	Deesa (Loose)	NA	NA	-
	Patan (Loose)	3653	3854	-201
	Rajkot (Loose)	3873	3988	-115
	Dhrol(Loose)	3763	3844	-81
Madhya pradesh	Dabra (Loose)	NA	NA	-
Guar Gum				
Rajasthan	Jodhpur	8370	8758	-388
	Alwar	8320	8800	-480
Haryana	Sirsa	8340	8780	-440
	Bhiwani	8450	8666	-216
	Dhabwali	8290	8716	-426
	Ellanabad	8350	8766	-416

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	23-Oct-15	16-Oct-15	23-Sep-15	23-Oct-14
Rajasthan	Jodhpur (Loose)	4000	4100	3800	Closed
	Jodhpur(Delivery)	4200	4300	4000	Closed
	Sri-Ganganagar(Loose)	3800	3950	3600	Closed
	Sri-Ganganagar (Delivery)	3925	4150	3800	Closed
	Nagaur (Loose)	Closed	4000	Closed	Closed
	Alwar (loose)	3750	NR	3600	NA
	Churu (Delivery)	3900	NR	3750	NA
	Bikaner (Loose)	3825	3940	3675	5200
	Bikaner (Delivery)	4025	4140	3875	5400
	Khajuwala Bikaner (Loose)	3800	3960	3680	5125
	Khajuwala Bikaner(Delivery)	3952	4118	3827	5330
	Nokha(Loose)	3800	3970	3700	5200
	Nokha (Delivery)	3937	4113	3833	5387
	Hanumangarh (Loose)	3760	3875	NA	Closed
	Hanumangarh (Delivery)	3960	4075	NA	Closed
Haryana	Adampur (Loose)	3850	4000	3750	5100
	Adampur (Delivery)	4000	4200	3950	5300
	Sirsa (Loose)	3800	4000	3725	5150
	Bhiwani (Delivery)	4000	4100	3850	5300
	Dhabwali (Loose)	3785	4000	3680	5125
	Dhabwali (Delivery)	3985	4200	4080	5300
	Siwani (Loose)	3950	4075	3800	5300
	Ellanabad (Loose)	3850	3725	3675	5150
Gujarat	Deesa (Loose)	NA	NA	NA	Closed
	Patan (Loose)	3655	3905	3500	Closed
	Rajkot (Loose)	3885	3980	3790	Closed
	Dhrol(Loose)	NA	3845	3725	
Madhya Pradesh	Dabra(Loose)	NA	NA	NA	4500
Guar Gum					
Rajasthan	Jodhpur	8400	8700	8000	Closed
	Alwar	8300	NR	8000	NA
Haryana	Sirsa	8400	8700	8500	15600
	Bhiwani	8650	8650	8300	15500
	Dhabwali	8400	8650	8100	15500
	Ellanabad	8300	8400	8100	16000

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		17th to 23th Oct 15	10th to 16th Oct 15	
Rajasthan	Jodhpur	NA	NA	-
	Sri-Ganganagar	26000	31000	-5000
	Nagaur	750	1200	-450
	Alwar	1600	1200	400
	Churu	4000	4300	-300
	Bikaner	7200	8000	-800
	Khajuwala Bikaner	4600	3200	1400
	Nokha	3100	4050	-950
	Hanumangarh	7400	6500	900
Haryana	Adampur	4500	6500	-2000
	Sirsa	3200	5300	-2100
	Bhiwani	3700	6200	-2500
	Dhabwali	2750	3750	-1000
	Siwani	2400	2450	-50
	Ellanabad	4400	5300	-900
Gujarat	Deesa	NA	NA	-
	Patan (Loose)	183	479	-296
	Rajkot	2500	3095	-595
	Dhrol(Loose)	96	37	59
Madhya Pradesh	Dabra(Loose)	NA	NA	-
Total Arrival		78379	92561	-14182

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 3850	4050	4150	3730

Commodity: Guar Gum
Contract: Nov

Exchange: NCDEX
Expiry: Nov 20, 2015

Guar Gum (Nov Weekly Chart)

GUARGUM 1511(NCUGX5)2015/10/26 - Weekly B:8100.00 A:8110.00
 O 8010.000 H 8300.000 L 7950.000 C 8110.000 V 44,262 I 18,853 -180 -2.17%
 BOL(EXPONENTIAL, 10, 2.0) 8591.81 9878.80 7304.83



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	8290	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 by 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 firm tone in the coming week.

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