

Domestic Market Summary:

- Guar prices traded in a range with weak tone last week despite lower arrivals.
- India has exported 1908 tons of guar gum powder, 420 tons of splits and 739 tons of meal in the last week of October as reported.
- Only 1 out of 5 mills of guar gum reportedly started their operations in Alwar region at present. Sluggish demand of gum from overseas spread bearish sentiments among millers.
- Guar seed arrivals reported 70000 bags in all India markets yesterday. Out of total arrivals, Ganganagar received 7000 bags, Adampur got 1000 bags, Bhiwani got 4000 bags and Bikaner got 1000 bags as reported. Lower yield of guar seed this year especially in North Rajasthan and Haryana became the major reason for lower arrivals. It is notable that lower rainfall and pest attack reduced the guar seed yield considerably this year in these regions.
- 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 operations.
- 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.

Next Week Price Projections:

For the next week, prices are likely to move up to Rs 100 per quintal. In the Jodhpur market, delivery prices are trading at Rs 4075 and are likely to trade upto to Rs 4200 per quintal.

In Ganganagar region, prices are trading at Rs 3885 per quintal which is likely to move upto Rs 4000 quintal as expected.

Current Market Dynamics

Guar prices are showing some weakness with arrivals picking up from various key markets. Also, weak demand of guar gum pressurized the prices of guar seed last week.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (~6100 bags) compared to previous week ~4500 bags.

Similarly, In Ganganagar market, arrivals have surged sharply last week to 36500 bags compared to prior week arrivals data i.e.26000 bags.

Export and Import Scenario

India has exported 14818 tons of Guar Products (Gum, Splits & Meal) in the month of October 2015 which is lower export figures compared to last year. Out of the total guar exports, 8232 tons of Guar gum, 2660 tons of Splits and 3926 tons of Guar meals was exported in October 2015.

Notably, recent month guar gum powder exports fell by 66% 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 of recent decline in guar gum exports.

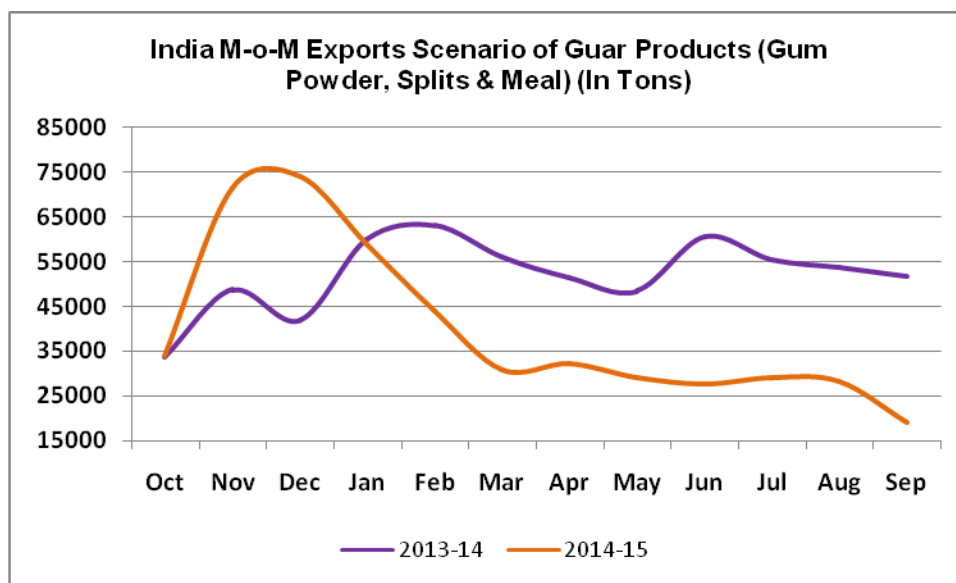
According to recent report of Baker's & Hughes, the oil rig count fell by 1 to 594. There are now 64% fewer rigs running compared to rigs running in October 2014 i.e. 1609.

Demand Side of Guar and Guar Gum:

On export front, demands of guar products decreased in October. 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 month wise exports of guar products last year..



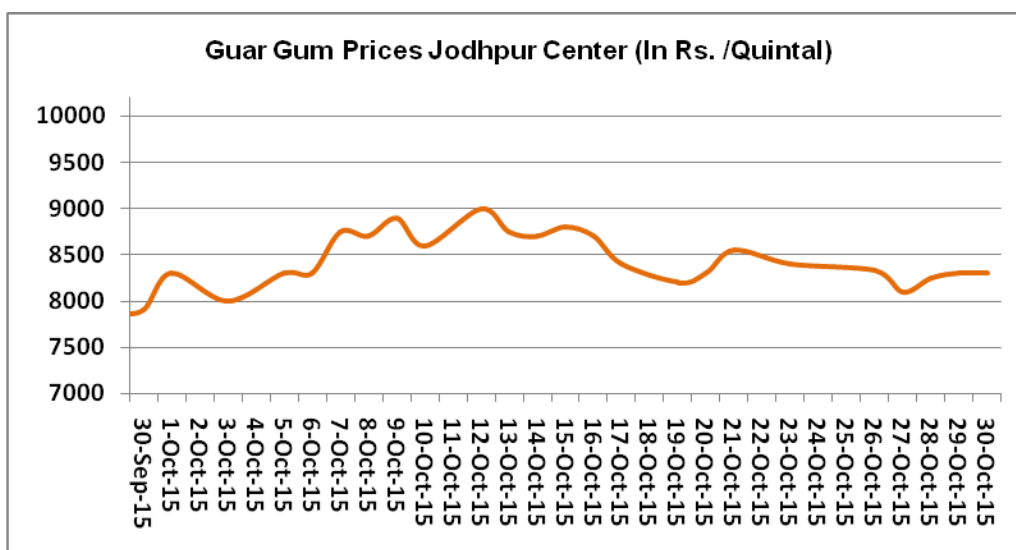
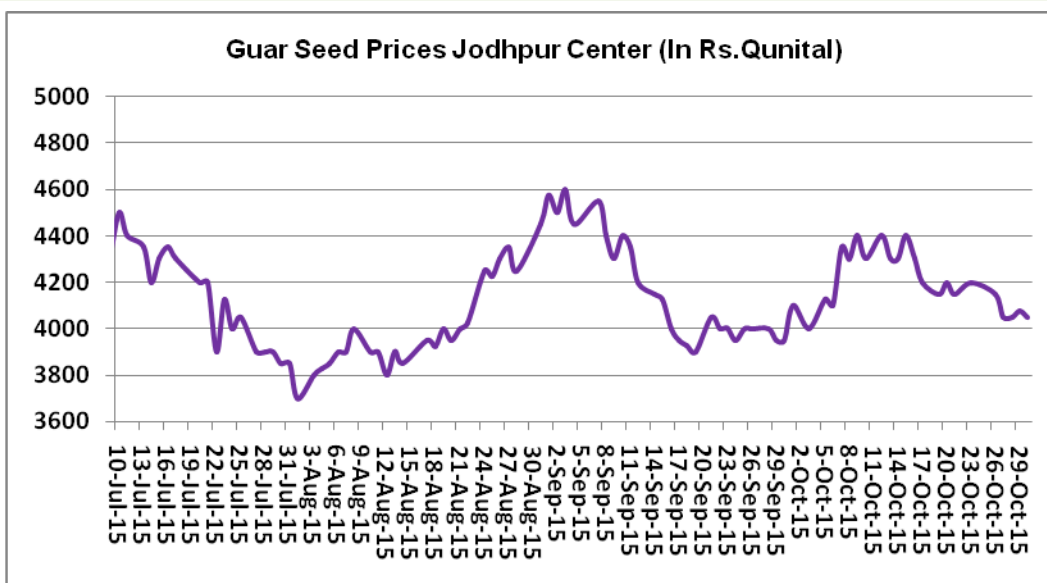
Crop Situation:

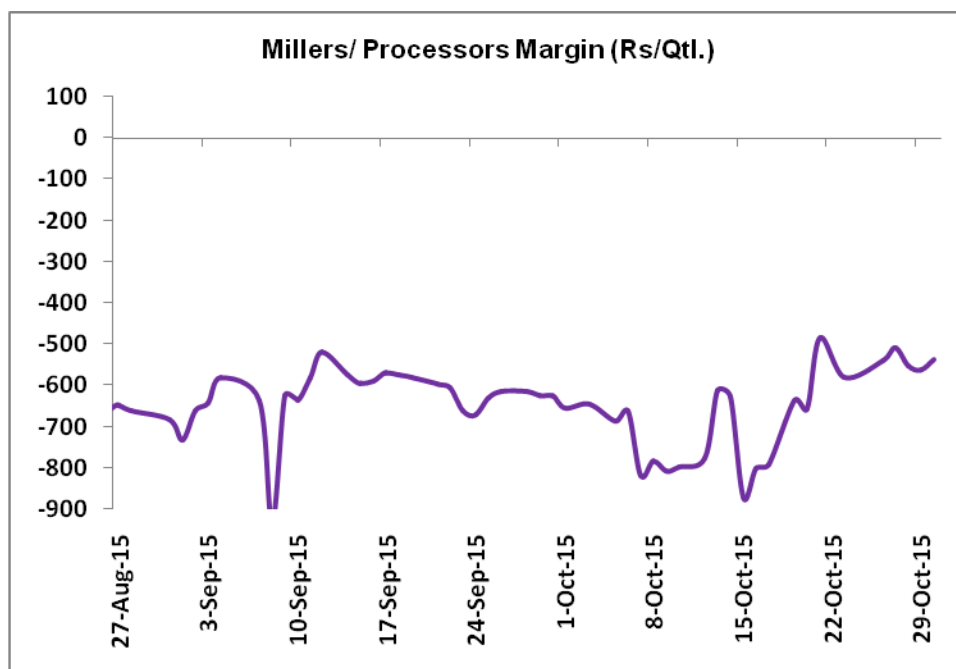
Recent rainfall proved to be a boon to the standing crop in Jaisalmer, Barmer and Jodhpur region as farmers had grown guar crop in early August which needs immediate rainfall.

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 October, the average price of guar seed declined by 2.5% and was at Rs.4075/Qtl compared to previous week. Also, guar gum prices declined last week by 1.4% at Rs.8255/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 fourth week of October 2015, average crush margin surged to Rs. -540/Quintal which were -629.4 per quintal last week. Increase in churi and korma prices led the margin up last week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	24th to 30th Oct 15	17th to 23th Oct 15	Change
Churi	Jodhpur	1606	1595	11
Korma	Jodhpur	2075	2010	65
Churi	Sri-Ganganagar	1455	1513	-58
Korma	Sri-Ganganagar	2024	1979	45
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	24th to 30th Oct 15	17th to 23th Oct 15	Change
Guargum Split		1255	1269	-14
Guargum Powder	200 Mesh 5000 CPS	1537	1576	-39
	200 Mesh 3500 CPS	1468	1500	-32
Guargum Meal	40%	315	320	-5
	50%	412	418	-6
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		24th to 30th Oct 15	17th to 23th Oct 15	
Rajasthan	Jodhpur (Loose)	3875	3980	-105
	Jodhpur(Delivery)	4075	4180	-105
	Sri-Ganganagar(Loose)	3700	3800	-100
	Sri-Ganganagar (Delivery)	3885	3985	-100
	Nagaur (Loose)	3620	3887	-267
	Alwar (loose)	3641	3830	-189
	Churu (Delivery)	3833	4010	-177
	Bikaner (Loose)	3700	3810	-110
	Bikaner (Delivery)	3900	4010	-110
	Khajuwala Bikaner (Loose)	3686	3784	-98
	Khajuwala Bikaner(Delivery)	3834	3935	-101
	Nokha(Loose)	3725	3840	-115
	Nokha (Delivery)	3859	3978	-119
	Hanumangarh (Loose)	3700	3754	-54
	Hanumangarh (Delivery)	3900	3954	-54
Haryana	Adampur (Loose)	3762	3825	-63
	Adampur (Delivery)	3950	4015	-65
	Sirsa (Loose)	3770	3838	-68
	Bhiwani (Delivery)	3833	3930	-97
	Dhabwali (Loose)	3676	3814	-138
	Dhabwali (Delivery)	3856	4014	-158
	Siwani (Loose)	3829	3925	-96
	Ellanabad (Loose)	3737	3835	-98
Gujarat	Deesa (Loose)	3680	NA	-
	Patan (Loose)	3682	3653	29
	Rajkot (Loose)	3764	3873	-109
	Dhrol(Loose)	3706	3763	-57
Madhya pradesh	Dabra (Loose)	NA	NA	-
Guar Gum				
Rajasthan	Jodhpur	8255	8370	-115
	Alwar	8241	8320	-79
Haryana	Sirsa	8166	8340	-174
	Bhiwani	8183	8450	-267
	Dhabwali	8208	8290	-82
	Ellanabad	8191	8350	-159

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	30-Oct-15	23-Oct-15	30-Sep-15	30-Oct-14
Rajasthan	Jodhpur (Loose)	3850	4000	3750	5250
	Jodhpur(Delivery)	4050	4200	3950	5450
	Sri-Ganganagar(Loose)	3650	3800	3450	5200
	Sri-Ganganagar (Delivery)	3850	3925	3700	5400
	Nagaur (Loose)	3600	Closed	3500	5250
	Alwar (loose)	3600	3750	3600	5375
	Churu (Delivery)	3800	3900	3750	5200
	Bikaner (Loose)	3675	3825	3575	5250
	Bikaner (Delivery)	3875	4025	3775	5450
	Khajuwala Bikaner (Loose)	3670	3800	3580	5200
	Khajuwala Bikaner(Delivery)	3817	3952	3723	5408
	Nokha(Loose)	3700	3800	3600	5250
	Nokha (Delivery)	3833	3937	3730	5439
	Hanumangarh (Loose)	3650	3760	3400	5170
	Hanumangarh (Delivery)	3850	3960	3600	5325
Haryana	Adampur (Loose)	3750	3850	3625	5200
	Adampur (Delivery)	3950	4000	3825	5400
	Sirsa (Loose)	3750	3800	3500	5200
	Bhiwani (Delivery)	3850	4000	3700	5375
	Dhabwali (Loose)	3650	3785	3560	5150
	Dhabwali (Delivery)	3850	3985	3760	5350
	Siwani (Loose)	3800	3950	3775	5325
	Ellanabad (Loose)	3650	3850	3650	5250
Gujarat	Deesa (Loose)	3680	NA	NA	5065
	Patan (Loose)	3730	3655	3440	Closed
	Rajkot (Loose)	3730	3885	3675	Closed
	Dhrol(Loose)	3680	NA	NA	
Madhya Pradesh	Dabra(Loose)	NA	NA	NA	4500
Guar Gum					
Rajasthan	Jodhpur	8300	8400	7900	16200
	Alwar	8200	8300	7900	15800
Haryana	Sirsa	8100	8400	7900	15800
	Bhiwani	8200	8650	8000	15500
	Dhabwali	8150	8400	7900	15900
	Ellanabad	8000	8300	7900	15800

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		24th to 30th Oct 15	17th to 23th Oct 15	
Rajasthan	Jodhpur	NA	NA	-
	Sri-Ganganagar	36500	26000	10500
	Nagaur	900	750	150
	Alwar	1700	1600	100
	Churu	5800	4000	1800
	Bikaner	6500	7200	-700
	Khajuwala Bikaner	8100	4600	3500
	Nokha	3900	3100	800
	Hanumangarh	4900	7400	-2500
Haryana	Adampur	6100	4500	1600
	Sirsa	2550	3200	-650
	Bhiwani	12500	3700	8800
	Dhabwali	3000	2750	250
	Siwani	4000	2400	1600
	Ellanabad	6200	4400	1800
Gujarat	Deesa	650	NA	-
	Patan (Loose)	841	183	658
	Rajkot	2590	2500	90
	Dhrol(Loose)	92	96	-4
Madhya Pradesh	Dabra(Loose)	NA	NA	-
Total Arrival		106823	78379	28444



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

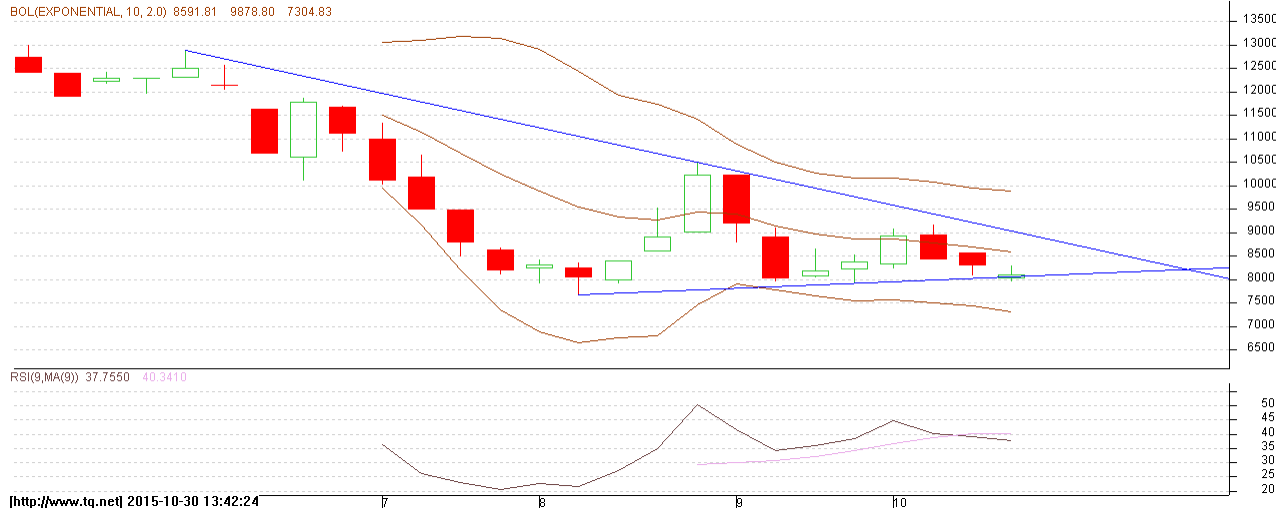
Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Nov	3000	3400	4063	4927	5200
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Nov	Buy	Above 3750	4000	4100	3600

Commodity: Guar Gum
Contract: Nov

Exchange: NCDEX
Expiry: Nov 20, 2015

Guar Gum (Nov Weekly Chart)

GUARGUM 1511(NCUGX5)2015/10/25 - 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 in a range with weak tone. Arrivals in October are picking up but the volume is still not good.

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

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