

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.

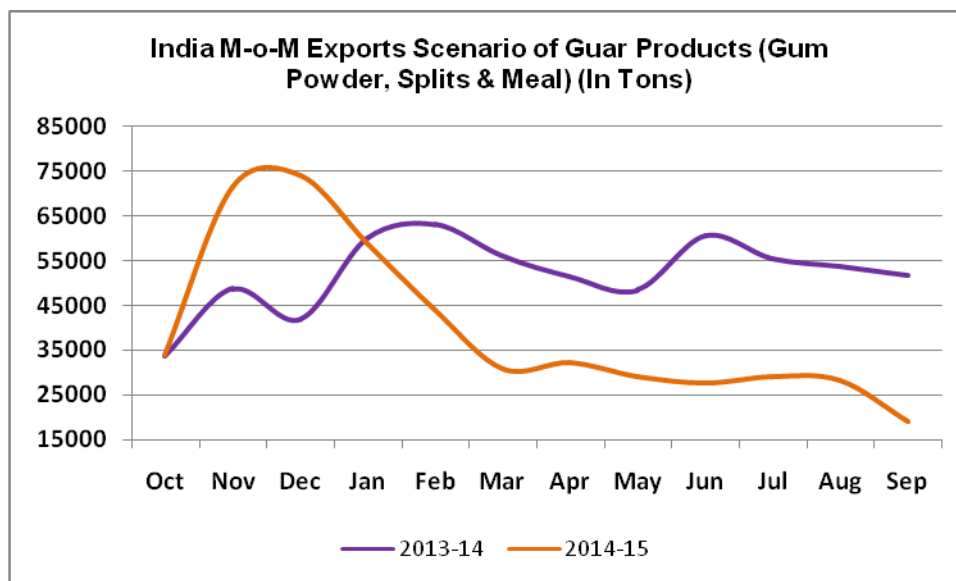
According to recent report of Baker's & Hughes, the oil rig count fell by 1 to 594. There are now 64% fewer rigs running compared to rigs running in October 2014 i.e. 1609.

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.



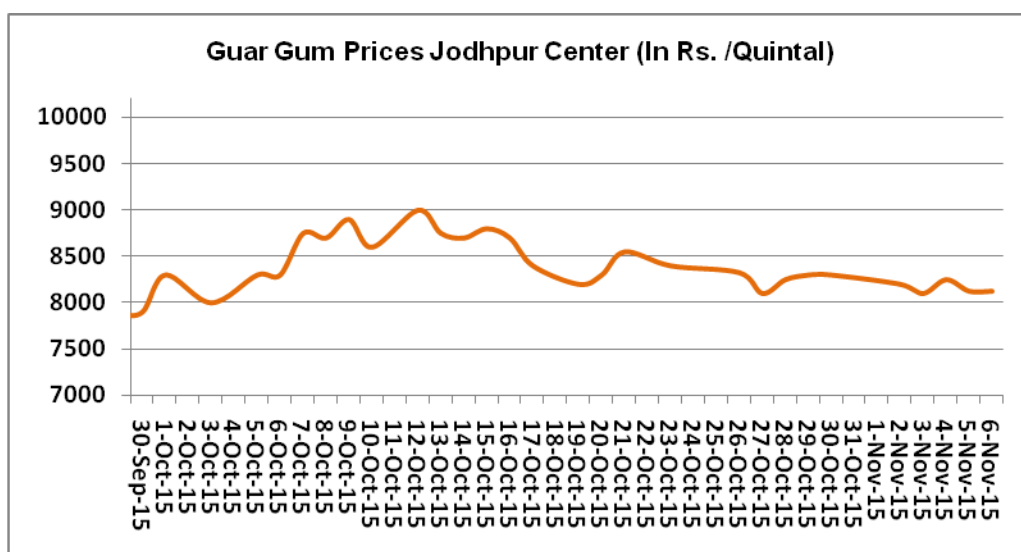
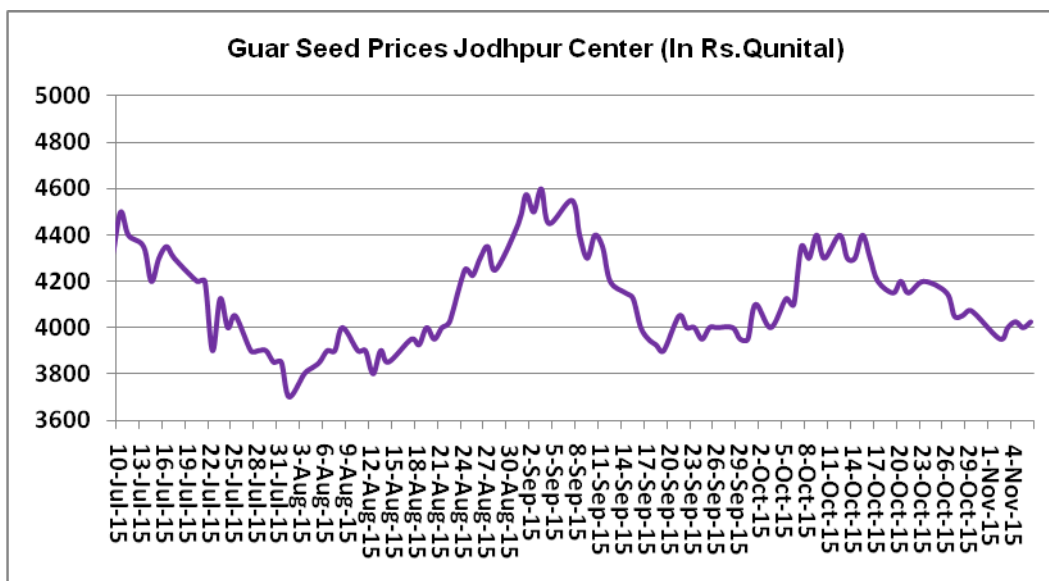
Crop Situation:

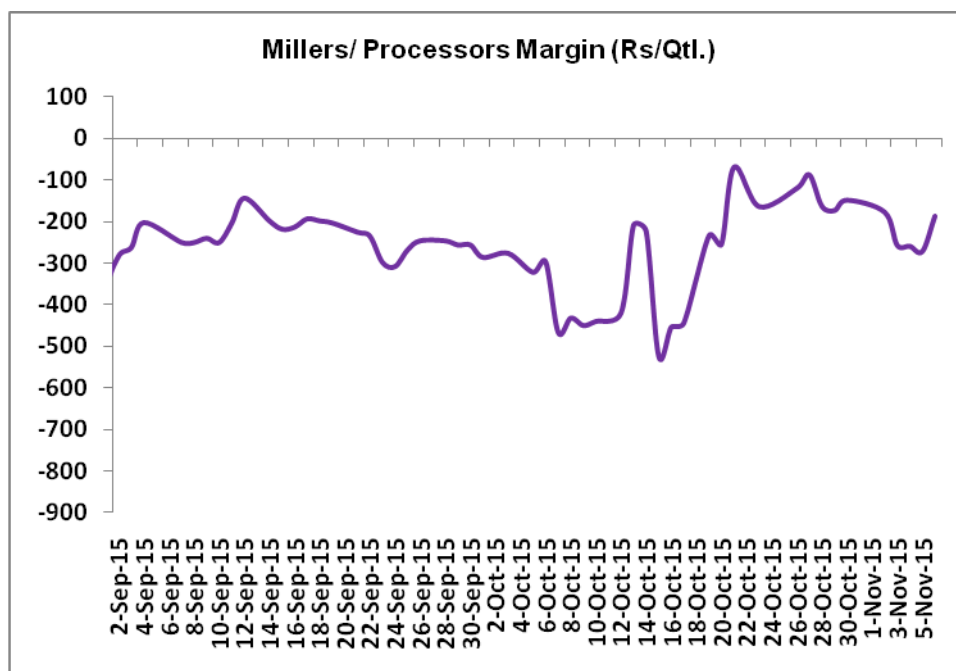
Recent rainfall proved to be a boon to the standing crop in Jaisalmer, and Jodhpur region as farmers had grown guar crop in early August which needs immediate rainfall.

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 declined compared to previous week. In the first week of November 2015, average crush margin declined to Rs. -230/Quintal which were -138.1 per quintal last week. Decrease in churi and korma prices led the margin down last week.

Guar by – Products Weekly Average Prices:

Commodity	Centre	31th to 06th Nov 15	24th to 30th Oct 15	Change
Churi	Jodhpur	1500	1606	-106
Korma	Jodhpur	1879	2075	-196
Churi	Sri-Ganganagar	1388	1455	-67
Korma	Sri-Ganganagar	1868	2024	-156
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	31th to 06th Nov 15	24th to 30th Oct 15	Change
Guargum Split		1233	1255	-22
Guargum Powder	200 Mesh 5000 CPS	1534	1537	-3
	200 Mesh 3500 CPS	1458	1468	-10
Guargum Meal	40%	296	315	-19
	50%	387	412	-25

Prices in \$/MT

Commodity	Centre	Weekly Prices (Average)		Change
		31th to 06th Nov 15	24th to 30th Oct 15	
Rajasthan	Jodhpur (Loose)	3800	3875	-75
	Jodhpur(Delivery)	4000	4075	-75
	Sri-Ganganagar(Loose)	3595	3700	-105
	Sri-Ganganagar (Delivery)	3795	3885	-90
	Nagaur (Loose)	3625	3620	5
	Alwar (loose)	3560	3641	-81
	Churu (Delivery)	3770	3833	-63
	Bikaner (Loose)	3660	3700	-40
	Bikaner (Delivery)	3860	3900	-40
	Khajuwala Bikaner (Loose)	3596	3686	-90
	Khajuwala Bikaner(Delivery)	3739	3834	-95
	Nokha(Loose)	3630	3725	-95
	Nokha (Delivery)	3761	3859	-98
	Hanumangarh (Loose)	3604	3700	-96
	Hanumangarh (Delivery)	3804	3900	-96
Haryana	Adampur (Loose)	3683	3762	-79
	Adampur (Delivery)	3883	3950	-67
	Sirsa (Loose)	3625	3770	-145
	Bhiwani (Delivery)	3808	3833	-25
	Dhabwali (Loose)	3600	3676	-76
	Dhabwali (Delivery)	3800	3856	-56
	Siwani (Loose)	3771	3829	-58
	Ellanabad (Loose)	3637	3737	-100
Gujarat	Deesa (Loose)	3646	3680	-34
	Patan (Loose)	3579	3682	-103
	Rajkot (Loose)	3674	3764	-90
	Dhrol(Loose)	3634	3706	-72
Madhya pradesh	Dabra (Loose)	6300	NA	-
	Guar Gum			

Rajasthan	Jodhpur	8160	8255	-95
	Alwar	8120	8241	-121
Haryana	Sirsa	7975	8166	-191
	Bhiwani	8107	8183	-76
	Dhabwali	8120	8208	-88
	Ellanabad	8100	8191	-91

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	6-Nov-15	30-Oct-15	6-Oct-15	6-Nov-14
Rajasthan	Jodhpur (Loose)	3825	3850	3900	4800
	Jodhpur(Delivery)	4025	4050	4100	5000
	Sri-Ganganagar(Loose)	3650	3650	3450	4800
	Sri-Ganganagar (Delivery)	3850	3850	3650	5000
	Nagaur (Loose)	3600	3600	3500	4650
	Alwar (loose)	3600	3600	3800	4500
	Churu (Delivery)	3850	3800	3950	4700
	Bikaner (Loose)	3650	3675	3750	Closed
	Bikaner (Delivery)	3850	3875	3950	Closed
	Khajuwala Bikaner (Loose)	3620	3670	3700	4850
	Khajuwala Bikane(Delivery)	3765	3817	3725	5044
	Nokha(Loose)	3630	3700	3850	4800
	Nokha (Delivery)	3761	3833	3989	4973
	Hanumangarh (Loose)	3625	3650	3550	4750
	Hanumangarh (Delivery)	3825	3850	3750	4950
Haryana	Adampur (Loose)	3700	3750	3775	4770
	Adampur (Delivery)	3900	3950	3975	5000
	Sirsa (Loose)	3600	3750	3700	4850
	Bhiwani (Delivery)	3825	3850	3925	4900
	Dhabwali (Loose)	3650	3650	3575	4800
	Dhabwali (Delivery)	3850	3850	3875	5000
	Siwani (Loose)	3775	3800	3900	4900
	Ellanabad (Loose)	3650	3650	3650	4900
Gujarat	Deesa (Loose)	3570	3680	NA	Closed
	Patan (Loose)	3575	3730	3670	Closed
	Rajkot (Loose)	3655	3730	3810	4705
	Dhrol(Loose)	3585	3680	3695	NA
Madhya Pradesh	Dabra(Loose)	NA	NA	NA	Closed

Guar Gum					
Rajasthan	Jodhpur	8125	8300	8300	14200
	Alwar	8200	8200	8200	Closed
Haryana	Sirsa	8000	8100	8000	14500
	Bhiwani	8070	8200	8100	14200
	Dhabwali	8150	8150	8200	14400
	Ellanabad	8100	8000	8200	14500

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		31th to 06th Nov 15	24th to 30th Oct 15	
Rajasthan	Jodhpur	NA	NA	-
	Sri-Ganganagar	28000	36500	-8500
	Nagaur	1150	900	250
	Alwar	2300	1700	600
	Churu	5700	5800	-100
	Bikaner	11500	6500	5000
	Khajuwala Bikaner	9300	8100	1200
	Nokha	3300	3900	-600
	Hanumangarh	3700	4900	-1200
Haryana	Adampur	5000	6100	-1100
	Sirsa	2432	2550	-118
	Bhiwani	14500	12500	2000
	Dhabwali	1950	3000	-1050
	Siwani	4900	4000	900
	Ellanabad	5200	6200	-1000
Gujarat	Deesa	2191	650	1541
	Patan (Loose)	1687	841	846
	Rajkot	2515	2590	-75
	Dhrol(Loose)	150	92	58
Madhya Pradesh	Dabra(Loose)	500	NA	-
Total Arrival		105975	76406	29569



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

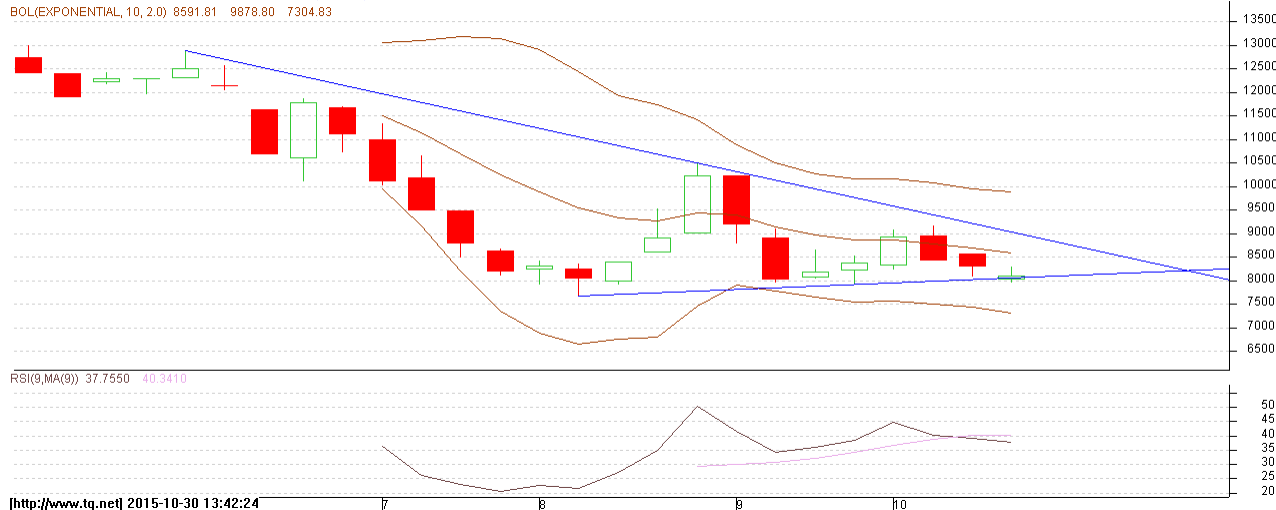
Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Nov	3000	3400	4063	4927	5200
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Nov	Buy	Above 3750	4000	4100	3600

Commodity: Guar Gum
Contract: Nov

Exchange: NCDEX
Expiry: Nov 20, 2015

Guar Gum (Nov Weekly Chart)

GUARGUM 1511(NCGUGX5)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 7600	8000	8200	7400

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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