

Domestic Market Summary:

- Guar prices declined sharply last week due to weak demand. Also, steep increase in arrivals in key markets also pressurizes the prices of guar seed and gum.
- As far as arrivals of guar seed in all India markets are concerned, around 1 lac bags on an average daily arrival coming in the markets of guar seed.
- In Jaipur guar conference, estimates of guar seed crop production are coming at 1 crore 70 lack bags with 60 lac bags carry over stock.
- In the last week of October 2015, India has exported 4874 tons of guar gum powder, 744 tons of guar splits and 1380 tons of guar meal.
- Latest week export figure took the October month export to 21816 tons of guar products. Out of the total guar exports, 13106 tons of Guar gum, 3404 tons of Splits and 5306 tons of Guar meals exported in October 2015. Last year India exported 33867 tons of Guar products at the same period.
- Out of total 80 installed guar mills, only 25 mills running currently in Haryana as reported. Lack of guar seed arrivals due to lower crop and lower prices restrict farmers to bring there crop in volumes in the markets.

Next Week Price Projections:

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 3825 and are likely to trade upto to Rs 3600 per quintal.

In Ganganagar region, prices are trading at Rs 3600 per quintal which is likely to move down to Rs 3400 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 (~6500 bags) compared to previous week ~4000 bags.

Similarly, In Ganganagar market, arrivals have surged sharply last week to 19500 bags compared to prior week arrivals data i.e.6000 bags.

Export and Import Scenario

India has exported 21816 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, 13106 tons of Guar gum, 3404 tons of Splits and 5306 tons of Guar meals exported in October 2015. Last year India exported 33867 tons of Guar products at the same period.

Notably, recent month guar gum powder exports fell 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.

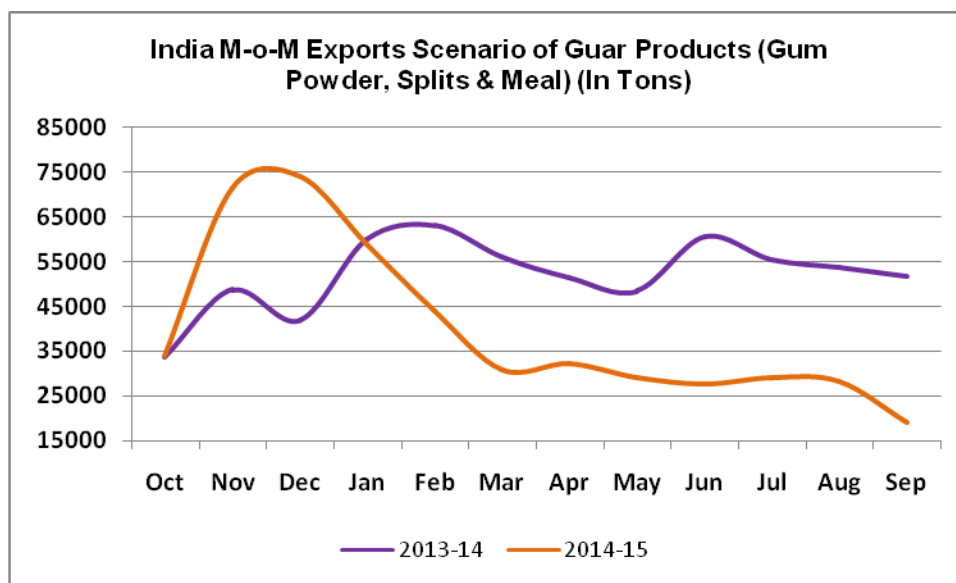
According to recent report of Baker's & Hughes, the oil rig count surge last week by 2 to 574. There are now 64% fewer rigs running compared to rigs running in October 2014 i.e. 1609.

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.



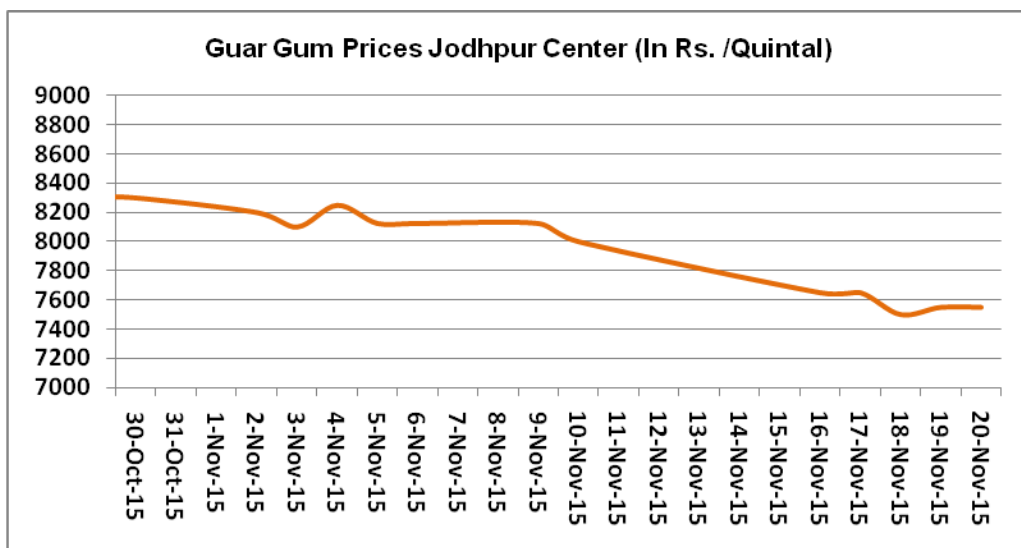
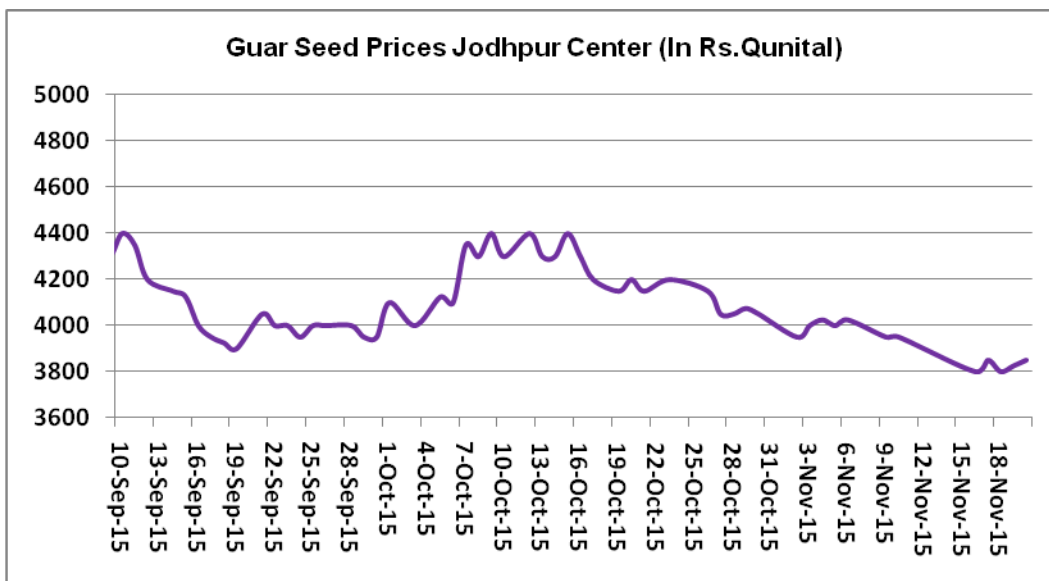
Crop Situation:

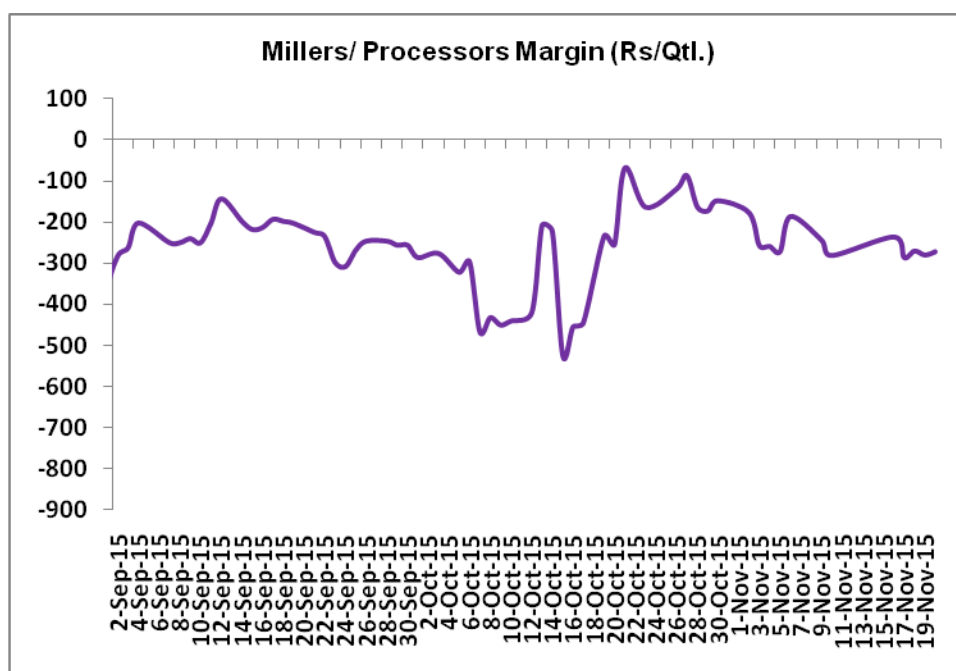
Recent rainfall proved to be a boon to the standing crop in Jaisalmer, and Jodhpur region as farmers had grown guar crop in early August which needs immediate rainfall.

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 third week of November, the average price of guar seed declined by 3.2% and was at Rs.3850/Qtl compared to previous week. Also, guar gum prices declined last week by 6% at Rs.7580/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 third week of November 2015, average crush margin declined to Rs. -268.8/Quintal which were -262.25 per quintal last week. Higher degree of decline in guar gum prices compared to guar seed prices led the margin down last week.

Guar by – Products Weekly Average
Prices:

Commodity	Centre	14th Nov to 20th Nov 15	7th Nov to 13th Nov 15	Change
Churi	Jodhpur	1440	NA	-
Korma	Jodhpur	1815	NA	-
Churi	Sri-Ganganagar	1313	NA	-
Korma	Sri-Ganganagar	1782	NA	-
Prices in Rs/75kg				

**Guar Export
Weekly Average
Prices:**

Commodity	Variety	14th Nov to 20th Nov 15	7th Nov to 13th Nov 15	Change
Guargum Split		1123	1219	-96
Guargum Powder	200 Mesh 5000 CPS	1434	1522	-88
	200 Mesh 3500 CPS	1350	1447	-97
Guargum Meal	40%	287	288	-1

	50%	369	379	-10
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
	Guar Seeds	14th Nov to 20th Nov 15	7th Nov to 13th Nov 15	
Rajasthan	Jodhpur (Loose)	3625	3750	-125
	Jodhpur(Delivery)	3825	3950	-125
	Sri-Ganganagar(Loose)	3420	3613	-193
	Sri-Ganganagar (Delivery)	3600	3813	-213
	Nagaur (Loose)	3316	3617	-301
	Alwar (loose)	3333	3450	-117
	Churu (Delivery)	3533	3650	-117
	Bikaner (Loose)	3444	3675	-231
	Bikaner (Delivery)	3624	3875	-251
	Khajuwala Bikaner (Loose)	3406	3650	-244
	Khajuwala Bikaner(Delivery)	3542	3796	-254
	Nokha(Loose)	3441	3567	-126
	Nokha (Delivery)	3566	3695	-129
	Hanumangarh (Loose)	3402	3638	-236
	Hanumangarh (Delivery)	3602	3838	-236
Haryana	Adampur (Loose)	3513	3650	-137
	Adampur (Delivery)	3695	3850	-155
	Sirsa (Loose)	3415	3673	-258
	Bhiwani (Delivery)	3551	3719	-168
	Dhabwali (Loose)	3375	3511	-136
	Dhabwali (Delivery)	3567	3711	-144
	Siwani (Loose)	3555	3717	-162
	Ellanabad (Loose)	3450	3625	-175
Gujarat	Deesa (Loose)	3436	NA	-
	Patan (Loose)	3545	NA	-
	Rajkot (Loose)	3629	3688	-59
	Dhrol(loose)	3502	3545	-43
Madhya pradesh	Dabra (Loose)	NA	NA	-
	Guar Gum			
Rajasthan	Jodhpur	7580	8063	-483
	Alwar	7633	8000	-367
Haryana	Sirsa	7510	7900	-390

	Bhiwani	7741	7930	-189
	Dhabwali	7565	7975	-410
	Ellanabad	7500	7967	-467

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	20-Nov-15	13-Nov-15	20-Oct-15	20-Nov-14
Rajasthan	Jodhpur (Loose)	3650	Closed	3850	4650
	Jodhpur(Delivery)	3850	Closed	4050	4850
	Sri-Ganganagar(Loose)	3400	Closed	NA	4700
	Sri-Ganganagar (Delivery)	3600	Closed	NA	4900
	Nagaur (Loose)	3200	Closed	4000	4600
	Alwar (loose)	NR	NA	3700	4500
	Churu (Delivery)	NR	NA	3800	4800
	Bikaner (Loose)	3350	Closed	3600	4650
	Bikaner (Delivery)	3550	Closed	3750	4850
	Khajuwala Bikaner (Loose)	3380	Closed	3750	4700
	Khajuwala Bikaner(Delivery)	3515	Closed	3900	4888
	Nokha(Loose)	3350	Closed	3900	4750
	Nokha (Delivery)	3471	Closed	4040	4921
	Hanumangarh (Loose)	3360	Closed	NA	4700
	Hanumangarh (Delivery)	3560	Closed	NA	4900
Haryana	Adampur (Loose)	3500	3550	3850	4700
	Adampur (Delivery)	3700	3750	4050	4900
	Sirsa (Loose)	3350	Closed	3840	4750
	Bhiwani (Delivery)	3400	3600	3800	4900
	Dhabwali (Loose)	3280	3420	3700	4750
	Dhabwali (Delivery)	3480	3620	3900	4950
	Siwani (Loose)	3475	Closed	3850	4825
	Ellanabad (Loose)	3400	Closed	3950	4700
Gujarat	Deesa (Loose)	3400	Closed	NA	4565
	Patan (Loose)	3560	Closed	3425	4585
	Rajkot (Loose)	3625	Closed	3730	4575
	Dhrol(loose)	3535	Closed	NA	NA
Madhya pradesh	Dabra (Loose)	NA	NA	NA	NA
Guar Gum					
Rajasthan	Jodhpur	7550	Closed	8300	13800
	Alwar	NR	NA	8300	13900

Haryana	Sirsa	7400	Closed	8250	13900
	Bhiwani	7600	7750	8200	14400
	Dhabwali	7240	7800	8000	13600
	Ellanabad	7250	Closed	8400	13900

Guar Cumulative Arrivals in Key Centers

Weekly Arrivals (Quintals)				
Centre		14th Nov to 20th Nov 15	7th Nov to 13th Nov 15	Change
Rajasthan	Jodhpur	NA	NA	-
	Sri-Ganganagar	19500	6000	13500
	Nagaur	1050	750	300
	Alwar	2000	200	1800
	Churu	5000	800	4200
	Bikaner	7200	4000	3200
	Khajuwala Bikaner	5500	4500	1000
	Nokha	3900	2111	1789
	Hanumangarh	3300	1300	2000
Haryana	Adampur	6500	4000	2500
	Sirsa	2350	1300	1050
	Bhiwani	6000	8500	-2500
	Dhabwali	1350	1250	100
	Siwani	5100	1700	3400
	Ellanabad	4750	1650	3100
Gujarat	Deesa	2199	NA	-
	Patan	2310	NA	-
	Rajkot	2720	960	1760
	Dhrol	89	38	51
Madhya pradesh	Dabra	NA	NA	-
Total Arrival		80818	39059	41759

Commodity: Guar Seed 10MT
Contract: Dec

Exchange: NCDEX
Expiry: Dec 20, 2015

Guar Seed 10MT (Weekly Dec Contract Chart)



Technical Commentary:

- Guar prices are continuously moving downside as chart depicts.
- Prices have recently breach its next support level i.e. Rs. 3665 level and likely to test its next support i.e. Rs 3420 per quintal.
- However, RSI is hovering near oversold region
- Last candlestick depicts bearishness.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Dec	2700	3000	3550	3880	4100
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Dec	Sell	Below 3600	3400	3300	3720

Commodity: Guar Gum
Contract: Dec

Exchange: NCDEX
Expiry: Dec 20, 2015

Guar Gum (Dec Weekly Chart)



Technical Commentary:

- Guar gum prices are moving down to downtrend as chart depicts.
- RSI is hovering at oversold region
- Last candlestick depicts bearishness in the market.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Dec	4900	5800	7190	7500	8000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Dec	Sell	Below 7200	6800	6600	7440

Spot Market Outlook:

Guar prices are moving in a range with weak tone. With arrivals in November are picking up and weak demand, we expect prices to trade in a weaker trend in the coming week.

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