



Domestic Market Summary:

- Guar prices declined sharply last week due to weak demand. Consistent arrivals in key markets, also pressurizes the prices of guar seed and gum.
- Ratio of Guar seed and gum is now 1.97 which is the lowest ratio in 6.6 years. This ratio is because of sluggish demand of guar gum powder in international markets thanks to falling crude oil prices. Also, firm Churi and Korma prices curb any major decline in prices of Guar seed in domestic market compared to guar gum. The ratio is around 2.5 in past years.
- Retail investors have stayed away from guar seed and gum buying counter due to panic created in the market with sharp decline in prices.

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 3400 and are likely to trade down to Rs 3200 per quintal.

In Ganganagar region, prices are trading at Rs 3475 per quintal which is likely to move down to Rs 3300 quintal as expected.

Current Market Dynamics

Guar prices are showing some weakness due to weak demand in various key markets. Big companies and traders are not interested in buying guar seed at current levels.

Also, slow export of guar gum became the main influencing factor driving the prices downward.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (~8000 bags) compared to previous week ~7600 bags.

Similarly, In Ganganagar market, arrivals have declined last week to 21000 bags compared to prior week arrivals data i.e.13000 bags.

Export and Import Scenario

India exported 25403 tons of guar products in the month of November. Out of the total guar exports, 15596 tons of Guar gum, 3088 tons of Splits and 6720 tons of Guar meals exported in November 2015. Last year India exported 71610 tons of Guar products at the same period.

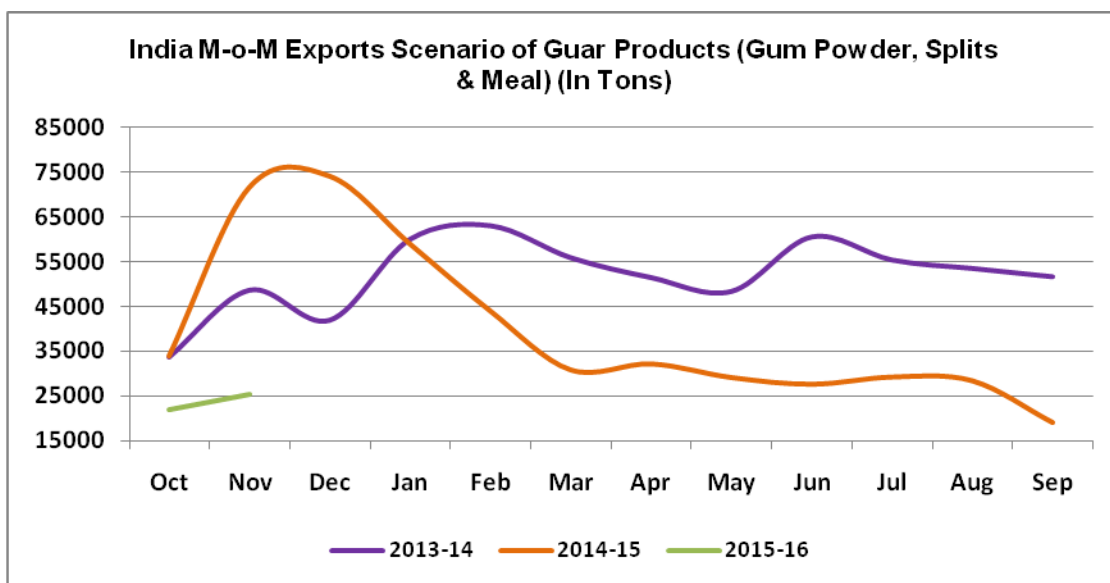
Notably, recent month guar gum powder exports fell 69% compared to guar exports during corresponding period last year. Weak demand of guar gum overseas mainly due to falling crude oil prices led to fall in gum exports in the last couple of months. Falling rig count and new shale gas explorations are also the major influencing factors of recent decline in guar gum exports.

Demand Side of Guar and Guar Gum:

On export front, demands of guar products decreased in November.

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 and its comparison to month wise exports of guar products last year.



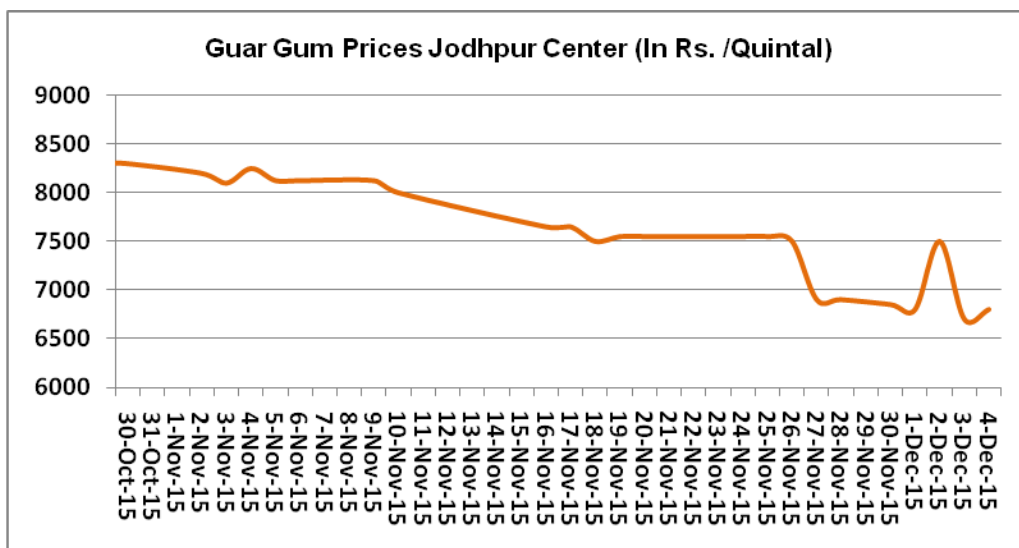
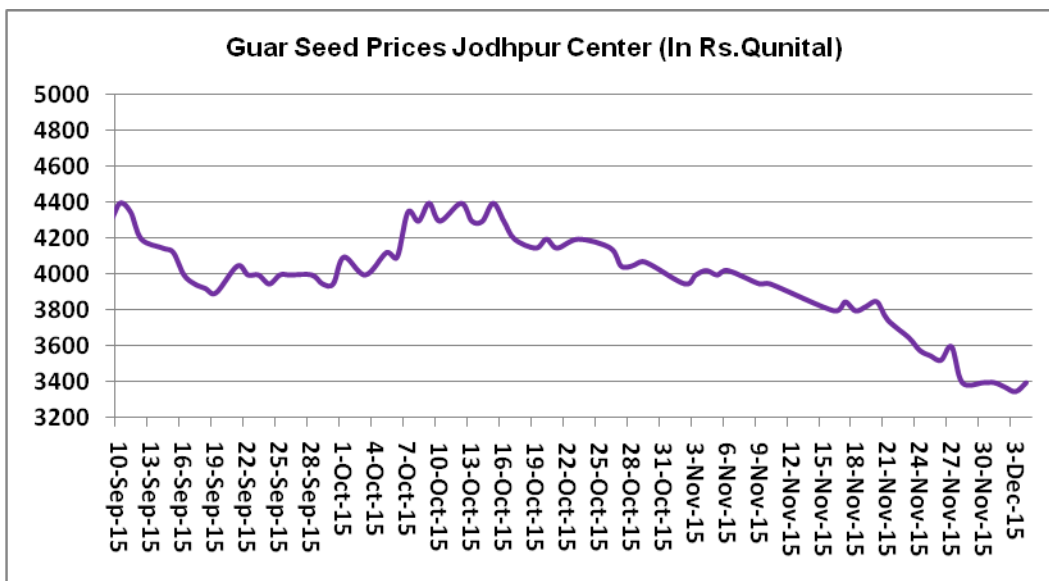
Crop Situation:

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.

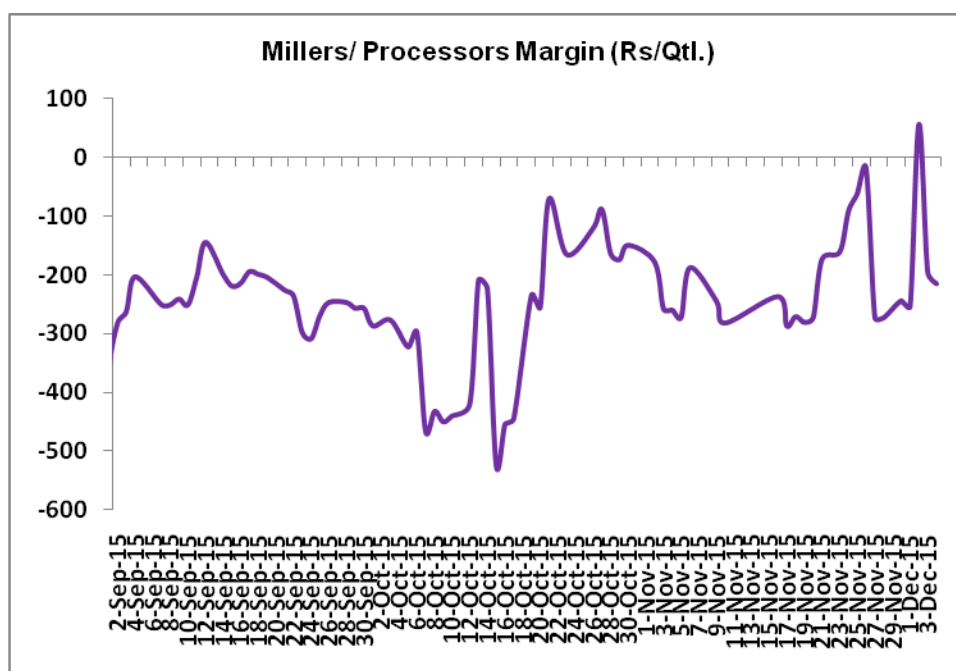
However, rainfall proved bad in irrigated areas like Ganganagar, Hanumangarh, and parts of Haryana as crop is in its harvesting stage. Farmers are expecting 30-40% lesser yield this year compared to last year due to lack of rainfall in the last one month and heavy rainfall at the time of harvesting which deteriorates the quality of guar seed also.

Price Scenario

In the first week of December, the average price of guar seed declined by 6.1% and was at Rs.3400/Qtl compared to previous week. Also, guar gum prices declined last week by 6.9% at Rs.6800/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 December 2015, average crush margin decrease to Rs. -186/Quintal which were -128 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	28th Nov to 04th Dec 15	21st Nov to 27th Nov 15	Change
Churi	Jodhpur	1458	1420	38
Korma	Jodhpur	1892	1775	117
Churi	Sri-Ganganagar	1469	1365	104
Korma	Sri-Ganganagar	1861	1822	39
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	28th Nov to 04th Dec 15	21st Nov to 27th Nov 15	Change
Guargum Split		997	1052	-55
Guargum Powder	200 Mesh 5000 CPS	1296	1361	-65
	200 Mesh 3500 CPS	1227	1278	-51
Guargum Meal	40%	315	311	4
	50%	390	389	1
Prices in \$/MT				

Commodity	Centre	Weekly Prices (Average)		Change
		28th Nov to 04th Dec 15	21th Nov to 27th Nov 15	
	Guar Seeds			
Rajasthan	Jodhpur (Loose)	3388	3409	-22
	Jodhpur(Delivery)	3588	3609	-22
	Sri-Ganganagar(Loose)	3273	3343	-70
	Sri-Ganganagar (Delivery)	3474	3543	-69
	Nagaur (Loose)	3158	3150	8
	Alwar (loose)	3250	3225	25
	Churu (Delivery)	3430	3425	5
	Bikaner (Loose)	3277	3331	-54
	Bikaner (Delivery)	3468	3531	-63
	Khajuwala Bikaner (Loose)	3262	3298	-36
	Khajuwala Bikaner(Delivery)	3392	3429	-37
	Nokha(Loose)	3230	3266	-36
	Nokha (Delivery)	3392	3384	8
	Hanumangarh (Loose)	3240	3347	-107
	Hanumangarh (Delivery)	3440	3547	-107
Haryana	Adampur (Loose)	3418	3424	-6
	Adampur (Delivery)	3618	3624	-6
	Sirsa (Loose)	3400	3368	32
	Bhiwani (Delivery)	3483	3448	35
	Dhabwali (Loose)	3308	3279	29
	Dhabwali (Delivery)	3500	3479	21
	Siwani (Loose)	3388	3413	-26
	Ellanabad (Loose)	3325	3400	-75
Gujarat	Deesa (Loose)	3349	3393	-44
	Patan (Loose)	3313	3383	-70
	Rajkot (Loose)	3328	3453	-126
	Dhrol(loose)	3233	3356	-123
Madhya pradesh	Dabra (Loose)	3350	NA	-
	Guar Gum			
Rajasthan	Jodhpur	6925	7433	-508
	Alwar	6830	7050	-220
Haryana	Sirsa	6742	6983	-241
	Bhiwani	6808	6933	-125
	Dhabwali	6783	6950	-167
	Ellanabad	6780	6966	-186

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	4-Dec-15	27-Nov-15	4-Nov-15	4-Dec-14
Rajasthan	Jodhpur (Loose)	3400	3400	3825	4500
	Jodhpur(Delivery)	3600	3600	4025	4700
	Sri-Ganganagar(Loose)	3270	3370	3650	4575
	Sri-Ganganagar (Delivery)	3475	3570	3850	4775
	Nagaur (Loose)	3150	3150	3600	4500
	Alwar (loose)	3250	3200	NA	4375
	Churu (Delivery)	3450	3400	NA	4700
	Bikaner (Loose)	3300	3350	3675	4500
	Bikaner (Delivery)	3500	3550	3875	4700
	Khajuwala Bikaner (Loose)	3280	3290	3640	4525
	Khajuwala Bikaner(Delivery)	3411	3422	3786	4706
	Nokha(Loose)	3280	3200	3650	4550
	Nokha (Delivery)	3411	3315	3786	4706
	Hanumangarh (Loose)	NA	3325	3625	4550
	Hanumangarh (Delivery)	NA	3525	3825	4750
Haryana	Adampur (Loose)	3450	3450	3700	4550
	Adampur (Delivery)	3650	3650	3900	4850
	Sirsa (Loose)	3400	3370	3600	4600
	Bhiwani (Delivery)	3450	3500	3825	4700
	Dhabwali (Loose)	3425	3350	3600	4575
	Dhabwali (Delivery)	3625	3550	3800	4775
	Siwani (Loose)	3425	3425	3800	4650
	Ellanabad (Loose)	3300	3400	3650	4600
Gujarat	Deesa (Loose)	3290	3405	3570	NA
	Patan (Loose)	3275	3370	3575	NA
	Rajkot (Loose)	3105	3450	3655	4475
	Dhrol(loose)	3155	NA	3600	NA
Madhya pradesh	Dabra (Loose)	3500	NA	NA	NA
	Guar Gum				
Rajasthan	Jodhpur	6800	6900	8250	13500
	Alwar	6850	7000	NA	13100
Haryana	Sirsa	6700	6800	8050	13200
	Bhiwani	6900	7000	8125	13650
	Dhabwali	6800	6900	8200	12900
	Ellanabad	6800	6900	8100	13200

Guar Cumulative Arrivals in Key Centers

Centre	Weekly Arrivals (Quintals)			Change
		28th Nov to 04th Dec 15	21th Nov to 27th Nov 15	
Rajasthan	Jodhpur	NA	NA	-
	Sri-Ganganagar	21000	13000	8000
	Nagaur	1450	950	500
	Alwar	2500	1300	1200
	Churu	6700	2800	3900
	Bikaner	6500	5500	1000
	Khajuwala Bikaner	15500	8500	7000
	Nokha	4000	3700	300
	Hanumangarh	3000	2200	800
Haryana	Adampur	8000	7600	400
	Sirsa	5400	2450	2950
	Bhiwani	6500	2900	3600
	Dhabwali	1100	1050	50
	Siwani	4000	4800	-800
	Ellanabad	5700	6700	-1000
Gujarat	Deesa	1685	2124	-439
	Patan	4404	4324	80
	Rajkot	3135	3920	-785
	Dhrol	161	186	-25
Madhya pradesh	Dabra	4450	NA	-
Total Arrival		105185	74004	31181



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 breach 3400 level and now heading towards 3250 and 2950 levels.
- However, RSI is hovering at oversold region

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Dec	2950	3000	3404	3700	3880
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Dec	Sell	Below 3300	3200	3150	3360

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	5700	5800	6610	6624	8500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Dec	Sell	Below 6400	6100	5950	6580

Spot Market Outlook:

Guar prices are tumbled down on continuous basis. With arrivals in December are picking up and weak demand of gum powder from overseas, we expect prices to trade in a weaker trend in the coming week.

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