

Domestic Market Summary:

- Guar seed and gum prices surged last week due to weak arrivals and firm demand of guar seed from millers and stockists. Arrivals also declined due to festival season going on last week.
- Reportedly, 70-75% of guar seed new crop already arrived in the Rajasthan markets. These markets are mainly belongs to irrigated areas like Ganganagar, Hanumangarh, Pilibanga etc. However, only 40% of guar seed crop arrived in the markets which belongs to non-irrigated areas like Bikaner, Jodhpur, Barmer etc because of late sowing and harvesting.
- Haryana traders and millers are asking for guar seed from various key markets of Rajasthan like Pilibanga, Shri ganganagar etc. Millers are finding parity after processing seed to Gum and Churi Korma. It is notable that Churi and Korma prices are trading at pretty higher levels.
- Gujarat state agriculture department released its first advance estimate for Guar seed for 2015-16. According to estimates, farmers in gujarat grow guar seed in 342000 hectares and produce 206000 tons of guar seed with an average yield of 602 kg/hectare
- Daily around 60000 bags of guar seed arrived in all India markets this week which was around 70000 bags last week. Continuous fall in guar seed prices urge farmers not to bring their produce in the local mandis.

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 3550 and are likely to trade up to Rs 3650 per quintal.

In Ganganagar region, prices are trading at Rs 3400 per quintal which is likely to move upto Rs 3500 quintal as expected.

Current Market Dynamics

Prices of guar seed and gum recovering from recent lows due to firm demand by millers due to higher prices of churi and korma which urge them to increase guar seed crushing.

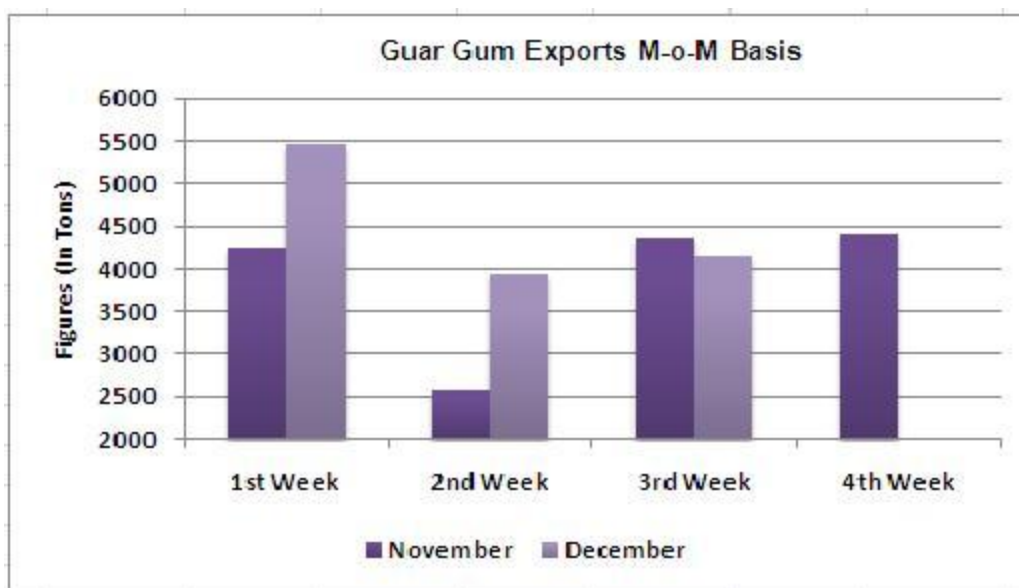
However, overall fundamentals are still not very good for guar seed and gum due to lack of real demand from fracking industry from overseas.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (~6900 bags) compared to previous week ~7300 bags.

Similarly, In Ganganagar market, arrivals have declined last week to 4600 bags compared to prior week arrivals data i.e.8000 bags.

Export and Import Scenario

As far as weekly guar gum exports are concerned, In the third week of December 2015, India has exported 4146.8 tons of guar gum powder, 1100 tons of guar splits and 2736 tons of guar meal.

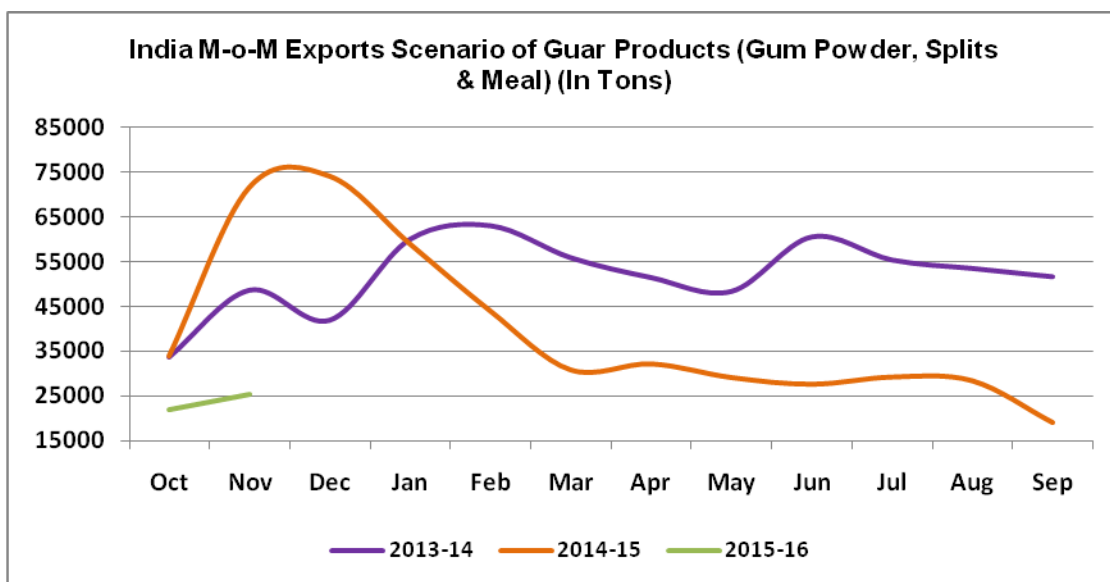


Demand Side of Guar and Guar Gum:

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

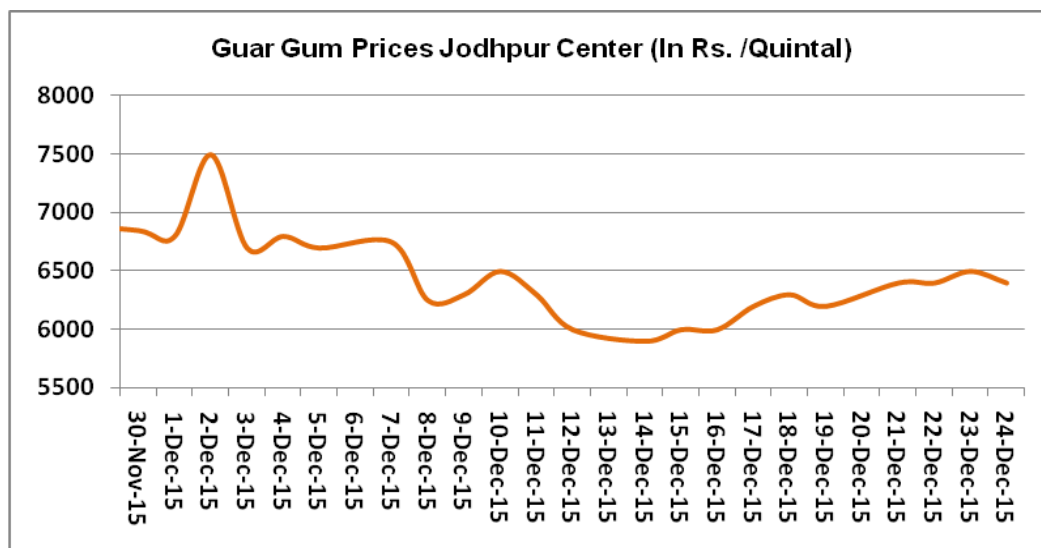
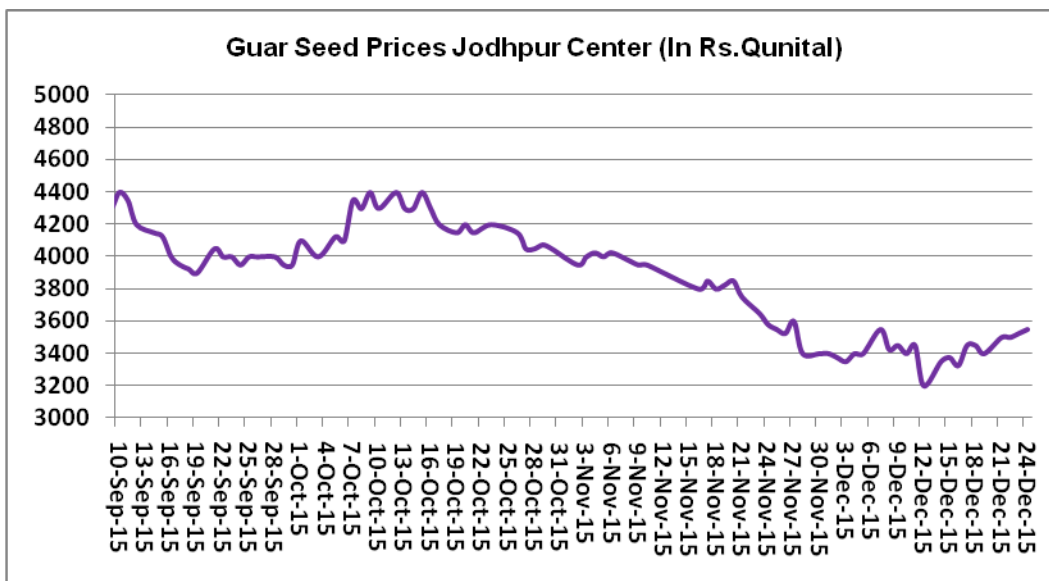
Reportedly, the quantity of unsold gum stored in US has decreased as stockists are selling it at lower quotes as unsold gum will expire soon. There is only need based buying reported from foreign buyers.

Below are the monthly guar products exports and its comparison to month wise exports of guar products last year.

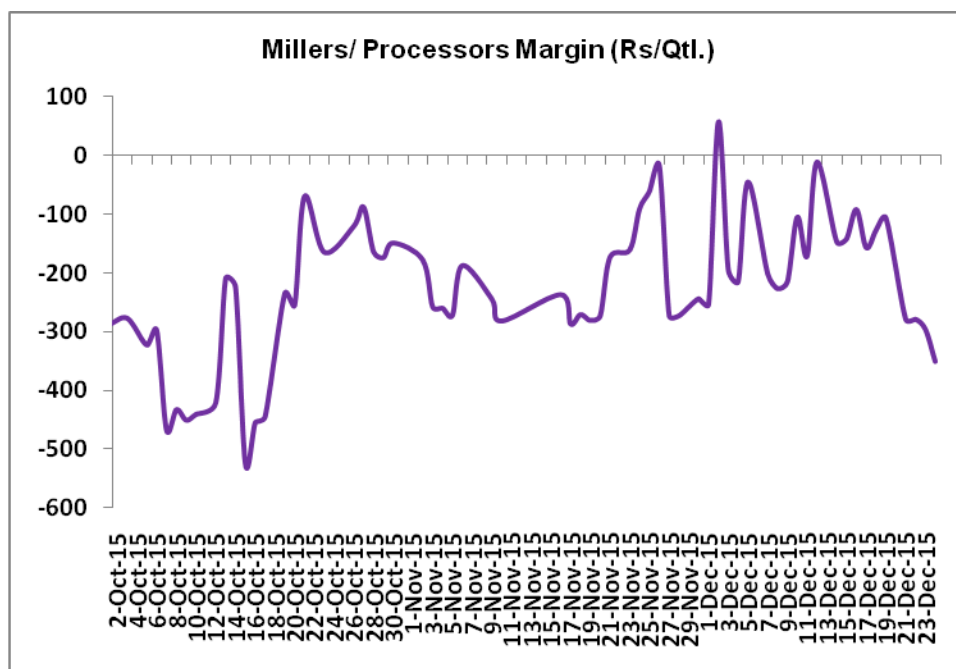


Price Scenario

In the fourth week of December, the average price of guar seed increase by 4.1% and was at Rs.3550/Qtl compared to previous week. Also, guar gum prices improved last week by 5.2% at Rs.6400/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 increased compared to previous week. In the fourth week of December 2015, average crush margin decrease to Rs. -261/Quintal which were -111 per quintal last week. Decrease in churi and korma prices led the margin down last week.

Higher crushing of guar seed in last couple of weeks increased the overall production of churi and korma which increase the supply resulted in decline in Churi and Korma prices.

Guar by – Products Weekly Average Prices:

Commodity	Centre	19th Dec to 24th Dec 15	12th Dec to 18th Dec 15	Change
Churi	Jodhpur	1460	1592	-132
Korma	Jodhpur	1880	1992	-112
Churi	Sri-Ganganagar	1431	1454	-23
Korma	Sri-Ganganagar	1824	1914	-90
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	19th Dec to 24th Dec 15	12th Dec to 18th Dec 15	Change
Guargum Split		994	920	74
Guargum Powder	200 Mesh 5000 CPS	1296	1219	77
	200 Mesh 3500 CPS	1220	1145	75
Guargum Meal	40%	317	314	3
	50%	384	386	-2

Prices in \$/MT

Commodity	Centre	Weekly Prices (Average)		Change
		19th Dec to 24th Dec 15	12th Dec to 18th Dec 15	
Rajasthan	Jodhpur (Loose)	3295	3163	132
	Jodhpur(Delivery)	3495	3358	137
	Sri-Ganganagar(Loose)	3154	3058	96
	Sri-Ganganagar (Delivery)	3354	3243	111
	Nagaur (Loose)	3100	3010	90
	Alwar (loose)	3180	3033	147
	Churu (Delivery)	3360	3225	135
	Bikaner (Loose)	3185	3060	125
	Bikaner (Delivery)	3385	3240	145
	Khajuwala Bikaner (Loose)	3166	2980	186
	Khajuwala Bikane(Delivery)	3293	3003	290
	Nokha(Loose)	3114	3075	39
	Nokha (Delivery)	3226	3075	151
	Hanumangarh (Loose)	3195	3042	153
	Hanumangarh (Delivery)	3395	3242	153
Haryana	Adampur (Loose)	3285	3117	168
	Adampur (Delivery)	3485	3300	185
	Sirsa (Loose)	3312	3182	130
	Bhiwani (Delivery)	3319	3172	147
	Dhabwali (Loose)	3160	3098	62
	Dhabwali (Delivery)	3360	3298	62
	Siwani (Loose)	3285	3167	118
	Ellanabad (Loose)	3250	3100	150
Gujarat	Deesa (Loose)	3153	3107	46
	Patan (Loose)	3288	3174	114
	Rajkot (Loose)	3328	3253	75
	Dhrol(loose)	3210	2983	227
Madhya pradesh	Dabra (Loose)	3200	3500	-300
Guar Gum				
Rajasthan	Jodhpur	6380	6067	313
	Alwar	6400	6025	375
Haryana	Sirsa	6420	6000	420

	Bhiwani	6299	6375	-76
	Dhabwali	6360	6133	227
	Ellanabad	6463	6042	421

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
	Guar Seeds	24-Dec-15	18-Dec-15	24-Nov-15	25-Dec-14
Rajasthan	Jodhpur (Loose)	3350	3250	3380	4450
	Jodhpur(Delivery)	3550	3450	3580	4650
	Sri-Ganganagar(Loose)	3200	3135	Closed	4760
	Sri-Ganganagar (Delivery)	3400	3335	Closed	4960
	Nagaur (Loose)	3100	3100	3100	4550
	Alwar (loose)	3200	3150	Closed	4400
	Churu (Delivery)	3350	3300	Closed	4600
	Bikaner (Loose)	3200	3250	Closed	4500
	Bikaner (Delivery)	3400	3450	Closed	4650
	Khajuwala Bikaner (Loose)	3200	3100	Closed	4500
	Khajuwala Bikaner(Delivery)	3328	3224	Closed	4680
	Nokha(Loose)	3150	3050	3200	4470
	Nokha (Delivery)	3263	3172	Closed	4680
	Hanumangarh (Loose)	3250	3100	3250	4700
	Hanumangarh (Delivery)	3450	3300	3450	4900
Haryana	Adampur (Loose)	3325	3250	3450	4500
	Adampur (Delivery)	3525	3450	3650	4700
	Sirsa (Loose)	3370	3240	3360	4500
	Bhiwani (Delivery)	3350	3300	3425	4600
	Dhabwali (Loose)	3250	3150	3220	4400
	Dhabwali (Delivery)	3450	3350	3420	4600
	Siwani (Loose)	3325	3300	3375	4600
	Ellanabad (Loose)	3300	3250	3300	NA
Gujarat	Deesa (Loose)	3200	3135	3375	4655
	Patan (Loose)	3390	3230	3350	5000
	Rajkot (Loose)	3355	3555	3400	4665
	Dhrol(loose)	3210	3180	3330	NA
Madhya pradesh	Dabra (Loose)	NA	NA	NA	4500
Guar Gum					
Rajasthan	Jodhpur	6400	6300	7550	12600
	Alwar	6600	6400	Closed	12500
Haryana	Sirsa	6550	6200	6900	12350
	Bhiwani	6450	6200	6800	12500
	Dhabwali	6600	6300	6800	12500

	Ellanabad	6600	6400	6850	NA
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Guar Cumulative Arrivals in Key Centers

Weekly Arrivals (Quintals)				
Centre		19th Dec to 24th Dec 15	12th Dec to 18th Dec 15	Change
Rajasthan	Jodhpur	265	NA	-
	Sri-Ganganagar	4600	8000	-3400
	Nagaur	600	900	-300
	Alwar	2200	1800	400
	Churu	4200	4700	-500
	Bikaner	11500	13500	-2000
	Khajuwala Bikaner	17400	20050	-2650
	Nokha	1200	1300	-100
	Hanumangarh	1250	1950	-700
Haryana	Adampur	6900	7300	-400
	Sirsa	4500	8000	-3500
	Bhiwani	3300	3800	-500
	Dhabwali	795	910	-115
	Siwani	2400	4200	-1800
	Ellanabad	2300	5400	-3100
Gujarat	Deesa	276	1335	-1059
	Patan	2122	2363	-241
	Rajkot	2080	2310	-230
	Dhrol	78	43	35
Madhya pradesh	Dabra	1700	300	1400
Total Arrival		69666	88161	-18495

Commodity: Guar Seed 10MT
Contract: Jan

Exchange: NCDEX
Expiry: Jan 20, 2016

Guar Seed 10MT (Weekly Jan Contract Chart)



Technical Commentary:

- Guar prices are having correction from lower levels.
- Currently, guar is trading at 4th Elliot Wave and likely to end at Rs 3550-3600.
- Prices can test 3500 level in the coming trading sessions.
- However, RSI is hovering near to oversold region

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Jan	2700	2950	3337	3600	3880
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Jan	Buy	Above 3350	3450	3500	3290



Commodity: Guar Gum
Contract: Jan

Exchange: NCDEX
Expiry: Jan 20, 2016

Guar Gum (Jan Weekly Chart)



Technical Commentary:

- Guar gum prices are getting a correction.
- RSI is hovering at oversold region
- Last candlestick depicts bullishness in the market.

Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Jan	5200	5460	6180	6300	6624
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Jan	Buy	Above 6200	6600	6800	5960

Spot Market Outlook:

Guar prices recovered from recent lows due to good demand at lower levels from stockists and millers. Also, lower arrivals also support the prices. However, recent rally is just a recovery and prices are likely to move down fundamentally in the medium term.

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