

## 9 Domestic Market Summary:

- Guar seed and gum prices declined last week due to weak demand of guar gum.
- Churi and korma prices takes downward correction from recent highs. However, still there is upside potential left in Churi and korma prices due to lower crushing . Gaur seeds are not reaching Millers due to lower arrivals in the mandi and spur buying by stockists.
- Reportedly, 70-75% of guar seed new crop already arrived in the Rajasthan markets. These markets mainly belong 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.
- Daily around 50000 bags of guar seed arrived in all India markets this week which was 60000 bags on an average last week.

## Next Week Price Projections:

For the next week, prices are likely to move down to Rs 100-150 per quintal. In the Jodhpur market, delivery prices are trading at Rs 3513 and are likely to trade down to Rs 3400 per quintal.

In Ganganagar region, prices are trading at Rs 3362 per quintal which is likely to move down to Rs 3200 quintal as expected.

## Current Market Dynamics

Prices of guar seed and gum declined sharply last week due to weak demand and speculation from big punters. Also, crude oil fall to \$31 also became the major influencing factor for decline in guar seed and gum prices.

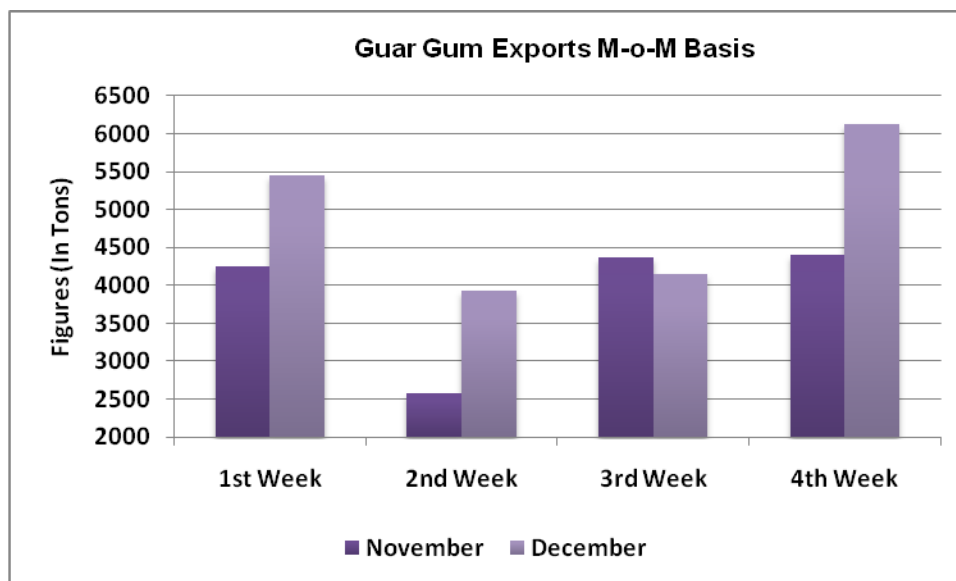
Overall fundamentals are still not very good for guar seed and gum due to lack of real demand from fracking industry from overseas.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (~6100 bags) compared to previous week ~6600 bags.

Similarly, In Ganganagar market, arrivals have declined last week to 5600 bags compared to prior week arrivals data i.e.8800 bags.

### Export and Import Scenario

As far as weekly guar gum exports are concerned, In the fourth week of December 2015, India has exported 6128 tons of guar gum powder, 1360 tons of guar splits and 2736 tons of guar meal.



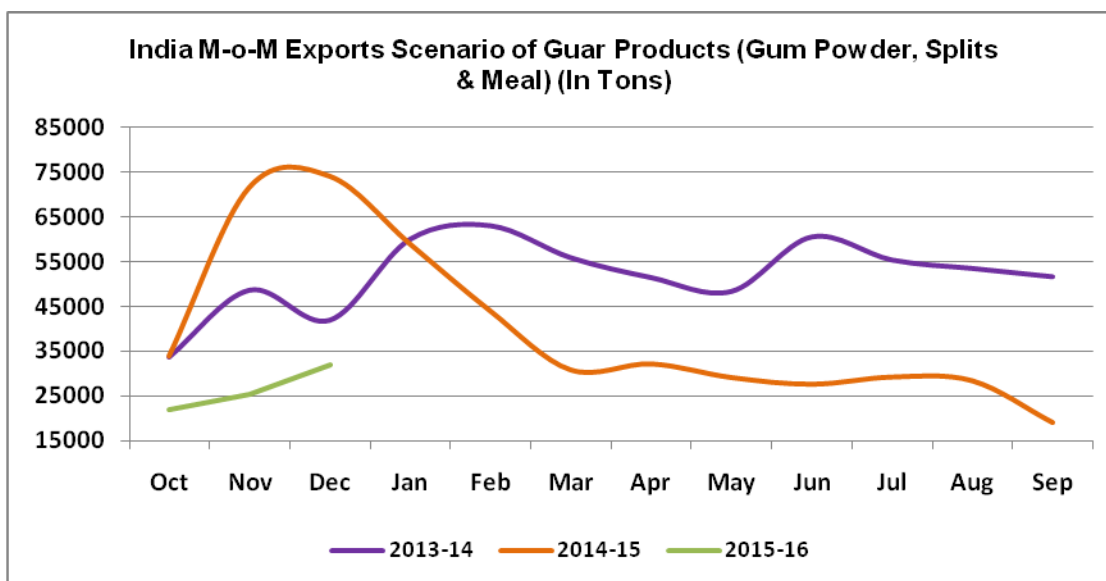
### Demand Side of Guar and Guar Gum:

On export front, demands of guar products increased in December.

Foreign buyers have guar gum stocks upto February and may start new buying in March and April month.

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.

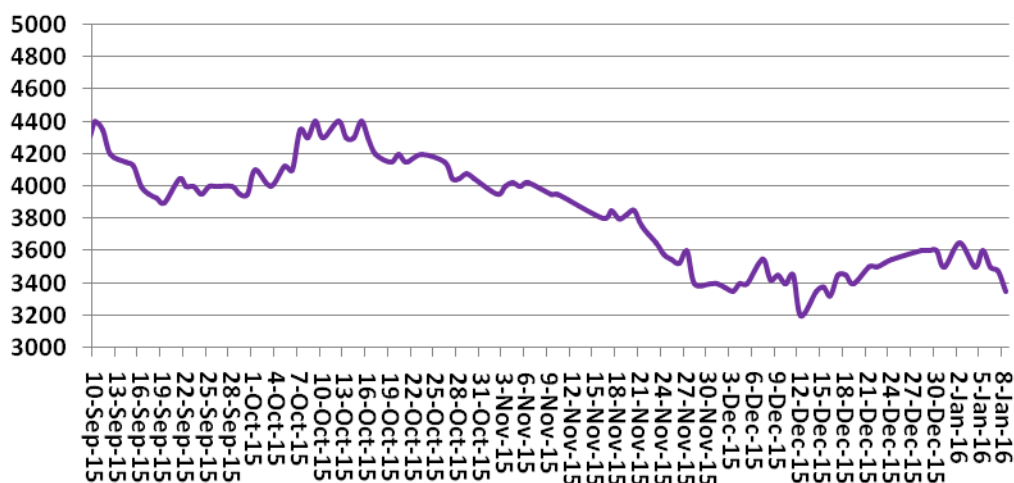
Below are the monthly guar products exports and its comparison to month wise exports of guar products last year.



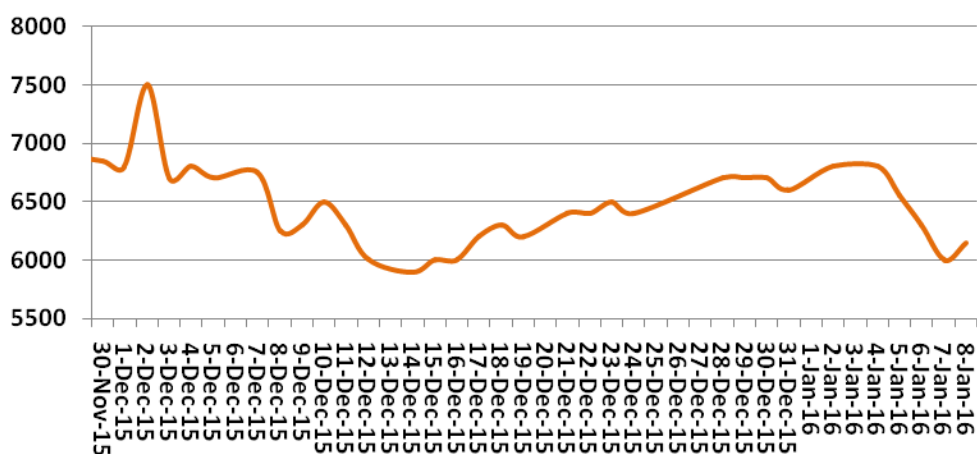
### Price Scenario

In the first week of January, the average price of guar seed decreased by 1.7% and was at Rs.3512/Qtl compared to previous week. Also, guar gum prices declined last week by 3.6% at Rs.6433/Qtl compared to previous week. The graph below illustrates the weekly average price movement of guar seed and guar gum in Jodhpur market.

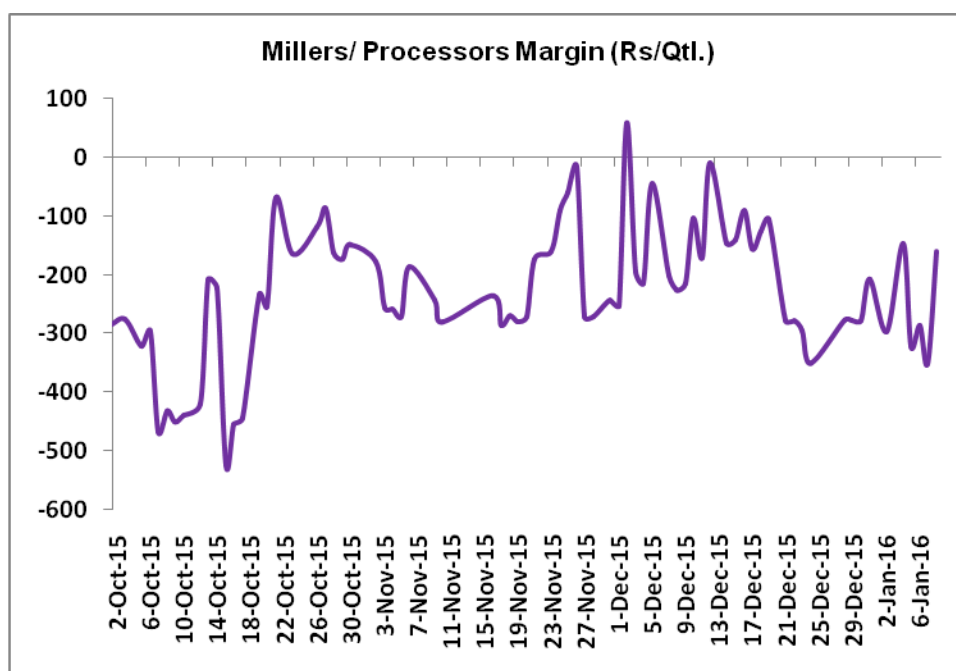
**Guar Seed Prices Jodhpur Center (In Rs.Qunital)**



**Guar Gum Prices Jodhpur Center (In Rs. /Quintal)**



## Millers/Processors Margin



As seen in the chart above, the average crushing margin of guar seed has increased compared to previous week. In the first week of January 2015, average crush margin decrease marginally to Rs. -260.3/Quintal which were -259.5 per quintal last week. Higher degree of decrease in guar gum prices compared to guar seed prices led the margin down last week.

## Guar Seed To Gum Ratio:

Ratio of guar seed to gum declined this week to 1.83 which in the earlier week was 1.84. Higher decline in guar gum prices compared to guar seed decreased the ratio.

Sluggish demand of gum from overseas and good demand of seed from millers due to higher, churi and korma prices decreased the overall ratio. It is notable that current ratio is the lowest ratio in 6.6 years. Generally, ratio stood at 2.5 in past years.

### Guar by – Products Weekly Average Prices:

Commodity	Centre	2nd to 8th Jan 16	26th to 31th Dec 15	Change
Churi	Jodhpur	1475	1431	44
Korma	Jodhpur	1871	1822	49
Churi	Sri-Ganganagar	1500	1444	56
Korma	Sri-Ganganagar	1817	1863	-46

**Prices in Rs/75kg**
**Guar Export Weekly Average Prices:**

Commodity	Variety	2nd to 8th Jan 16	26th to 31st Dec 15	Change
Guargum Split		981	1047	-66
Guargum Powder	200 Mesh 5000 CPS	1282	1349	-67
	200 Mesh 3500 CPS	1207	1274	-68
Guargum Meal	40%	316	317	-2
	50%	376	377	-2

**Prices in \$/MT**
**Guar Seed Weekly Average Prices:**

Commodity	Centre	Weekly Prices (Average)		Change
Guar Seed		2nd to 8th Jan 16	26th to 31st Dec 15	
Rajasthan	Jodhpur (Loose)	3329	3365	-36
	Jodhpur(Delivery)	3513	3565	-53
	Sri-Ganganagar(Loose)	3195	3275	-80
	Sri-Ganganagar (Delivery)	3362	3475	-113
	Nagaur (Loose)	3167	3200	-33
	Churu (Delivery)	3200	3375	-175
	Alwar (Loose)	3000	3200	-200
	Bikaner (Loose)	3140	3317	-177
	Bikaner (Delivery)	3300	3517	-217
	Nokha(Loose)	3188	3230	-42
	Nokha (Delivery)	3310	3349	-39
	Khajuwala (Loose)	3162	3254	-92
	Khajuwala (Delivery)	3242	3384	-142
	Hanumangarh (Loose)	3188	3305	-117
	Hanumangarh (Delivery)	3388	3505	-117
Haryana	Adampur (Loose)	3258	3386	-128
	Adampur (Delivery)	3458	3505	-47
	Sirsa (Loose)	3210	3355	-145
	Bhiwani (Delivery)	3263	3388	-126
	Dhabwali (Loose)	3173	3268	-95

	Dhabwali (Delivery)	3340	3462	-122
	Siwani (Loose)	3283	3360	-77
	Ellanabad (Loose)	3250	3450	-200
	Fatehabad (Loose)	3203	3400	-197
Gujarat	Deesa (Loose)	3207	3326	-119
	Patan (Loose)	3313	3352	-40
	Rajkot (Loose)	3404	3462	-58
	Dhrol (Loose)	3155	3302	-147
Madhya pradesh	Dabra (Loose)	NA	3200	-
Guar Gum				
Rajasthan	Jodhpur	6433	6938	-505
	Alwar	6000	6788	-788
Haryana	Sirsa	6300	6740	-440
	Bhiwani	6375	7080	-705
	Dhabwali	6392	6780	-388
	Ellanabad	6625	6800	-175
	Fatehabad	6450	6800	-350

### Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
Guar Seed		8-Jan-16	2-Jan-16	8-Dec-15	8-Jan-15
Rajasthan	Jodhpur (Loose)	3250	3450	3225	4300
	Jodhpur(Delivery)	3350	3650	3425	4500
	Sri-Ganganagar(Loose)	3090	3300	3100	4500
	Sri-Ganganagar (Delivery)	3190	3500	3300	4700
	Nagaur (Loose)	3000	3250	3150	4400
	Churu (Delivery)	3200	3300	3250	4600
	Alwar (Loose)	3000	3150	3050	4400
	Bikaner (Loose)	3100	3250	3125	4550
	Bikaner (Delivery)	3200	3450	3325	4700
	Nokha(Loose)	3100	3250	3075	4450
	Nokha (Delivery)	3212	3367	3186	4610
	Khajuwala (Loose)	3080	3260	3100	4530
	Khajuwala (Delivery)	3100	3300	3180	4530
	Hanumangarh (Loose)	3100	3300	3120	4500

	Hanumangarh (Delivery)	3300	3500	3320	4700
Haryana	Adampur (Loose)	3200	3350	3150	4500
	Adampur (Delivery)	3400	3550	3350	4700
	Sirsa (Loose)	3100	3275	3250	4525
	Bhiwani (Delivery)	3250	3300	3200	4500
	Dhabwali (Loose)	3120	3200	3200	4525
	Dhabwali (Delivery)	3220	3400	3400	4725
	Siwani (Loose)	3175	3400	3250	4650
	Ellanabad (Loose)	NR	3300	3150	NR
	Fatehabad (Loose)	3100	3200	3250	NR
Gujarat	Deesa (Loose)	3140	3275	3200	4465
	Patan (Loose)	3205	3375	3205	4555
	Rajkot (Loose)	3260	3480	3175	4525
	Dhrol (Loose)	3180	3325	3050	NR
Madhya pradesh	Dabra (Loose)	NA	3200	3200	4600
Guar Gum					
Rajasthan	Jodhpur	6150	6800	6250	12800
	Alwar	6000	6500	6300	12200
Haryana	Sirsa	6000	6600	6200	12200
	Bhiwani	6500	6000	6300	12200
	Dhabwali	6100	6700	6300	12200
	Ellanabad	NR	6800	6300	NR
	Fatehabad	6000	6800	6500	NR

### Guar Cumulative Arrivals in Key Centers:

Commodity	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed		2nd to 8th Jan 16	26th to 31st Dec 15	
Rajasthan	Jodhpur	510	80	430
	Sri-Ganganagar	5600	8800	-3200
	Nagaur	1100	700	400
	Churu	800	4500	-3700
	Alwar	400	2300	-1900
	Bikaner	10500	5500	5000
	Nokha	13600	2400	11200
	Khajuwala	11600	14500	-2900



	Hanumangarh	1650	1250	400
Haryana	Adampur	6100	6600	-500
	Sirsa	2750	4200	-1450
	Bhiwani	870	2750	-1880
	Dhabwali	855	520	335
	Siwani	2600	3000	-400
	Ellanabad	1800	2300	-500
	Fatehabad	340	100	240
Gujarat	Deesa	315	1279	-964
	Patan	1378	2639	-1261
	Rajkot	2370	2470	-100
	Dhrol	39	46	-7
Madhya pradesh	Dabra	NA	600	-
Total Arrivals		65177	66534	-1357

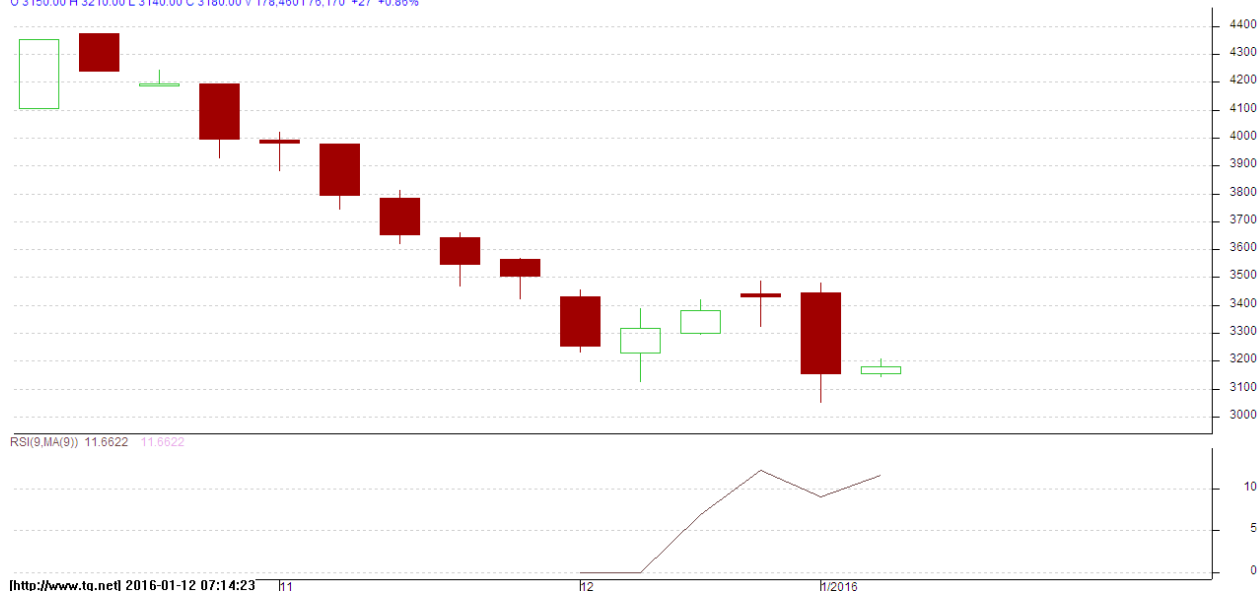


Commodity: Guar Seed 10MT  
Contract: Feb

Exchange: NCDEX  
Expiry: Feb 20, 2016

### Guar Seed 10MT (Weekly Feb Contract Chart)

GUAR SEED 1602(NCGRSG6)2016/01/10 - Weekly B:3203.00 A:3205.00  
O 3150.00 H 3210.00 L 3140.00 C 3180.00 V 178,460 I 76,170 +27 +0.88%



### Technical Commentary:

- Guar prices are trading in downward trend.
- Currently, guar is trading at 5<sup>th</sup> Elliot Wave and likely to end at Rs 2900-2950.
- However, RSI is hovering near to oversold region

### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Feb	2700	2900	3153	3600	3880
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Feb	<b>Sell</b>	Below 3200	3050	2980	3290



**Commodity: Guar Gum**  
**Contract: Feb**

**Exchange: NCDEX**  
**Expiry: Feb 20, 2016**

### Guar Gum (Feb Weekly Chart)

GUARGUM 1602(NCGUGG6)2016/01/10 - Weekly B:5910.00 A:6100.00  
O:5910.00 H:6020.00 L:5850.00 C:5970.00 V:37.596 I:34.896 +40 +0.67%



#### Technical Commentary:

- Guar gum prices are getting a correction.
- 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	Feb	5170	5410	5930	6300	6624
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Feb	<b>Sell</b>	Below 6050	5750	5600	6230

### **Spot Market Outlook:**

Prices of guar seed and gum continue its downward movement. Falling crude oil prices and weak demand of gum from overseas pressurize the prices.

We expect prices to continue its downward movement in the coming week.

#### **Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>  
© 2015 Indian Agribusiness Systems Pvt Ltd.