

## 9 Domestic Market Summary:

- Guar seed and gum prices continue its downward trend considering weak demand of gum from overseas.
- Daily around 35000-40000 bags of guar seed arrived in All India markets this week which was 50000 bags daily average arrivals last week.
- Price 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.
- 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 . Guar seeds are not reaching Millers due to lower arrivals in the mandi and spur buying by stockists.

## 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 3475 and are likely to trade down to Rs 3400 per quintal.

In Ganganagar region, prices are trading at Rs 3271 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.

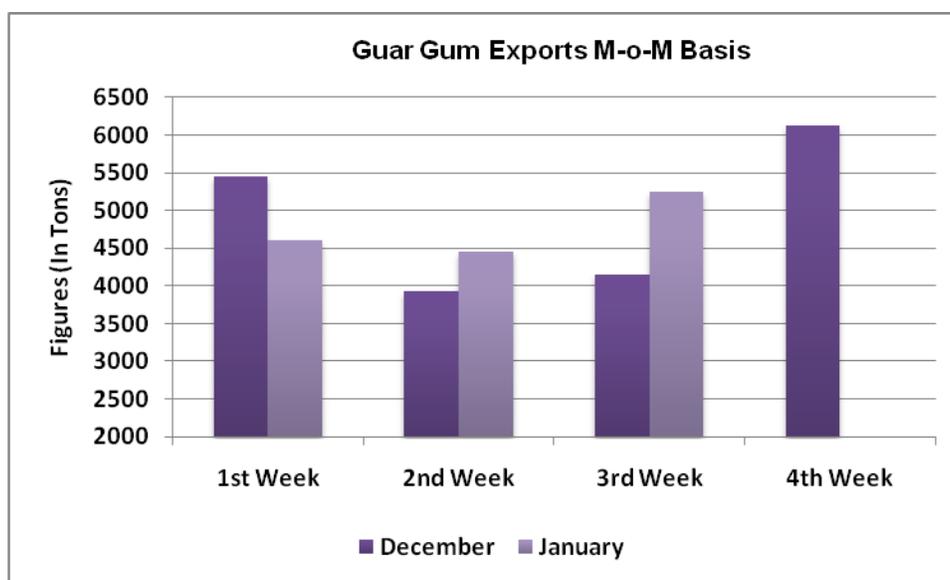
As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (~4100 bags) compared to previous week ~6100 bags.

Similarly, In Ganganagar market, arrivals have declined last week to 3400 bags compared to prior week arrivals data i.e.5600 bags.

### Export and Import Scenario

As far as weekly guar gum exports are concerned, In the third week of January 2015, India has exported 5247 tons of guar gum powder, 740 tons of guar splits and 803.3 tons of guar meal.

Recent week guar gum export figures takes the overall guar gum export figures to 14315 tons till 17<sup>th</sup> January in this month which is 5.8% higher compared to last month same period.



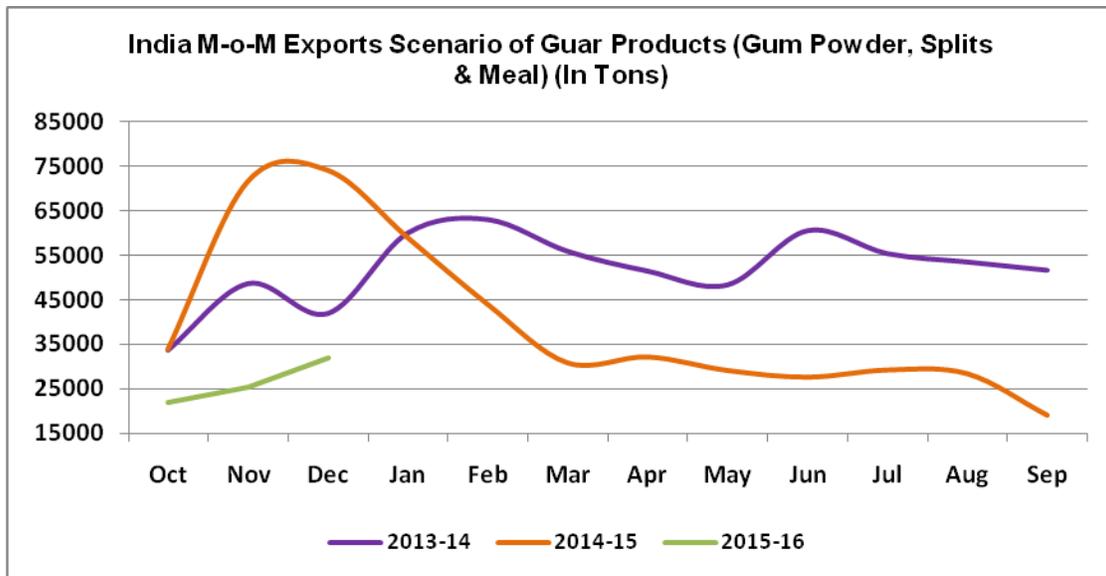
### Demand Side of Guar and Guar Gum:

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.

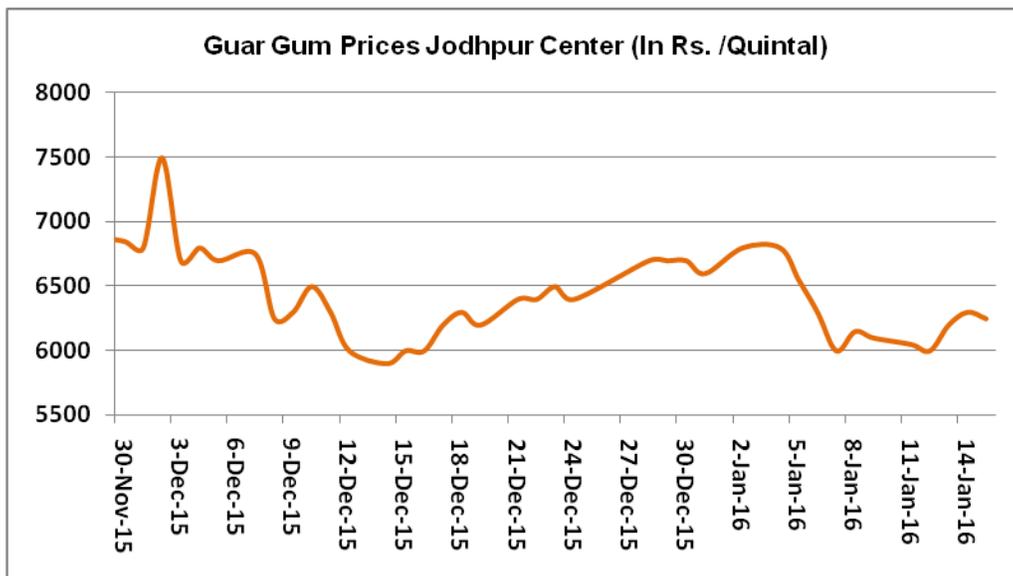
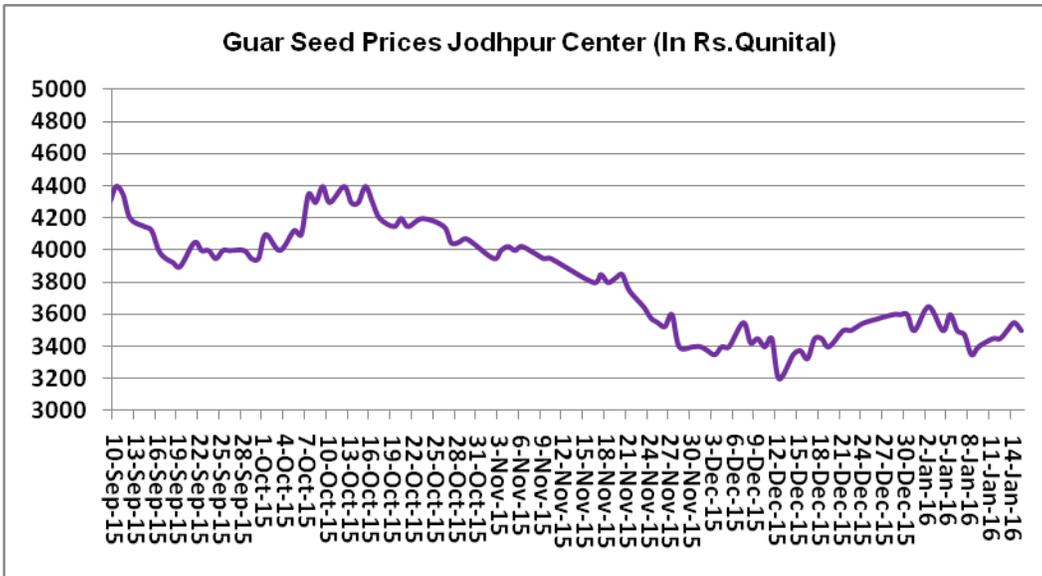
Reportedly, the quantity of unsold gum stored in US has decreased as stockists are selling it at lower quotes as unsold gum will expire soon.

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

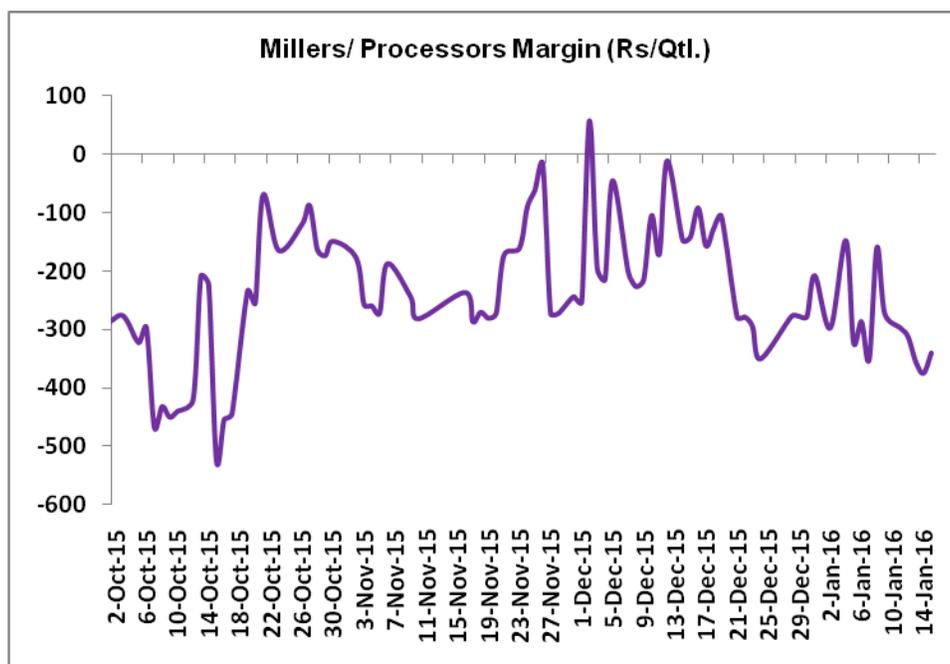


**Price Scenario**

In the second week of January, the average price of guar seed decreased by 1.1% and was at Rs.3475/Qtl compared to previous week. Also, guar gum prices declined last week by 4.4% at Rs.6150/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 second week of January 2015, average crush margin decrease to Rs. -339.75/Quintal which were -260.3 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 1.77 which in the earlier week was 1.83. 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	9th to 15th Jan 16	2nd to 8th Jan 16	Change
Churi	Jodhpur	1525	1475	50
Korma	Jodhpur	1917	1871	46
Churi	Sri-Ganganagar	1617	1500	117
Korma	Sri-Ganganagar	1863	1817	46
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	9th to 15th Jan 16	2nd to 8th Jan 16	Change
Guargum Split		928	981	-53
Guargum Powder	200 Mesh 5000 CPS	1227	1282	-55
	200 Mesh 3500 CPS	1152	1207	-55
Guargum Meal	40%	333	316	18
	50%	381	376	5
Prices in \$/MT				

Guar Seed Weekly Average Prices:				
Commodity	Centre	Weekly Prices (Average)		Change
		9th to 15th Jan 16	2nd to 8th Jan 16	
Rajasthan	Jodhpur (Loose)	3275	3329	-54
	Jodhpur(Delivery)	3475	3513	-38
	Sri-Ganganagar(Loose)	3120	3195	-75
	Sri-Ganganagar (Delivery)	3271	3362	-91
	Nagaur (Loose)	2979	3167	-188
	Churu (Delivery)	3210	3200	10
	Alwar (Loose)	3010	3000	10
	Bikaner (Loose)	3130	3140	-10
	Bikaner (Delivery)	3250	3300	-50
	Nokha(Loose)	3125	3188	-63
	Nokha (Delivery)	3238	3310	-72
	Khajuwala (Loose)	3131	3162	-31
	Khajuwala (Delivery)	3133	3242	-110
	Hanumangarh (Loose)	3122	3188	-67
	Hanumangarh (Delivery)	3322	3388	-67
Haryana	Adampur (Loose)	3183	3258	-75
	Adampur (Delivery)	3383	3458	-75
	Sirsa (Loose)	3136	3210	-74
	Bhiwani (Delivery)	3250	3263	-13
	Dhabwali (Loose)	3099	3173	-74
	Dhabwali (Delivery)	3199	3340	-141
	Siwani (Loose)	3267	3283	-17

	Ellanabad (Loose)	3159	3250	-91
	Fatehabad (Loose)	3117	3203	-87
Gujarat	Deesa (Loose)	3160	3207	-47
	Patan (Loose)	3219	3313	-94
	Rajkot (Loose)	3246	3404	-158
	Dhrol (Loose)	3190	3155	35
Madhya pradesh	Dabra (Loose)	3200	NA	-
<b>Guar Gum</b>				
Rajasthan	Jodhpur	6150	6433	-283
	Alwar	6100	6000	100
Haryana	Sirsa	6058	6300	-242
	Bhiwani	6500	6375	125
	Dhabwali	6133	6392	-258
	Ellanabad	6190	6625	-435
	Fatehabad	6125	6450	-325

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

Commodity	Centre	Today	Week ago	Month ago	Year ago
Guar Seed		15-Jan-16	8-Jan-16	15-Dec-15	15-Jan-15
Rajasthan	Jodhpur (Loose)	3300	3250	3175	4200
	Jodhpur(Delivery)	3500	3350	3375	4400
	Sri-Ganganagar(Loose)	3140	3090	3025	4200
	Sri-Ganganagar (Delivery)	3250	3190	3225	4450
	Nagaur (Loose)	2950	3000	2950	4300
	Churu (Delivery)	3250	3200	3200	NA
	Alwar (Loose)	3050	3000	3000	NA
	Bikaner (Loose)	Closed	3100	2975	4150
	Bikaner (Delivery)	Closed	3200	3175	4350
	Nokha(Loose)	3100	3100	3000	4100
	Nokha (Delivery)	3212	3212	3108	4248
	Khajuwala (Loose)	3160	3080	2930	4230
	Khajuwala (Delivery)	3160	3100	2930	4230
	Hanumangarh (Loose)	3058	3100	3050	4200
Hanumangarh (Delivery)	3258	3300	3250	4400	
Haryana	Adampur (Loose)	3200	3200	3000	4270

	Adampur (Delivery)	3400	3400	3200	4470
	Sirsa (Loose)	3125	3100	3150	4200
	Bhiwani (Delivery)	NR	3250	3100	4350
	Dhabwali (Loose)	3125	3120	3050	4250
	Dhabwali (Delivery)	3225	3220	3250	4450
	Siwani (Loose)	3275	3175	3100	4275
	Ellanabad (Loose)	NR	NR	3000	NR
	Fatehabad (Loose)	3100	3100	3000	NR
Gujarat	Deesa (Loose)	NA	3140	3090	4275
	Patan (Loose)	3210	3205	3150	4310
	Rajkot (Loose)	3185	3260	3095	4390
	Dhrol (Loose)	3150	3180	2785	NR
Madhya pradesh	Dabra (Loose)	3200	3200	3500	4700
<b>Guar Gum</b>					
Rajasthan	Jodhpur	6250	6150	6000	11100
	Alwar	6200	6000	5900	NA
Haryana	Sirsa	6150	6000	6000	11000
	Bhiwani	NR	6500	5650	11100
	Dhabwali	6350	6100	5900	10900
	Ellanabad	NR	NR	5900	NR
	Fatehabad	6150	6000	6100	NR

Guar Cumulative Arrivals in Key Centers:				
Commodity	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed		9th to 15th Jan 16	2nd to 8th Jan 16	
Rajasthan	Jodhpur	200	510	-310
	Sri-Ganganagar	3400	5600	-2200
	Nagaur	1000	1100	-100
	Churu	3800	800	3000
	Alwar	1700	400	1300
	Bikaner	7500	10500	-3000
	Nokha	2100	13600	-11500
	Khajuwala	15700	11600	4100
	Hanumangarh	1100	1650	-550
Haryana	Adampur	4100	6100	-2000

	Sirsa	1500	2750	<b>-1250</b>
	Bhiwani	200	870	<b>-670</b>
	Dhabwali	1050	855	<b>195</b>
	Siwani	2500	2600	<b>-100</b>
	Ellanabad	2400	1800	<b>600</b>
	Fatehabad	280	340	<b>-60</b>
<b>Gujarat</b>	Deesa	78	315	<b>-237</b>
	Patan	760	1378	<b>-618</b>
	Rajkot	1280	2370	<b>-1090</b>
	Dhrol	18	39	<b>-21</b>
<b>Madhya pradesh</b>	Dabra	200	NA	<b>-</b>
<b>Total Arrivals</b>		<b>50866</b>	<b>65177</b>	<b>-14311</b>

Commodity: Guar Seed 10MT  
Contract: Feb

Exchange: NCDEX  
Expiry: Feb 20, 2016

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

GUAR SEED 1602(INCGRSG6)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	3190	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(NCGUGG8)2016/01/10 - Weekly B:5910.00 A:6100.00  
C: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	5960	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.

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