

Domestic Market Summary:

- Guar seed and gum prices continue its downward trend considering weak overseas demand for gum.
- Demand of guar gum is not coming from overseas. Typically, December and January month showed peak demand of guar. However, this year very minimal demand witnessed according to recent export data.
- Western Rajasthan reported only 30-40% guar arrivals in all major markets till date. However, North Rajasthan and Haryana reported 75-80% crop arrivals in key markets.
- Daily around 35000-40000 bags of guar seed arrived in All India markets this week which was similar daily average arrivals 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 3471 and are likely to trade down to Rs 3400 per quintal.

In Ganganagar region, prices are trading at Rs 3208 per quintal which is likely to move down to Rs 3100 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 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.

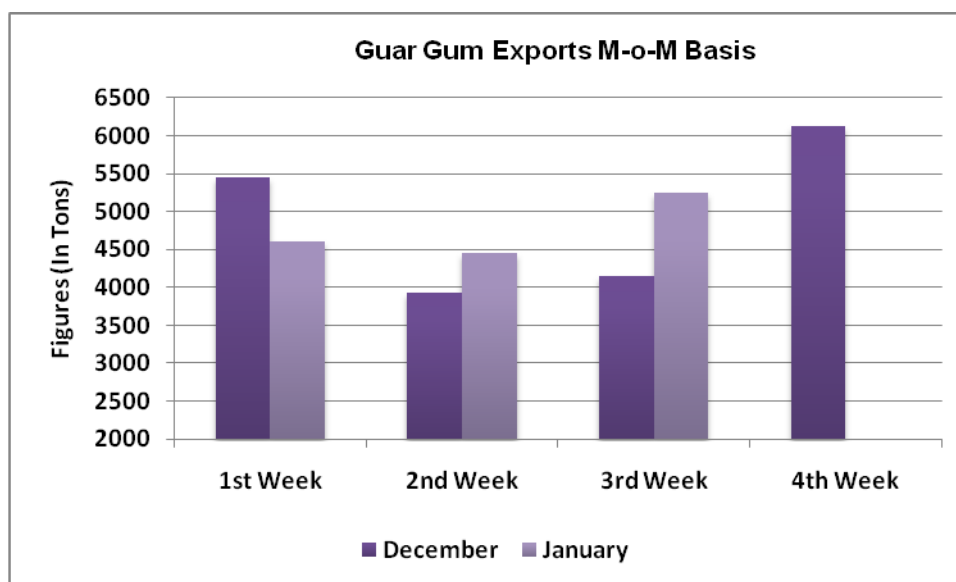
As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (~4000 bags) compared to previous week ~4100 bags.

Similarly, In Ganganagar market, arrivals have improved slightly last week to 3500 bags compared to prior week arrivals data i.e.3400 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 17th January in this month which is 5.8% higher compared to last month same period.



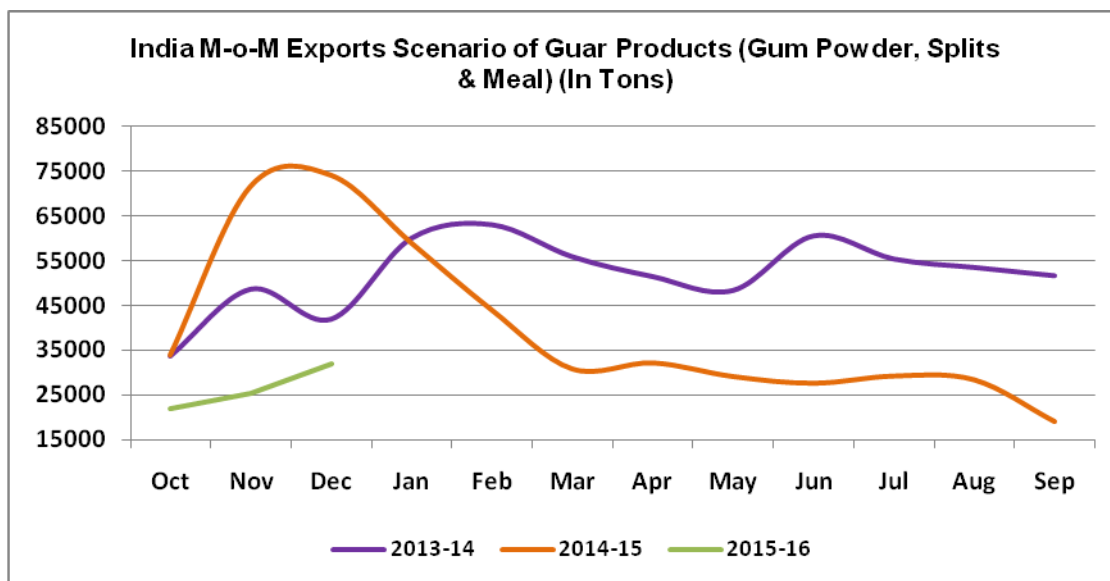
Demand Side of Guar and Guar Gum:

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.

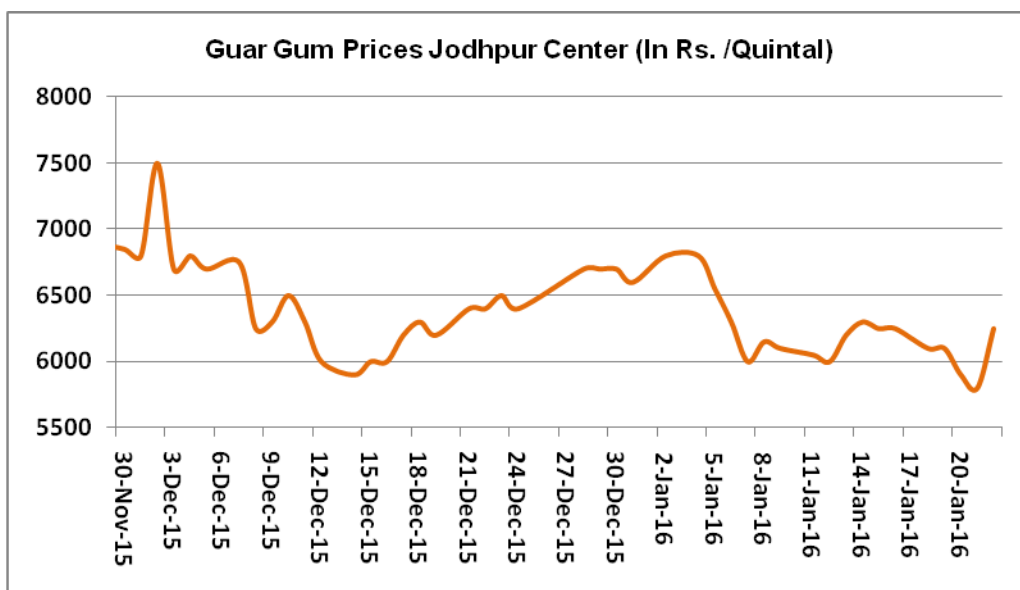
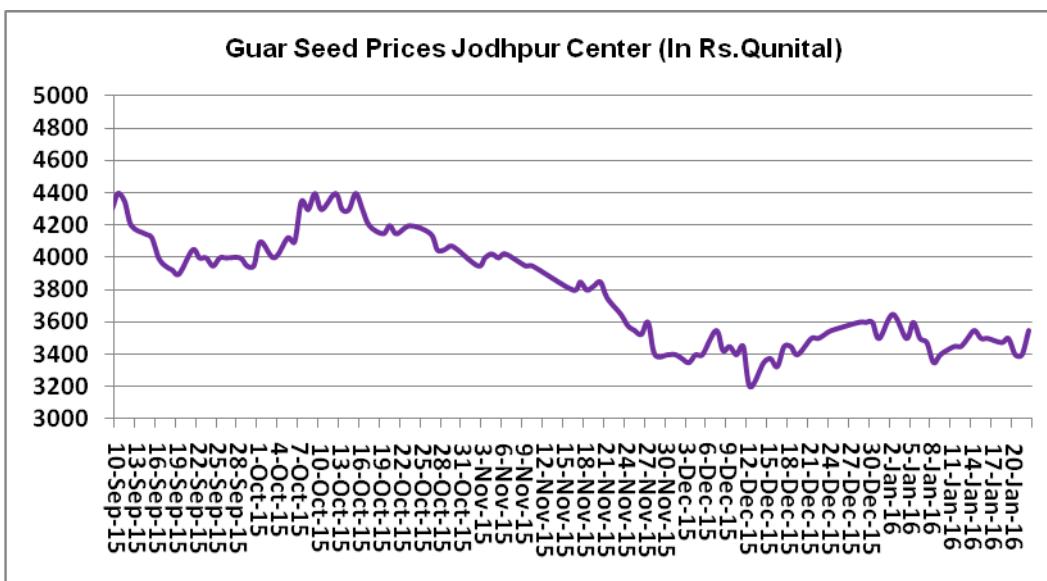
Reportedly, the quantity of unsold gum stored in US has decreased as stockists are selling it at lower quotes as unsold gum will expire soon.

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

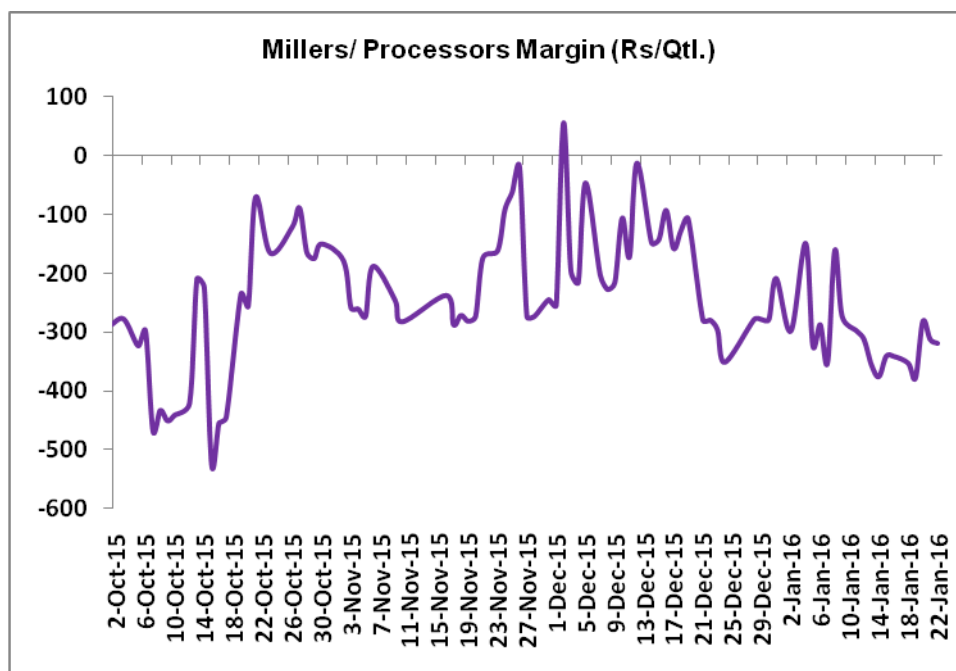


Price Scenario

In the third week of January, the average price of guar seed decreased marginally by 0.1% and was at Rs.3470/Qtl compared to previous week. Also, guar gum prices declined last week by 1.4% at Rs.6066/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 third week of January 2015, average crush margin decreased to Rs. -329.75/Quintal which were -325 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 1.74 which in the earlier week was 1.77. 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 lowered the overall ratio. It is notable that current ratio is the lowest ratio in 6.6 years. By and large, ratio stood at 2.5 in past years.

Guar by – Products Weekly Average Prices:				
Commodity	Centre	16th to 22nd Jan 16	9th to 15th Jan 16	Change
Churi	Jodhpur	1583	1525	58
Korma	Jodhpur	1892	1917	-25
Churi	Sri-Ganganagar	1600	1617	-17
Korma	Sri-Ganganagar	1800	1863	-63

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

Commodity	Variety	16th to 22nd Jan 16	9th to 15th Jan 16	Change
Guargum Split		905	928	-23
Guargum Powder	200 Mesh 5000 CPS	1200	1227	-27
	200 Mesh 3500 CPS	1126	1152	-26
Guargum Meal	40%	339	333	6
	50%	379	381	-2

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

Commodity	Centre	Weekly Prices (Average)		Change
Guar Seed		16th to 22nd Jan 16	9th to 15th Jan 16	
Rajasthan	Jodhpur (Loose)	3271	3275	-4
	Jodhpur(Delivery)	3471	3475	-4
	Sri-Ganganagar(Loose)	3065	3120	-55
	Sri-Ganganagar (Delivery)	3208	3271	-63
	Nagaur (Loose)	2954	2979	-25
	Churu (Delivery)	3238	3210	28
	Alwar (Loose)	3038	3010	28
	Bikaner (Loose)	3083	3130	-47
	Bikaner (Delivery)	3283	3250	33
	Nokha(Loose)	3060	3125	-65
	Nokha (Delivery)	3170	3238	-67
	Khajuwala (Loose)	3055	3131	-76
	Khajuwala (Delivery)	3177	3133	45
	Hanumangarh (Loose)	3046	3122	-76
	Hanumangarh (Delivery)	3246	3322	-76
Haryana	Adampur (Loose)	3087	3183	-97
	Adampur (Delivery)	3287	3383	-97
	Sirsa (Loose)	3052	3136	-84
	Bhiwani (Delivery)	3160	3250	-90
	Dhabwali (Loose)	3060	3099	-39

	Dhabwali (Delivery)	3243	3199	44
	Siwani (Loose)	3180	3267	-87
	Ellanabad (Loose)	3068	3159	-91
	Fatehabad (Loose)	3017	3117	-100
Gujarat	Deesa (Loose)	3078	3160	-82
	Patan (Loose)	3124	3219	-95
	Rajkot (Loose)	3156	3246	-90
	Dhrol (Loose)	3120	3190	-70
Madhya pradesh	Dabra (Loose)	3208	3200	8
Guar Gum				
Rajasthan	Jodhpur	6067	6150	-83
	Alwar	6088	6100	-13
Haryana	Sirsa	5967	6058	-92
	Bhiwani	5710	6500	-790
	Dhabwali	5975	6133	-158
	Ellanabad	6058	6190	-132
	Fatehabad	5950	6125	-175

Week on Week Price: Scenario of Guarseed and Guargum:					
Commodity	Centre	Today	Week ago	Month ago	Year ago
Guar Seed		22-Jan-16	15-Jan-16	22-Dec-15	22-Jan-15
Rajasthan	Jodhpur (Loose)	3350	3300	3300	4300
	Jodhpur(Delivery)	3550	3500	3500	4500
	Sri-Ganganagar(Loose)	3125	3140	3150	4200
	Sri-Ganganagar (Delivery)	3250	3250	3350	4400
	Nagaur (Loose)	2925	2950	3050	4150
	Churu (Delivery)	3300	3250	3400	4300
	Alwar (Loose)	3100	3050	3200	4100
	Bikaner (Loose)	3150	Closed	3225	4250
	Bikaner (Delivery)	3350	Closed	3425	4450
	Nokha(Loose)	3050	3100	3050	4150
	Nokha (Delivery)	3160	3212	3160	4299
	Khajuwala (Loose)	3130	3160	3150	4180
	Khajuwala (Delivery)	3130	3160	3150	4180
	Hanumangarh (Loose)	3100	3058	3175	4250

	Hanumangarh (Delivery)	3300	3258	3375	4450
Haryana	Adampur (Loose)	3100	3200	3250	4200
	Adampur (Delivery)	3300	3400	3450	4400
	Sirsa (Loose)	3100	3125	3325	4200
	Bhiwani (Delivery)	3250	NR	3300	4350
	Dhabwali (Loose)	3125	3125	3150	4225
	Dhabwali (Delivery)	3325	3225	3350	4425
	Siwani (Loose)	3250	3275	3300	4300
	Ellanabad (Loose)	3150	NR	NR	NR
	Fatehabad (Loose)	2950	3100	NR	NR
Gujarat	Deesa (Loose)	3080	NA	3110	4295
	Patan (Loose)	3080	3210	3325	4330
	Rajkot (Loose)	3205	3185	3320	4505
	Dhrol (Loose)	NA	3150	3190	NR
Madhya pradesh	Dabra (Loose)	3200	3200	NA	4300
Guar Gum					
Rajasthan	Jodhpur	6250	6250	6400	11300
	Alwar	6250	6200	6400	11000
Haryana	Sirsa	6150	6150	6400	11100
	Bhiwani	5900	NR	6250	11400
	Dhabwali	6250	6350	6400	11050
	Ellanabad	6200	NR	NR	NR
	Fatehabad	5950	6150	NR	NR

Guar Cumulative Arrivals in Key Centers:				
Commodity	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed		16th to 22nd Jan 16	9th to 15th Jan 16	
Rajasthan	Jodhpur	300	200	100
	Sri-Ganganagar	3500	3400	100
	Nagaur	800	1000	-200
	Churu	2500	3800	-1300
	Alwar	1200	1700	-500
	Bikaner	7000	7500	-500
	Nokha	1600	2100	-500
	Khajuwala	13500	15700	-2200

	Hanumangarh	1550	1100	450
Haryana	Adampur	4000	4100	-100
	Sirsa	1800	1500	300
	Bhiwani	535	200	335
	Dhabwali	660	1050	-390
	Siwani	2000	2500	-500
	Ellanabad	2600	2400	200
	Fatehabad	220	280	-60
Gujarat	Deesa	18	78	-60
	Patan	825	760	65
	Rajkot	1470	1280	190
	Dhrol	68	18	50
Madhya pradesh	Dabra	1700	200	1500
Total Arrivals		47846	50866	-3020

Commodity: Guar Seed 10MT
Contract: Feb

Exchange: NCDEX
Expiry: Feb 20, 2016

Guar Seed 10MT (Weekly Feb Contract Chart)



Technical Commentary:

- Guar prices are trading in downward trend.
- Currently, guar is trading at 5th Elliot Wave and likely to end at Rs 2900-2950.
- However, RSI is hovering near to oversold region
- Prices likely to trade between Rs 2900-3300 per quintal in the coming weeks.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Feb	2700	2900	3237	3600	3880
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Feb	Sell	Below 3250	3050	2950	3370

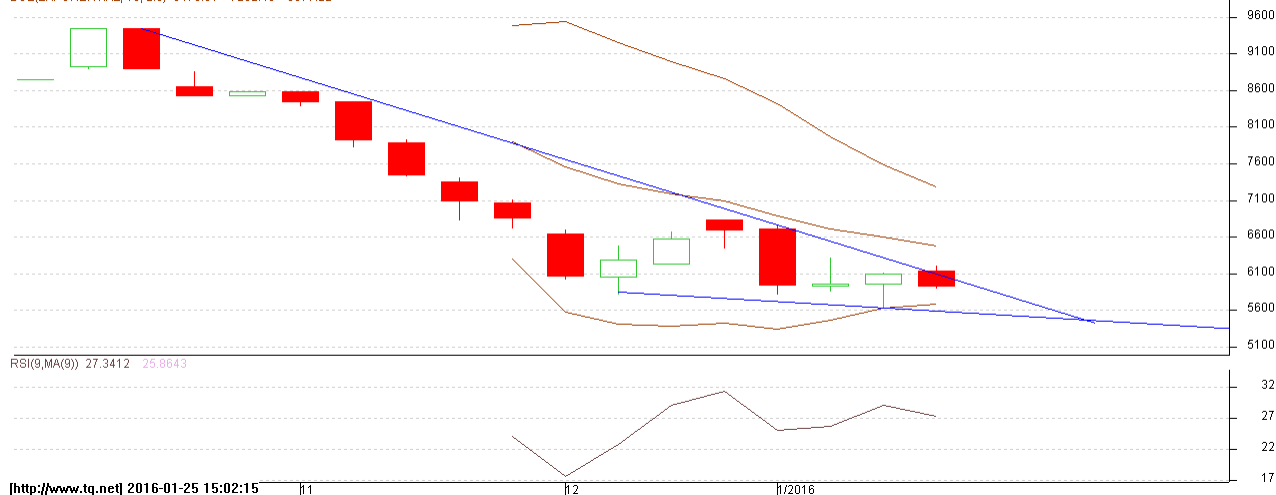


Commodity: Guar Gum
Contract: Feb

Exchange: NCDEX
Expiry: Feb 20, 2016

Guar Gum (Feb Weekly Chart)

GUARGUM 1602(NCUGG6)2016/01/24 - Weekly B:5910.00 A:5920.00
O 6140.00 H 6200.00 L 5890.00 C 5920.00 V 12,527 I 26,804 -180 -2.95%
BOL(EXPONENTIAL, 10, 2.0) 6479.81 7282.40 5677.22



Technical Commentary:

- Guar gum prices are trading in a falling wedge.
- RSI is hovering at oversold region
- Last candlestick depicts bearishness in the market.
- Prices likely to trade between Rs 5200-6200 per quintal in the coming weeks.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Feb	5170	5410	6100	6300	6624
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Feb	Sell	Below 6100	5800	5650	6280

Spot Market Outlook:

Guar seed prices are likely to trade in a range with weak bias. We estimate prices to trade in between Rs 3300-2900 per quintal in the coming weeks ahead.



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