

**Domestic Market Summary:**

- Guar gum prices are trading in short trading range. However, overall demand is not very good due to higher carry over stock of guar seed and gum at present which likely to curb any major hike in prices in the coming weeks.
- Around 20000-25000 bags arriving in all India guar seed markets as reported.
- India export 3853 tons of guar gum powder in the first week of February which is 33% lower compared to prior week. Weak demand from overseas led the export down for guar gum powder.
- India likely to export 10.45 lac tons of guar gum powder and split (equivalent of guar seed) in 2015-16 as per an estimate by Agriwatch. India already exported 2.86 lac tons of guar gum powder and split from the period Oct-Jan 2015-16.
- Demand of Haryana millers came down which depress the prices of guar seed in Rajasthan. It is notable that demand from millers was higher last month due to higher churi and korma prices.
- Arrivals of guar seed should decline in the coming weeks as per our expectation as farmers will start harvesting their new mustard seed crop from 3<sup>rd</sup> week of February onwards.

**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 3275 and are likely to trade up to Rs 3400 per quintal.

In Ganganagar region, prices are trading at Rs 3075 per quintal which is likely to move up to Rs 3150 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. Meanwhile, prices are trading in range between Rs 2900-3200 per quintal and likely to trade in the prevailing range till March end as expected.

Overall fundamentals are still not very good for guar seed and gum due to lack of real demand from overseas fracking industry. However, any short term recovery in prices can't be ruled out in the coming weeks considering lower arrivals.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (~8000 bags) compared to previous week ~5900 bags.

Similarly, In Ganganagar market, arrivals have decreased slightly last week to 6200 bags compared to prior week arrivals data i.e.7000 bags.

### Export and Import Scenario

India has exported 19660 tons of guar gum powder in the month of January 2016 up 2% compared to last month. Also, recent gum export declined by 42% compared to previous year due to weak overseas. Reportedly, around 90% of the guar gum powder mills are closed due to lesser demand from overseas.

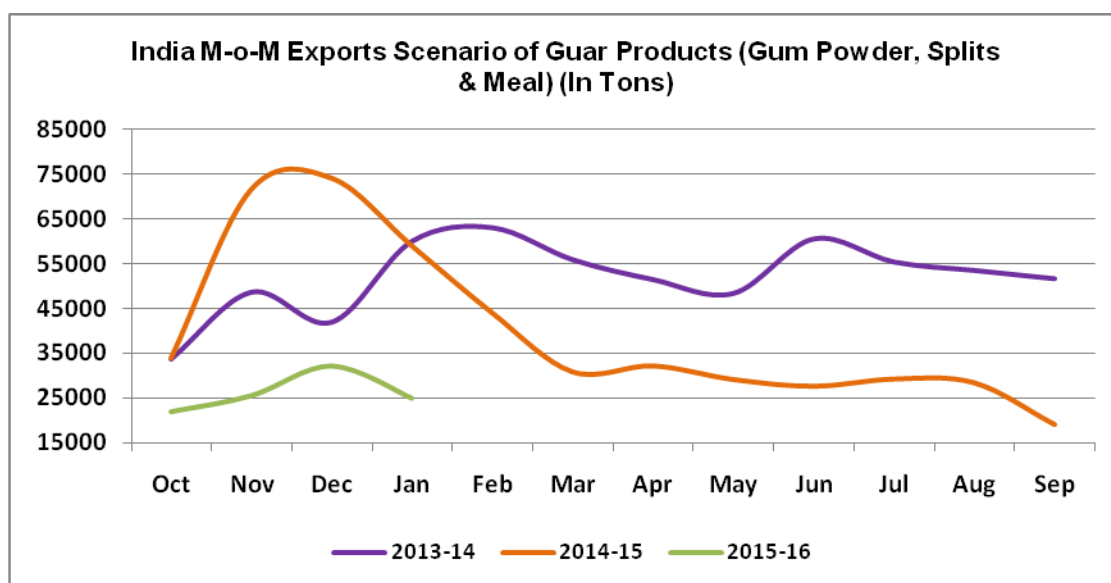
#### Demand Side of Guar and Guar Gum:

On export front, demands of guar products decreased in January

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

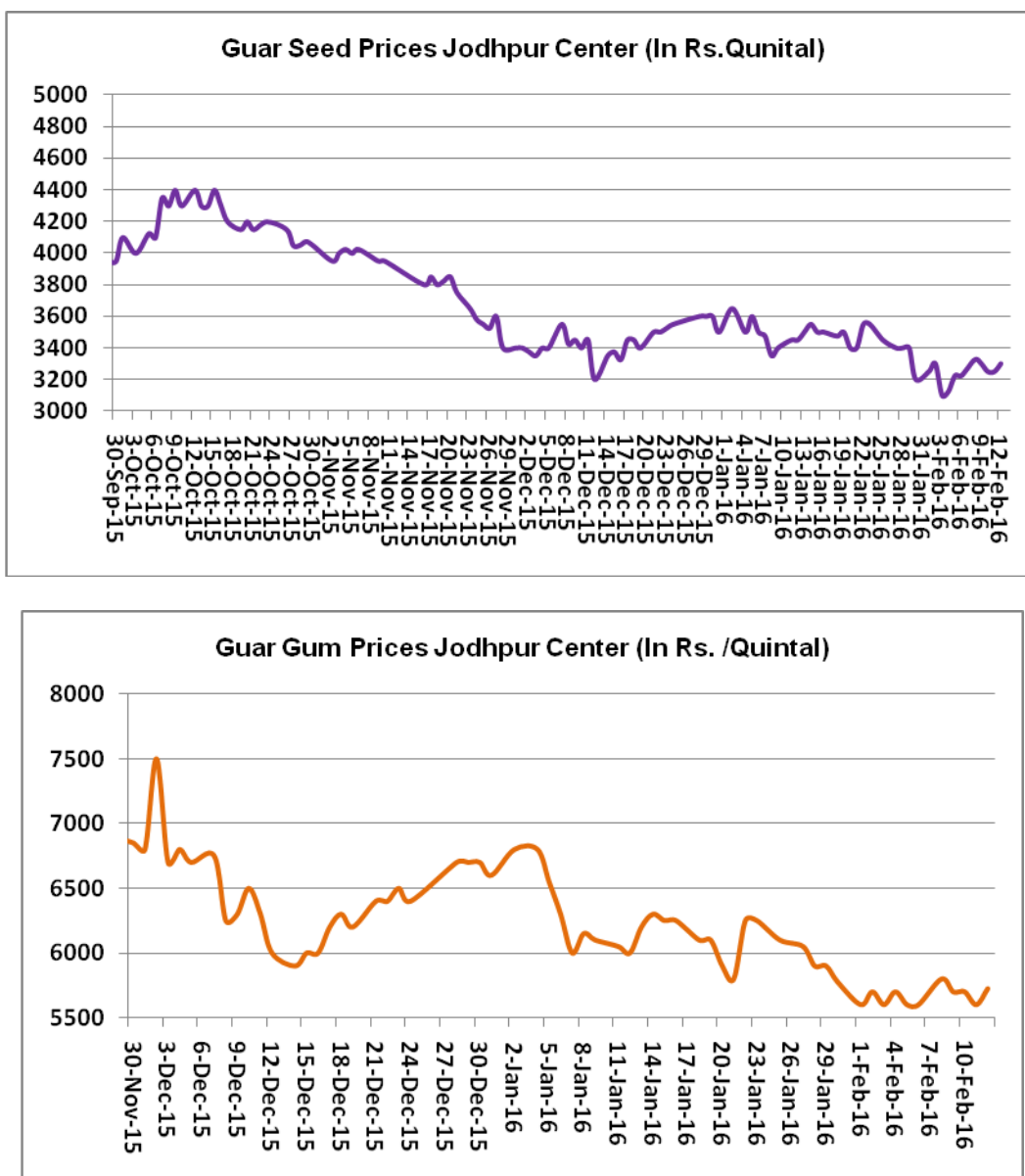
Reportedly, the quantity of unsold gum stored in US has decreased as stockists are selling it at lower quotes as unsold gum will expire soon.

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

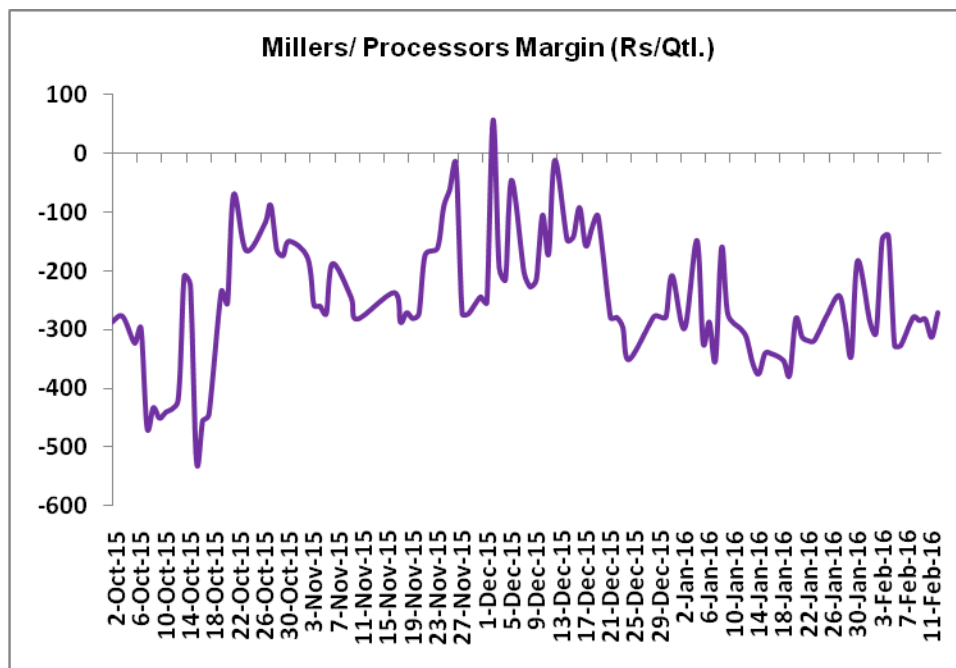


### Price Scenario

In the second week of February, the average price of guar seed increased by 2.3% and was at Rs.3275/Qtl compared to previous week. Also, guar gum prices improved marginally last week by 0.4% at Rs.5687/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 first week of February 2015, average crush margin increased to Rs. -291 /Quintal which were -230 per quintal last week. Higher degree of decrease in guar seed prices compared to guar gum prices led the margin up last week.

## Guar Seed To Gum Ratio:

Ratio of guar seed to gum declined this week to 1.73 which in the earlier week was 1.77. Higher increase in guar seed prices compared to guar gum 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         | 5th to 12th Feb 16 | 30th Jan to 5th Feb 16 | Change |
|-------------------|----------------|--------------------|------------------------|--------|
| Churi             | Jodhpur        | 1542               | 1573                   | -31    |
| Korma             | Jodhpur        | 1700               | 1758                   | -58    |
| Churi             | Sri-Ganganagar | 1533               | 1500                   | 33     |
| Korma             | Sri-Ganganagar | 1779               | 1704                   | 75     |
| Prices in Rs/75kg |                |                    |                        |        |

### Guar Export Weekly Average Prices:

| Commodity       | Variety           | 5th to 12th Feb 16 | 30th Jan to 5th Feb 16 | Change |
|-----------------|-------------------|--------------------|------------------------|--------|
| Guargum Split   |                   | 831                | 840                    | -10    |
| Guargum Powder  | 200 Mesh 5000 CPS | 1125               | 1135                   | -11    |
|                 | 200 Mesh 3500 CPS | 1051               | 1061                   | -10    |
| Guargum Meal    | 40%               | 314                | 312                    | 2      |
|                 | 50%               | 343                | 354                    | -11    |
| Prices in \$/MT |                   |                    |                        |        |

### Guar Seed Weekly Average Prices:

| Commodity | Centre                    | Weekly Prices (Average) |                        | Change |
|-----------|---------------------------|-------------------------|------------------------|--------|
| Guar Seed |                           | 5th to 12th Feb 16      | 30th Jan to 5th Feb 16 |        |
| Rajasthan | Jodhpur (Loose)           | 3091                    | 3013                   | 78     |
|           | Jodhpur(Delivery)         | 3275                    | 3200                   | 75     |
|           | Sri-Ganganagar(Loose)     | 2924                    | 2919                   | 5      |
|           | Sri-Ganganagar (Delivery) | 3075                    | 3057                   | 18     |
|           | Rawla (Loose)             | 2880                    | 2872                   | 8      |
|           | Nagaur (Loose)            | 2867                    | 2867                   | Unch   |
|           | Churu (Delivery)          | 3092                    | 3067                   | 25     |
|           | Alwar (Loose)             | 2933                    | 2867                   | 67     |
|           | Bikaner (Loose)           | 2911                    | 2910                   | 1      |
|           | Bikaner (Delivery)        | 3108                    | 3064                   | 44     |
|           | Nokha(Loose)              | 2933                    | 2925                   | 8      |
|           | Nokha (Delivery)          | 3039                    | 3030                   | 9      |
|           | Khajuwala (Loose)         | 2898                    | 2889                   | 8      |
|           | Khajuwala (Delivery)      | 3013                    | 3010                   | 3      |
|           | Lunkaransar (Loose)       | 2891                    | 2902                   | -11    |
|           | Hanumangarh (Loose)       | 2863                    | 2878                   | -15    |
|           | Hanumangarh (Delivery)    | 3063                    | 3078                   | -15    |

|                |                     |         |      |      |
|----------------|---------------------|---------|------|------|
| Haryana        | Adampur (Loose)     | 2966    | 2943 | 23   |
|                | Adampur (Delivery)  | 3158    | 3127 | 31   |
|                | Sirsa (Loose)       | 2875    | 2837 | 38   |
|                | Bhiwani (Delivery)  | 3088    | 3033 | 55   |
|                | Dhabwali (Loose)    | 2848    | 2870 | -22  |
|                | Dhabwali (Delivery) | 3050    | 3078 | -28  |
|                | Siwani (Loose)      | 3028    | 3013 | 16   |
|                | Ellanabad (Loose)   | 2896    | 2907 | -11  |
|                | Fatehabad (Loose)   | 2808    | 2842 | -33  |
| Gujarat        | Deesa (Loose)       | #DIV/0! | 2965 | -    |
|                | Patan (Loose)       | 3070    | 3031 | 39   |
|                | Rajkot (Loose)      | 2918    | 3147 | -228 |
|                | Dhrol (Loose)       | 2910    | 2965 | -55  |
| Madhya pradesh | Dabra (Loose)       | 3000    | 3060 | -60  |
| Guar Gum       |                     |         |      |      |
| Rajasthan      | Jodhpur             | 5688    | 5663 | 25   |
|                | Alwar               | 5742    | 5683 | 58   |
| Haryana        | Sirsa               | 5675    | 5617 | 58   |
|                | Bhiwani             | 6017    | 5700 | 317  |
|                | Dhabwali            | 5683    | 5675 | 8    |
|                | Ellanabad           | 5683    | 5720 | -37  |
|                | Fatehabad           | 5508    | 5617 | -108 |

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

| Commodity | Centre                    | Today     | Week ago | Month ago | Year ago  |
|-----------|---------------------------|-----------|----------|-----------|-----------|
| Guar Seed |                           | 12-Feb-16 | 5-Feb-16 | 12-Jan-16 | 12-Feb-15 |
| Rajasthan | Jodhpur (Loose)           | 3125      | 3075     | 3250      | 3600      |
|           | Jodhpur(Delivery)         | 3300      | 3225     | 3450      | 3750      |
|           | Sri-Ganganagar(Loose)     | 2980      | 2890     | 3090      | 3525      |
|           | Sri-Ganganagar (Delivery) | 3150      | 3000     | 3200      | 3650      |
|           | Nagaur (Loose)            | 2900      | 2900     | 2975      | 3650      |
|           | Churu (Delivery)          | 3100      | 3050     | 3200      | 3700      |
|           | Alwar (Loose)             | 2950      | 2850     | 3000      | 3700      |
|           | Bikaner (Loose)           | 2950      | 2910     | 3100      | 3600      |
|           | Bikaner (Delivery)        | 3150      | 3050     | 3200      | 3750      |
|           | Nokha(Loose)              | 2960      | 2900     | 3150      | 3650      |
|           | Nokha (Delivery)          | 3067      | 3004     | 3263      | 3781      |
|           | Khajuwala (Loose)         | 2910      | 2880     | 3125      | 3550      |

|                |                        |        |      |      |      |
|----------------|------------------------|--------|------|------|------|
|                | Khajuwala (Delivery)   | 2910   | 2880 | 3125 | 3575 |
|                | Hanumangarh (Loose)    | 2900   | 2850 | 3150 | 3550 |
|                | Hanumangarh (Delivery) | 3100   | 3100 | 3350 | 3750 |
| Haryana        | Adampur (Loose)        | 3000   | 2900 | 3150 | 3550 |
|                | Adampur (Delivery)     | 3150   | 3100 | 3350 | 3625 |
|                | Sirsa (Loose)          | 2900   | 2850 | 3125 | 3620 |
|                | Bhiwani (Delivery)     | 3150   | 3050 | NA   | 3650 |
|                | Dhabwali (Loose)       | 2900   | 2800 | 3120 | 3500 |
|                | Dhabwali (Delivery)    | 3100   | 3000 | 3220 | 3700 |
|                | Siwani (Loose)         | 3060   | 3000 | 3300 | 3650 |
|                | Ellanabad (Loose)      | 2900   | 2900 | 3200 | NA   |
|                | Fatehabad (Loose)      | 2800   | 2900 | 3100 | NA   |
|                |                        |        |      |      |      |
| Gujarat        | Deesa (Loose)          | NA     | 3000 | 3145 | 3825 |
|                | Patan (Loose)          | Closed | 3095 | 3230 | 3900 |
|                | Rajkot (Loose)         | 2980   | 3090 | 3225 | 3775 |
|                | Dhrol (Loose)          | NA     | 3070 | 3305 | NA   |
| Madhya pradesh | Dabra (Loose)          | 3000   | 3000 | NA   | 3400 |
| Guar Gum       |                        |        |      |      |      |
| Rajasthan      | Jodhpur                | 5725   | 5600 | 6000 | 9000 |
|                | Alwar                  | 5800   | 5650 | 6000 | 9000 |
| Haryana        | Sirsa                  | 5700   | 5600 | 6000 | 8800 |
|                | Bhiwani                | 6000   | 5750 | NA   | 8800 |
|                | Dhabwali               | 5700   | 5700 | 6150 | 9000 |
|                | Ellanabad              | 5700   | 5700 | 6150 | NA   |
|                | Fatehabad              | 5500   | 5700 | 6100 | NA   |
|                |                        |        |      |      |      |

| Guar Cumulative Arrivals in Key Centers: |                |                            |                        |        |
|--|----------------|----------------------------|------------------------|--------|
| Commodity                                | Centre         | Weekly Arrivals (Quintals) |                        | Change |
| Guar Seed                                |                | 5th to 12th Feb 16         | 30th Jan to 5th Feb 16 |        |
| Rajasthan                                | Jodhpur        | 280                        | 730                    | -450   |
|  | Sri-Ganganagar | 6200                       | 7000                   | -800   |
|  | Rawla          | 3800                       | 4200                   | -400   |
|  | Nagaur         | 825                        | 775                    | 50     |
|  | Churu          | 3300                       | 3500                   | -200   |
|  | Alwar          | 1900                       | 1900                   | Unch   |
|  | Bikaner        | 8000                       | 7000                   | 1000   |
|  | Nokha          | 950                        | 1050                   | -100   |
|  | Khajuwala      | 13000                      | 10500                  | 2500   |

|                |             |       |       |      |
|----------------|-------------|-------|-------|------|
|                | Lunkaransar | 3000  | 3800  | -800 |
|                | Hanumangarh | 1300  | 1450  | -150 |
| Haryana        | Adampur     | 8000  | 5900  | 2100 |
|                | Sirsa       | 4000  | 3050  | 950  |
|                | Bhiwani     | 5300  | 4300  | 1000 |
|                | Dhabwali    | 950   | 970   | -20  |
|                | Siwani      | 2400  | 1700  | 700  |
|                | Ellanabad   | 3250  | 3000  | 250  |
|                | Fatehabad   | 155   | 210   | -55  |
| Gujarat        | Deesa       | NA    | 38    | -    |
|                | Patan       | 594   | 632   | -38  |
|                | Rajkot      | 875   | 1780  | -905 |
|                | Dhrol       | 13    | 27    | -14  |
| Madhya pradesh | Dabra       | 875   | 1430  | -555 |
| Total Arrivals |             | 68967 | 64942 | 4025 |





**Commodity: Guar Seed 10MT**  
**Contract: Mar**

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

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



### 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
- Prices likely to trade between Rs 2900-3300 per quintal in the coming weeks.

### Strategy: Buy

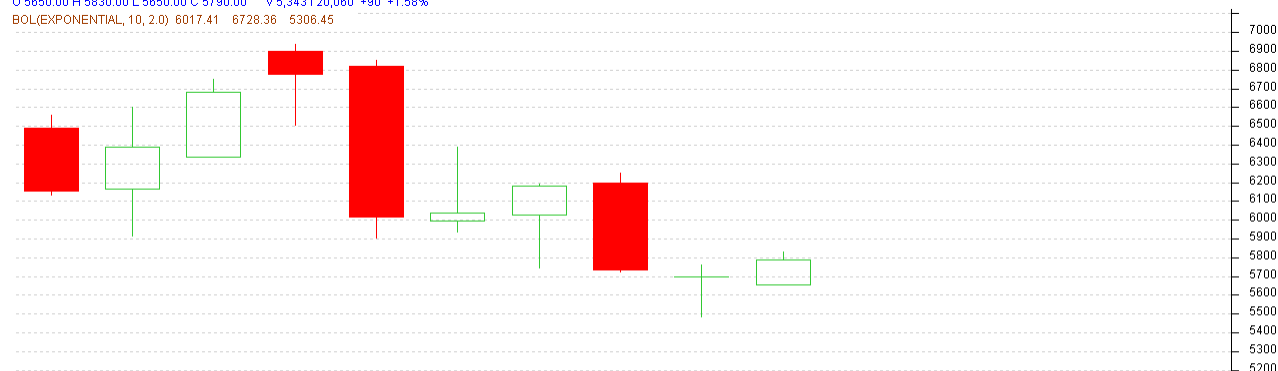
| Weekly Supports & Resistances |       |     | S2   | S1         | PCP  | R1   | R2   |
|-------------------------------|-------|-----|------|------------|------|------|------|
| Guar Seed 10MT                | NCDEX | Mar | 2700 | 2800       | 3046 | 3170 | 3243 |
| Weekly Trade Call             |       |     | Call | Entry      | T1   | T2   | SL   |
| Guar Seed 10MT                | NCDEX | Mar | Buy  | Above 3040 | 3100 | 3130 | 3000 |

**Commodity:** Guar Gum  
**Contract:** Mar

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

## Guar Gum (Mar Weekly Chart)

GUARGUM 1603(NCGUGH6)2016/02/07 - Weekly B:5780.00 A:5790.00  
O:5850.00 H:5830.00 L:5850.00 C:5790.00 V:5,343 | 20,060 +90 +1.58%  
BOL(EXPONENTIAL, 10, 2.0) 6017.41 6728.36 5306.45



RSI(9, MA(8)) 27.4357 27.4357

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### Technical Commentary:

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

### Strategy: Buy

| Weekly Supports & Resistances |       |     | S2   | S1         | PCP  | R1   | R2   |
|-------------------------------|-------|-----|------|------------|------|------|------|
| Guar Gum                      | NCDEX | Mar | 4800 | 5170       | 5700 | 6300 | 6425 |
| Weekly Trade Call             |       |     | Call | Entry      | T1   | T2   | SL   |
| Guar Gum                      | NCDEX | Mar | Buy  | Above 5700 | 6000 | 6100 | 5520 |

### Spot Market Outlook:

Guar seed prices are likely to trade in a range with firm bias this week. We estimate prices to trade in between Rs 3200-2900 per quintal in the coming weeks ahead.



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