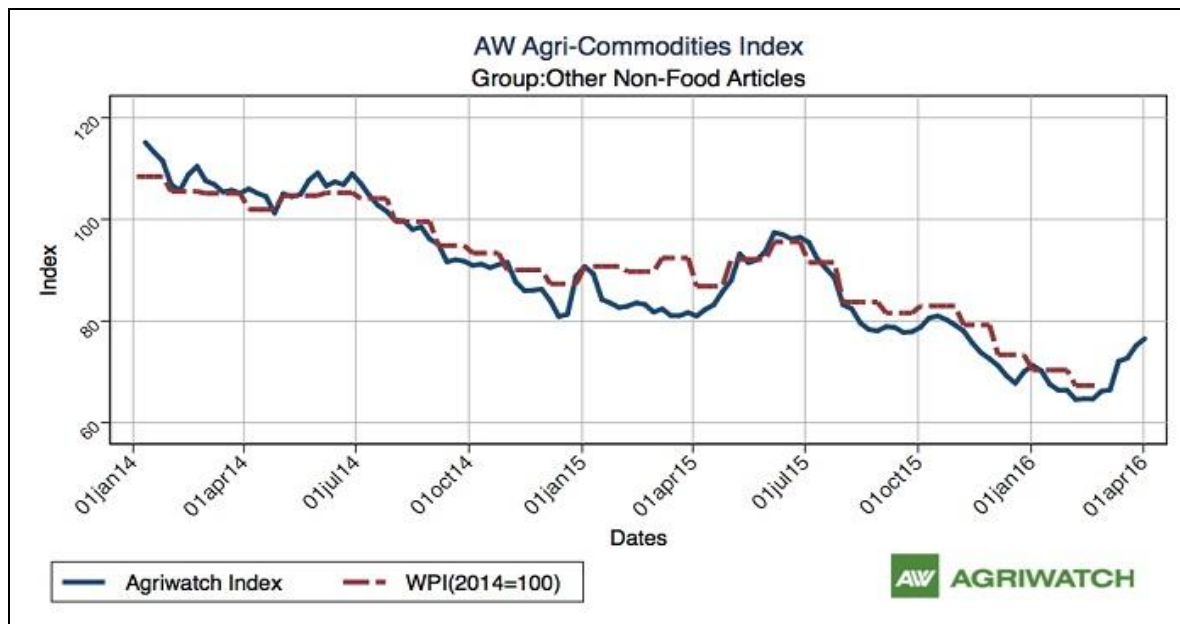


Guar Monthly Research Report

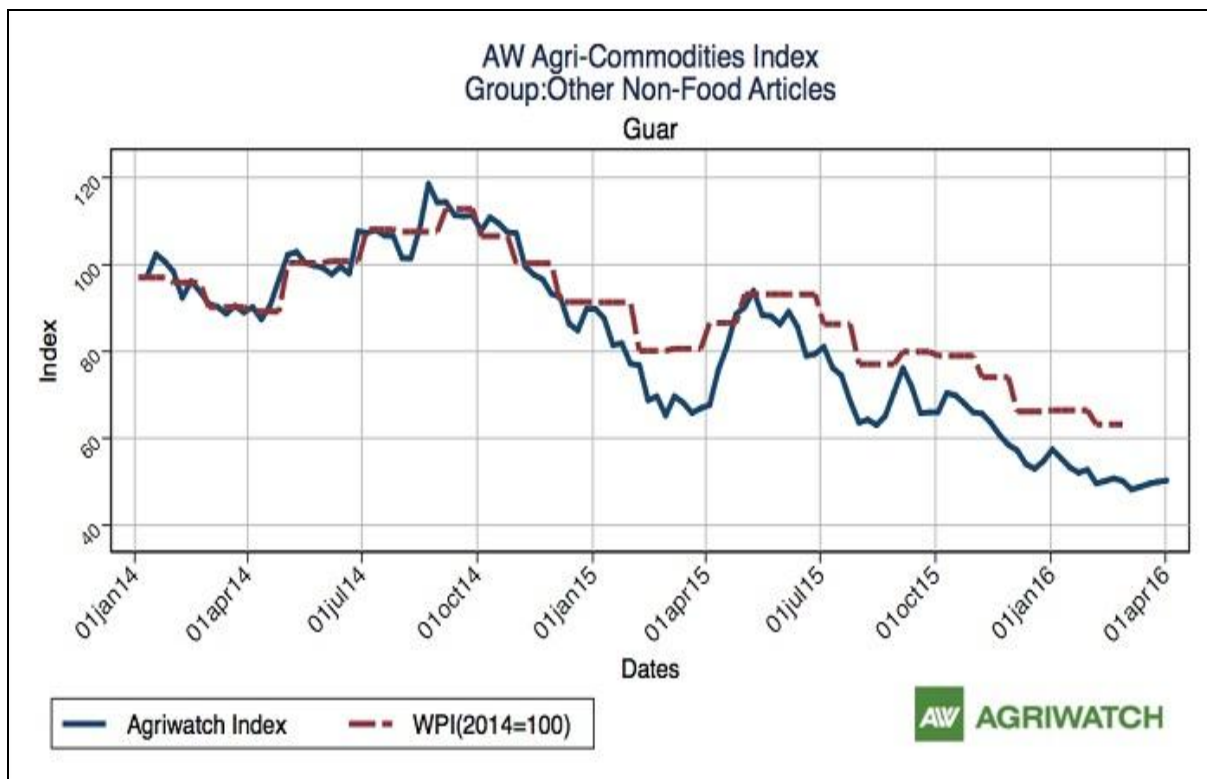
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Agriwatch Agri Commodity Index – Other Non-Food Articles



The above chart depicts Agriwatch Agri Commodity Other non-food articles index. Other non-food articles Index rose 1.84% during the week ended Apr 2, 2016.



Executive Summary

Domestic Guar Seed Market Summary

Guar seed and gum prices have traded in the range with weak bias during last month. Sluggish trading activities and weak demand of guar gum from upcountry buyers like Haryana kept the prices lower. Also, no major consignment from overseas reported for guar gum which also spread bearishness in the prices last month.

However, food and textile industry find current rates lucrative and does moderate buying, according to Agriwatch reliable sources.

On the currency front, Indian rupee against USD closed at 66.24, appreciate Rs. 2.17 compared to the previous month. Overall strengthening of Rupee in terms of dollar also discourages export of guar gum and powder.

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

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (~21950 bags) during March 2016 compared to previous month ~28100 bags.

Similarly, In Ganganagar market, arrivals have declined slightly during March 2016 to 23400 bags compared to prior month arrivals data i.e.23500 bags.

Considering lower arrivals and last 6 year seasonality, Agriwatch expect prices to recover in the month of April 2016.

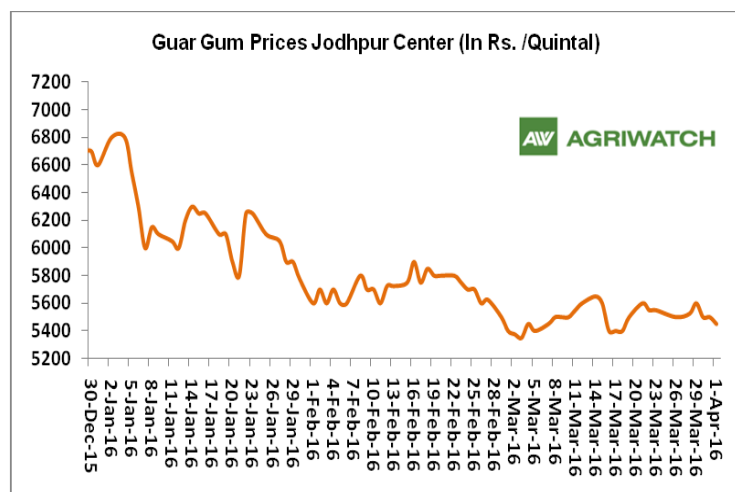
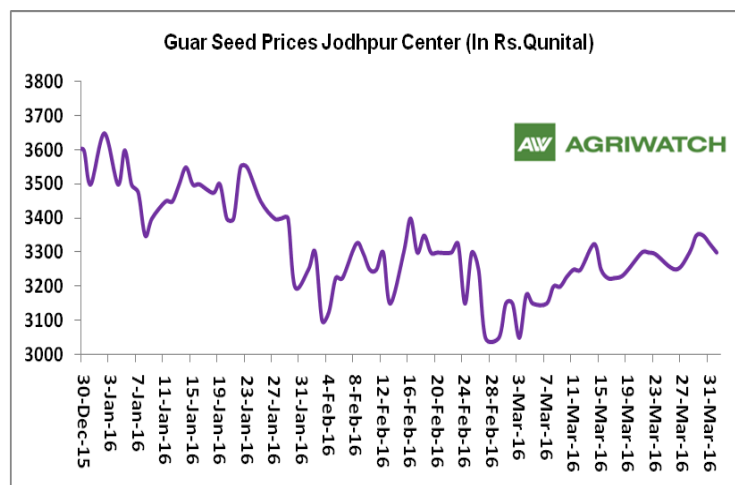
Recommendation:

Monthly Call - : Market participants advised to go long in Guar seed at current levels for a target of 3500 with a stop loss at 3100 on closing basis.

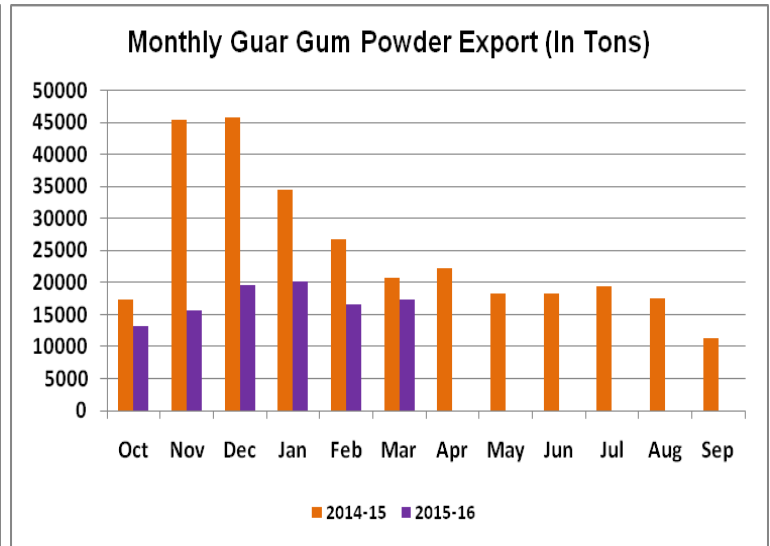
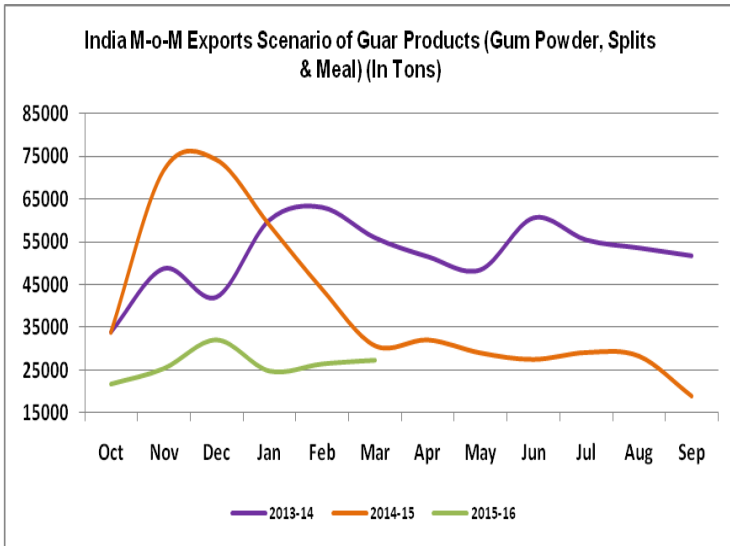
Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

- Guar seed and gum prices declined slightly due to sluggish demand during March 2016.
- In the March month 2016, Guar seed monthly average prices declined slightly by 0.3% compared to prior month and settled at Rs. 3237 per quintal. Sluggish trading activities in guar seed in key markets kept the prices flat during last month.
- However, Guar gum monthly average prices in March 2016 declined by 3.7% and settled at Rs 5494 per quintal.
- Guar seed acreage likely to decline in Rajasthan due to lower prices. Farmers might shift to pulses and groundnut crop this season from guar seed.
- Guar seed summer sowing continuously falling and lacking behind last year sowing figures. According to Gujarat agriculture director recent report, farmers have sown only 3700 hectares of guar seed till 28th March 2016 which is 74% less sowing compared to sowing progress done in last year same period. Farmers in Gujarat find guar seed less lucrative due to falling prices of guar seed. Farmers are shifting to substitute crop like Groundnut, Castor etc as per survey done by Agriwatch.
- India exported 17277.7 tons of guar gum powder in the month of March 2016 which is 4% higher compared to guar gum powder exported a month earlier.
- We expect guar seed and gum prices to trade sideways to firm tone in the coming month.



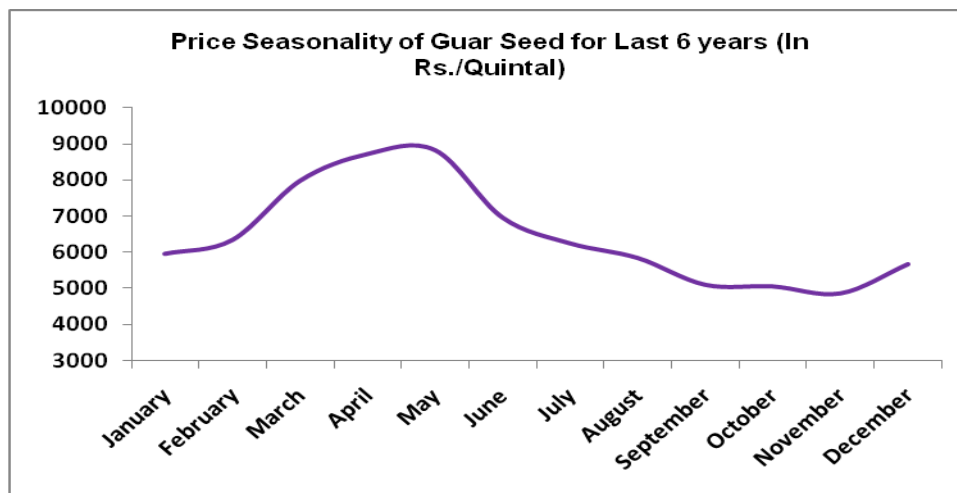
Export Scenario



On export front, guar products export demand improved slightly compared to prior month. India has exported 27351.7 tons of guar seed products (Gum powder, Splits & Meal) in the month of March 2016 up 3.3% compared to last month.

Also, recent month guar gum powder export increased by 4.3% compared to previous month due to good demand from local industries (food and textiles). Reportedly, some trade has been done for food grade guar gum at \$800-850 per ton.

Price Seasonality of Guar Seed



As per the price seasonality chart of guar seed for last 6 years, guar seed prices started rebound from lower levels in the month of November and continued its rally until April came.

However, this year prices don't follow the seasonality due to weak demand of gum from overseas.

We can see some recovery in prices in April month as historically prices recover around 10-15% every year.

Domestic Guar Seed Supply & Demand Position

Domestic Guar Seed Supply & Demand Situation (Figures In Lakh Metric Tonnes)						
Item	2014-15	2015-16	2015-16	2015-16	2015-16	2015-16
Supply			Oct-Dec	Jan-Mar	Apr-June	July-Sept
Opening Stock	6.90	6.46	6.46	6.86	9.14	9.00
Production	17.60	15.18	15.18	0.00	0.00	0.00
Arrivals	17.60	15.18	3.34	6.07	3.64	2.13
Import	0.00	0.00	0.00	0.00	0.00	0.00
Total Availability	24.50	21.64	9.80	12.94	12.78	11.12
Demand						
Total Crushing	18.04	13.95	2.94	3.80	3.79	3.42
Domestic Consumption (Textile, Food & Pharma Industry)	4.97	3.50	0.88	0.88	0.88	0.88
Guar Exports	3.72	2.98	0.58	0.83	0.83	0.73
Exports (Guar seed Equivalent)	13.07	10.45	2.06	2.92	2.91	2.55
Carry Forward (Farmers and Traders Holdings)	6.46	7.69	6.86	9.14	9.00	7.70
Av Monthly Consumption	1.50	1.16	0.98	1.27	1.26	1.14
Stock to Month Use	4.30	6.62	7.02	7.22	7.12	6.75
Stock to Consumption Ratio	0.36	0.55	2.34	2.41	2.37	2.25

Guar seed opening stock for the marketing year 2015-16 is likely to settle at 6.46 lac tons which is slightly less than last year.

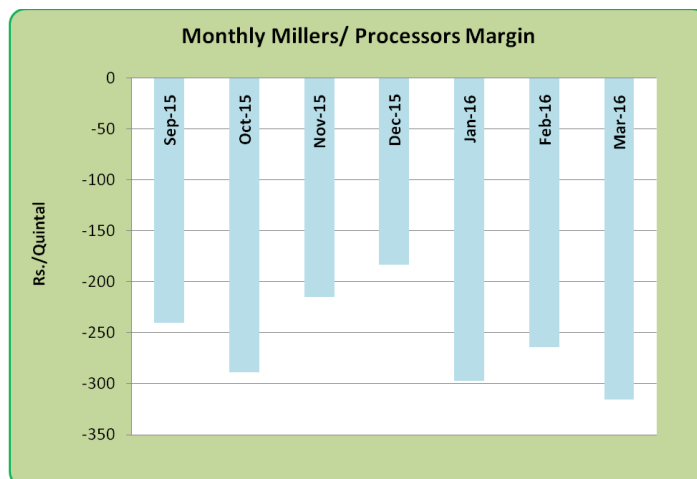
As far as production is concerned, we expect 15.18 lac tons of guar seed production in 2015-16 which is less compared to last year due to higher pest attack in Haryana and lower acreage compared to last year.

On export scenario, India is likely to export 10.45 lac tons of guar gum powder and split (equivalent to guar seed) which is 20% lesser compared to last year.

Millers/Processors Margin

As seen in the chart, the average crush margin of guar seed has decreased compared to previous month. In the month of March 2016, average crush margin fall down to Rs. 315.57/Quintal, which earlier was 264 per quintal last month.

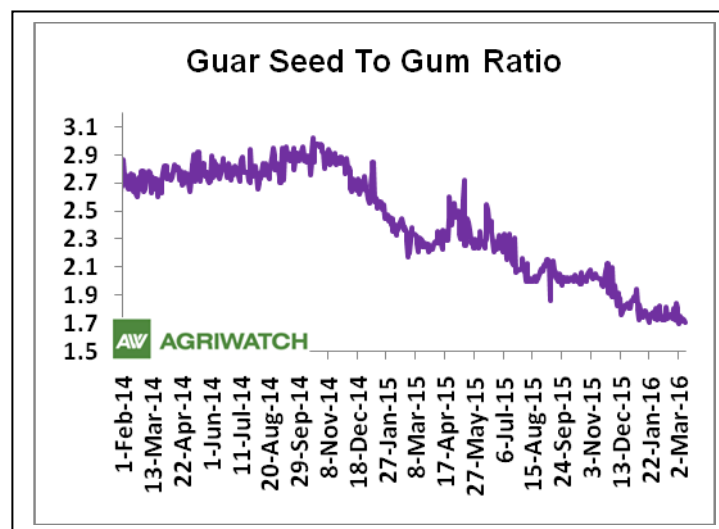
Drastic increase in Churi and Korma prices and weak demand guar gum led the margin down last month.



Guar Seed To Gum Ratio:

Ratio of guar seed to gum declined last month to 1.69 which in the earlier month was 1.75. Higher degree of Increase in guar seed prices and decreasing guar gum prices decreased the ratio.

Overall lackluster 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.



Technical Analysis (Guar Seed)

Commodity: Guar Seed 10MT
Exchange: NCDEX

Guar Seed 10MT (Monthly Continuous C1 Chart)



Technical Commentary:

- Guar prices are trading in downward trend.
- However, RSI is hovering near to oversold region
- Prices likely to trade between Rs 2900-3500 per quintal in the coming months.
- Last candlestick depicts bullishness in prices.

Strategy: Buy

Monthly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	C1	2900	3130	3192	3500	3620
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	C1	Buy	Above 3270	3370	3430	3210

Commodity: Guar Gum
Exchange: NCDEX
Guar Gum (Monthly Continuous C1 Chart)

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: Sell

Monthly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	C1	4800	5170	5410	6100	6500
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	C1	Sell	Below 5900	5600	5450	6080

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Monthly Average Prices:				
Commodity	Centre	March-16	February-16	Change
Churi	Jodhpur	1513	1545	-32
Korma	Jodhpur	1847	1807	40
Churi	Sri-Ganganagar	1570	1496	74
Korma	Sri-Ganganagar	1828	1698	130
Prices in Rs/75kg				

Guar Export Monthly Average Prices:				
Commodity	Variety	March-16	February-16	Change
Guargum Split		827	833	-7
Guargum Powder	200 Mesh 5000 CPS	1125	1126	-1
	200 Mesh 3500 CPS	1051	1053	-2
Guargum Meal	40%	330	311	18
	50%	374	344	30
Prices in \$/MT				

Guar Seed Monthly Average Prices:					
Commodity	District	Centre	Monthly Prices (Average)(Rs/Qtl)		Change
Guar Seed			March-16	February-16	
Rajasthan	Jodhpur	Jodhpur (Loose)	3084	3065	18
		Jodhpur(Delivery)	3234	3247	-13
	Sri-Ganganagar	Sri-Ganganagar(Loose)	2896	2913	-17
		Sri-Ganganagar (Delivery)	2978	3026	-48
		Rawla (Loose)	2862	2879	-17
		Gharsana (Loose)	2861	2883	-22
		Raisinghnagar (Loose)	2887	2880	6
	Bikaner	Bikaner (Loose)	2921	2925	-3
		Bikaner (Delivery)	3070	3117	-48
		Nokha(Loose)	2902	2953	-51
		Nokha (Delivery)	3006	3059	-53
		Khajuwala (Loose)	2911	2903	9
		Khajuwala (Delivery)	3028	3019	9
		Lunkaransar (Loose)	2886	2903	-17

	Hanumangarh	Hanumangarh (Loose)	2854	2865	-11
		Hanumangarh (Delivery)	3004	3074	-70
		Nohar (Loose)	2914	2917	-4
		Pilibanga (Loose)	2871	2875	-4
	Nagaur	Nagaur (Loose)	2857	2865	-7
	Churu	Churu (Delivery)	3046	3127	-81
	Alwar	Alwar (Loose)	2862	2944	-82
Haryana	Hisar	Adampur (Loose)	2915	2939	-24
		Adampur (Delivery)	3066	3122	-57
	Bhiwani	Bhiwani (Delivery)	3070	3089	-18
		Siwani (Loose)	3037	3032	5
	Sirsa	Sirsa (Loose)	2899	2878	21
		Dhabwali (Loose)	2836	2843	-7
		Dhabwali (Delivery)	2934	3044	-109
		Ellanabad (Loose)	2904	2901	3
	Fatehabad	Fatehabad (Loose)	2821	2852	-31
Gujarat	Banaskantha	Deesa (Loose)	3613	3065	548
	Patan	Patan (Loose)	2910	3004	-94
	Rajkot	Rajkot (Loose)	2912	2974	-62
	Jamnagar	Dhrol (Loose)	2751	2868	-117
Madhya pradesh	Gwalior	Dabra (Loose)	3009	3054	-45
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	5494	5707	-214
	Alwar	Alwar	5534	5765	-231
	Hanumangarh	Nohar	5585	5713	-127
Haryana	Bhiwani	Bhiwani	5573	5883	-310
	Sirsa	Sirsa	5480	5677	-197
		Dhabwali	5571	5731	-161
		Ellanabad	5509	5713	-203
	Fatehabad	Fatehabad	5467	5600	-133

Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Monthly Arrivals (Quintals)		Change
			March-16	February-16	
Rajasthan	Jodhpur	Jodhpur	7176	16116	-8940

	Sri-Ganganagar	Sri-Ganganagar	23400	23500	-100
		Rawla	11800	19650	-7850
		Gharsana	9450	13050	-3600
		Raisinghnagar	23500	13825	9675
	Bikaner	Bikaner	16300	27000	-10700
		Nokha	5050	4200	850
		Khajuwala	19900	42800	-22900
		Lunkaransar	8340	10900	-2560
	Hanumangarh	Hanumangarh	5150	4640	510
		Nohar	15600	16900	-1300
		Pilibanga	6889	6900	-11
	Nagaur	Nagaur	2470	3125	-655
	Churu	Churu	11300	14600	-3300
	Alwar	Alwar	5650	8900	-3250
Haryana	Hisar	Adampur	21950	28100	-6150
	Bhiwani	Bhiwani	32400	30300	2100
		Siwani	16200	9000	7200
	Sirsa	Sirsa	11700	12350	-650
		Dhabwali	2965	3300	-335
		Ellanabad	13550	13225	325
	Fatehabad	Fatehabad	815	637	178
Gujarat	Banaskantha	Deesa	NA	29	-
	Patan	Patan	1289	1939	-650
	Rajkot	Rajkot	2766	4465	-1699
	Jamnagar	Dhrol	205	116	89
Madhya pradesh	Gwalior	Dabra	6155	5335	820
Total Arrivals/Above Markets			281970	334902	-52932

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