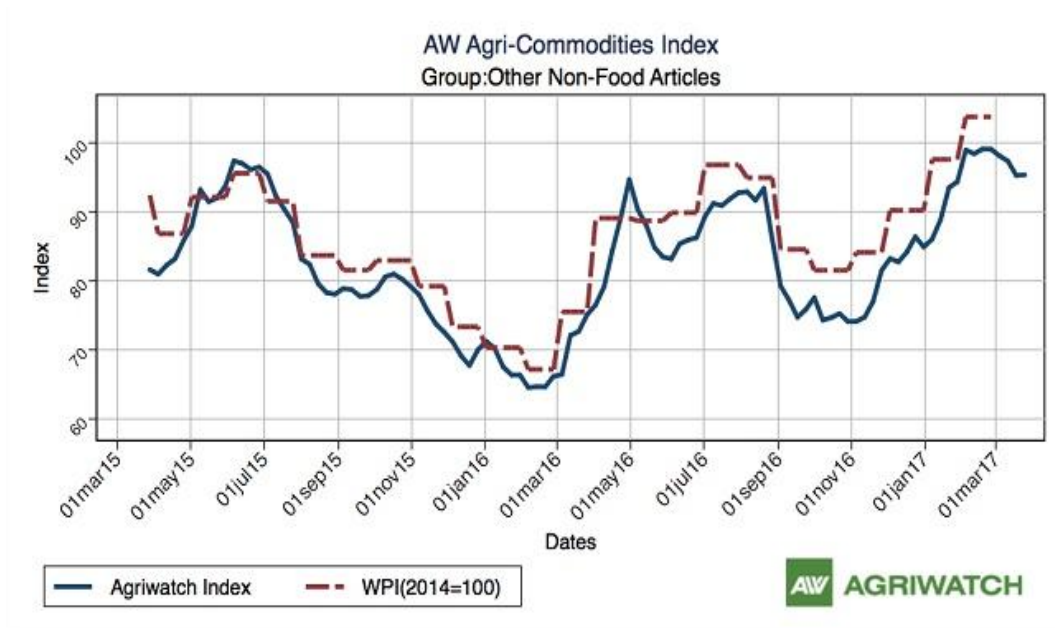


Guar Monthly Research Report

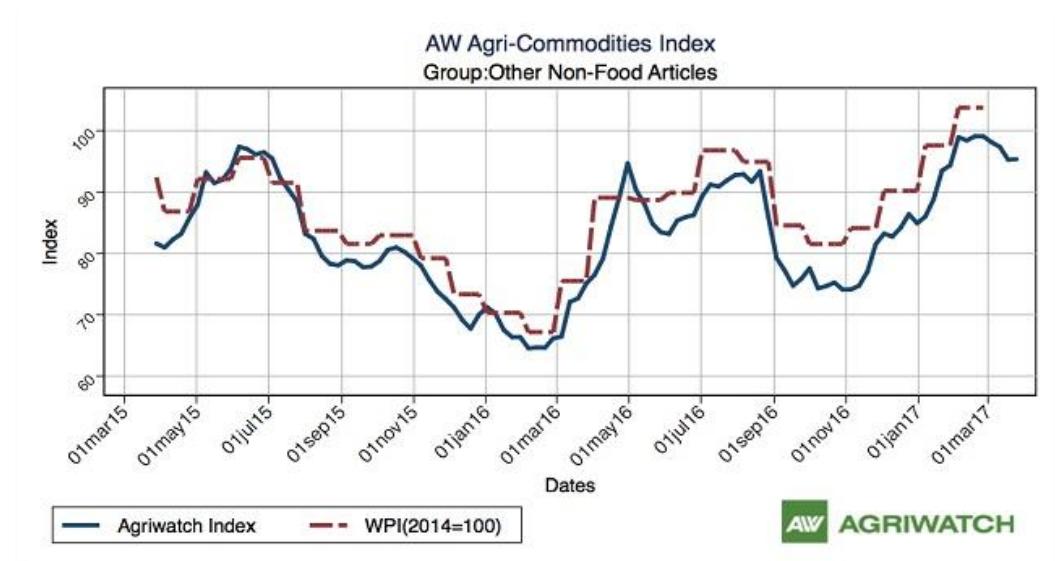
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Agriwatch Agri Commodity Index



The Agriwatch Agri Commodities Index rose 0.74% to 110.34 during the week ended March 25, 2017 from 109.53 during the previous week led by higher cereals and pulses. The base for the Index and all sub-Indices is 2014 (= 100).



The Agriwatch Agri commodity other non-food articles Index increased by 0.08% to 95.34 during the week ended March 25, 2017.

Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website www.agriwatch.com. The daily indices are available on subscription. Please contact for more details.

Executive Summary

Domestic Guar Seed Market Summary

All India average monthly prices for guar seed increased by 16.68 percent from Rs 2996.56 in February to Rs 3496.48 per qtl in March-2017. Average price (March) is higher by 32.90 percent compared to price (Rs 2630.96 per qtl.) registered in March-2016. Guar prices are expected to remain firm in coming month because of firm demand of gum in international market.

As per market sources, in the month of February 2017 India has exported around 45000 tonnes of guar gum compared to around 26000 tonnes last year for the same month. For financial year 2016-17, in the first eleven months from April'16 to February'17 around 3.67 lakh tonnes of guar gum has been exported compared to 2.97 lakh tonnes in financial year 2015-16 for the same period.

As per data released by baker hughes the number of oil rigs in USA has increased to 662 highest in last 18 months. Guar gum is used in hydraulic fracturing for extracting oil and gas; therefore as the number of oil rigs is increasing demand for guar gum is also expected to increase. The number of oil rigs is expected to increase further in coming months which will provide support to guar gum prices.

The wholesale price index of guar seed has decreased slightly from 239.8 in January 2017 to 239.7 in February 2017. The WPI for February 2017 is up by 10.8 compared to last year for the same month and down by 52.4 compared to February 2015.

As per latest update, NCDEX has decided to remove pre expiry margin on four commodities namely Guar seed 2MT, Yellow soy meal, Kapas Shankar and Refined soy oil. This will apply to march contract and all the contracts that will be launched after that until further notice.

As per market sources, in the month of January 2017 India has exported around 44000 tonnes of guar gum compared to around 26000 tonnes last year for the same month. For financial year 2016-17, in the first ten months from April'16 to January'17 around 3.22 lakh tonnes of guar gum has been exported compared to 2.71 lakh tonnes in financial year 2015-16 for the same period.

According to IBIS (provisional data) for the month of November, Export of guar seed products i.e. powder, Split and meal has decreased by 3666 metric tonnes compared to last month. India has exported 25872 tonnes of guar products in the month of November. Of the total quantity, 16053 tonnes is guar gum powder and the remaining is Guar split (3209 tonnes) and Guar meal (6610 tonnes).

On the currency front, Indian rupee against USD (Average) closed at 65.86, devaluing by Rs. 1.1 compared to the previous month. Overall weakening of Rupee in terms of dollar discourages export of guar gum and powder.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (~42000 quintals) during March 2017 compared to previous month ~44200 quintals.

Similarly, In Bikaner market, arrivals have decreased during March 2017 to 9124 quintals compared to prior month arrivals data i.e. 16550 quintals.

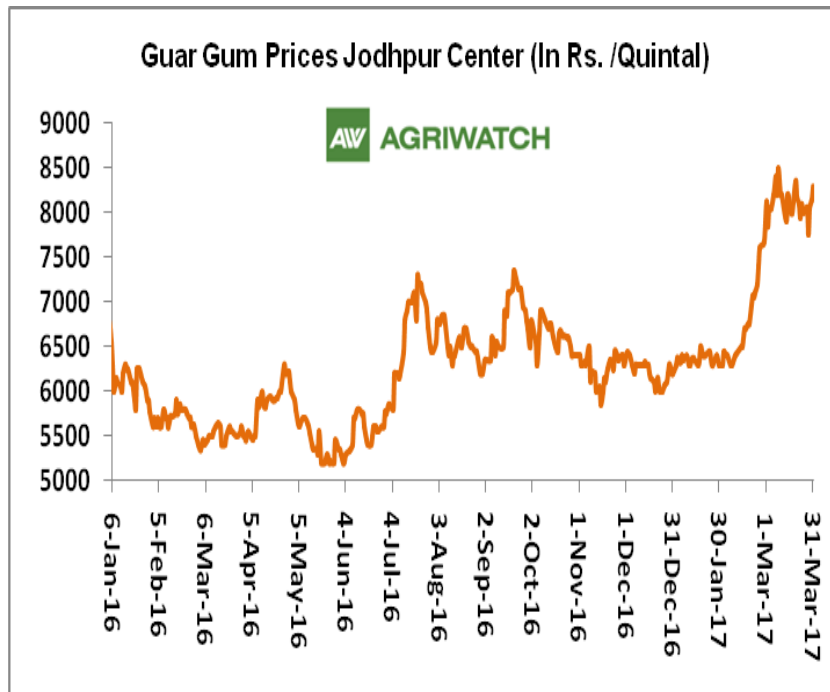
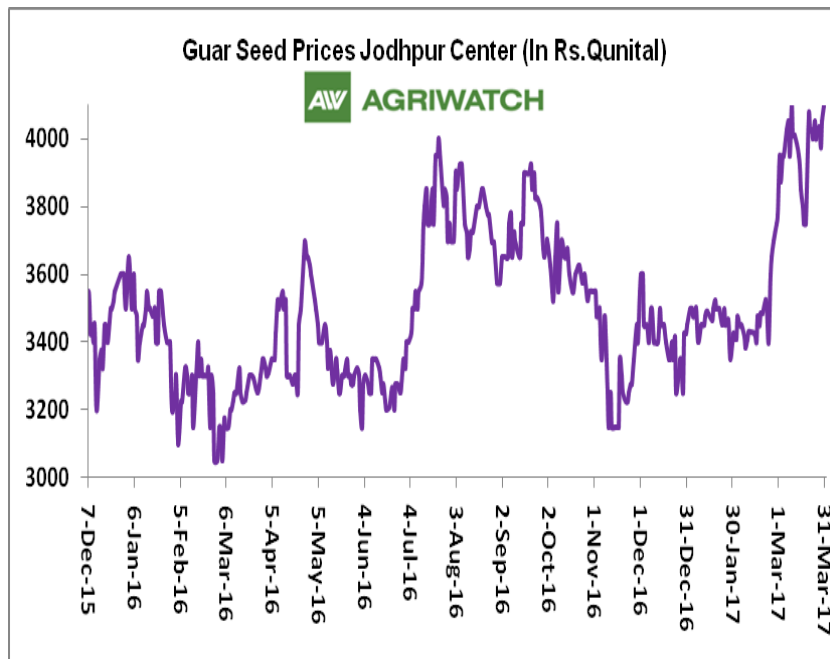
Recommendation:

Monthly Call - : Market participants advised to go long in Guar seed at current levels for a target of 4565 with a stop loss at 3763 on closing basis.

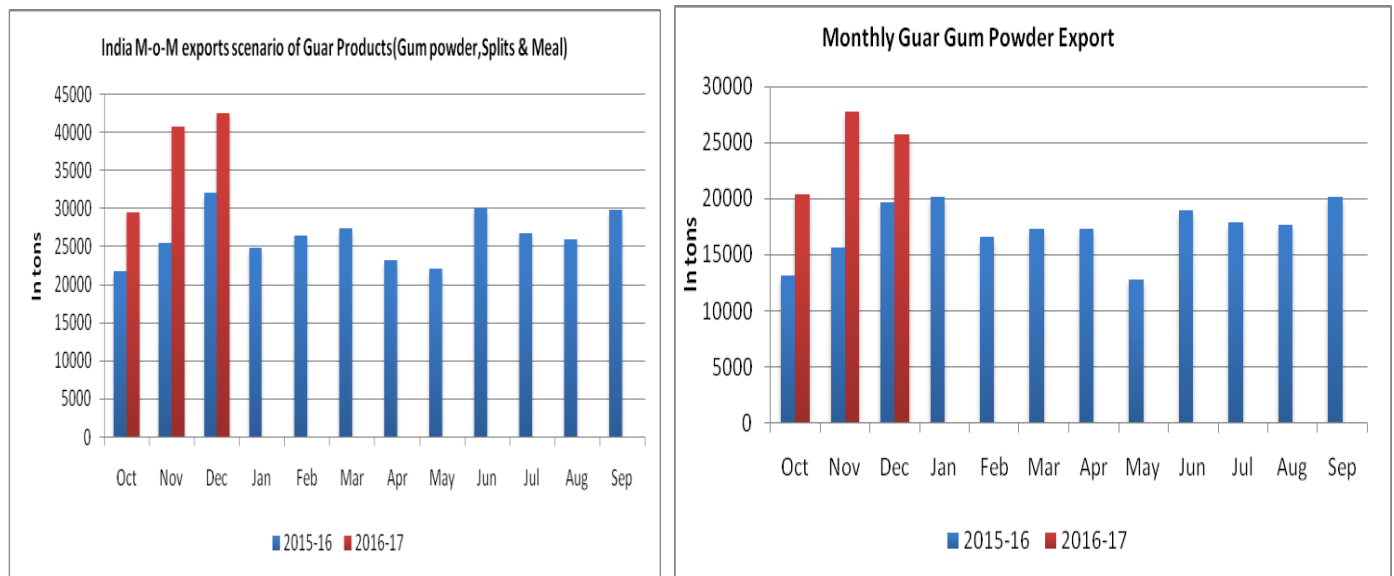
Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

- Average Guar seed prices remained firm during March 2017. All major spot markets witnessed increase in prices. Overall arrivals were lower in March compared to last month. Highest fall in arrivals were noticed in Sirsa and Nohar.
- In the month of March 2017, Guar seed monthly average prices increased by 483.45 compared to prior month and settled at Rs. 3979.08 per quintal. Active trading activities in guar seed in key markets kept the prices up during last month.
- However, Guar gum monthly average prices in March 2017 increased by 1333.03 and settled at Rs 8113.46 per quintal.
- Sources revealed that guar seed area in Rajasthan, Haryana and Gujarat might decrease by 20 – 25% considering lower prices compared to other crops like Pulses and cotton, which are more remunerative for farmers as compared to guar.
- According to second advance estimate issued by Gujarat's department of agriculture for guar seed the area, production and yield are 352000 hectares, 242000 tonnes and 687 kg/hectare respectively compared to final advance estimate issued in December the area, production and yield has been increased by 43000 hectares, 85000 tonnes and 56 kg/hectare.
- We expect guar seed and gum prices to trade from range bound to firm tone in the coming month.



Export Scenario

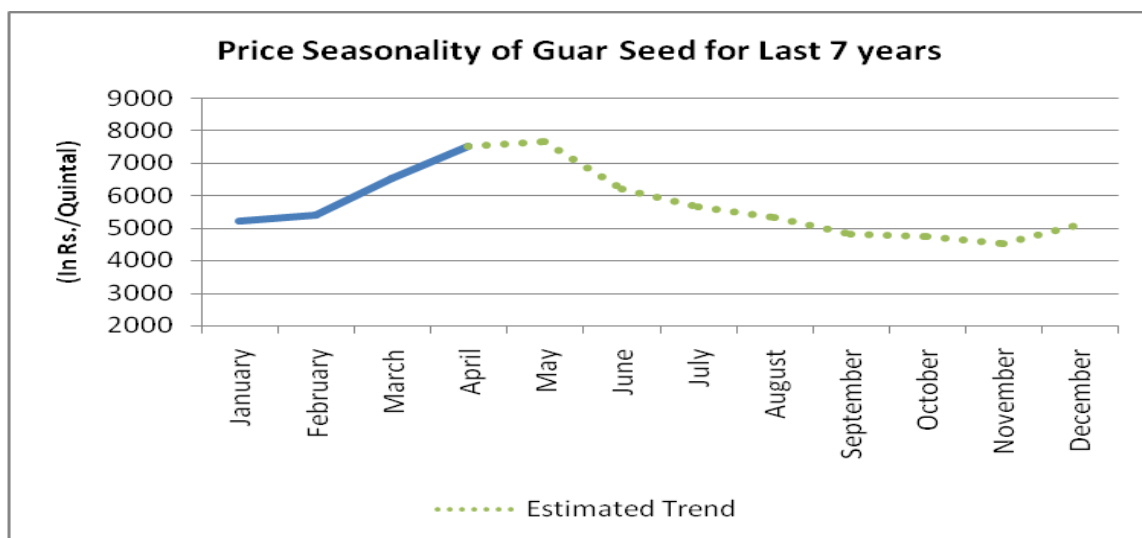


On export front, guar products export demand has increased compared to prior month. India has exported 42449 tons of guar seed products (Gum powder, Splits & Meal) in the month of December 2016 up by 4.01 % compared to last year for the same month and by 32.43% compared to last year for the same month.

In addition, recent month guar gum powder export increased by 30.94 % compared to previous year for the same month due to firm domestic as well as export demand.

India exported 25742 tons of guar gum powder in the month of December 2016, which is lower compared to guar gum powder exported last month by 7.24 %.

Price Seasonality of Guar Seed



As per the price seasonality chart of guar seed for last 7 years, guar seed prices started to fall from June and continued its downfall until November and then rebounded from lower levels in the month of November and continued its rally until April.

Domestic Guar Seed Supply & Demand Position

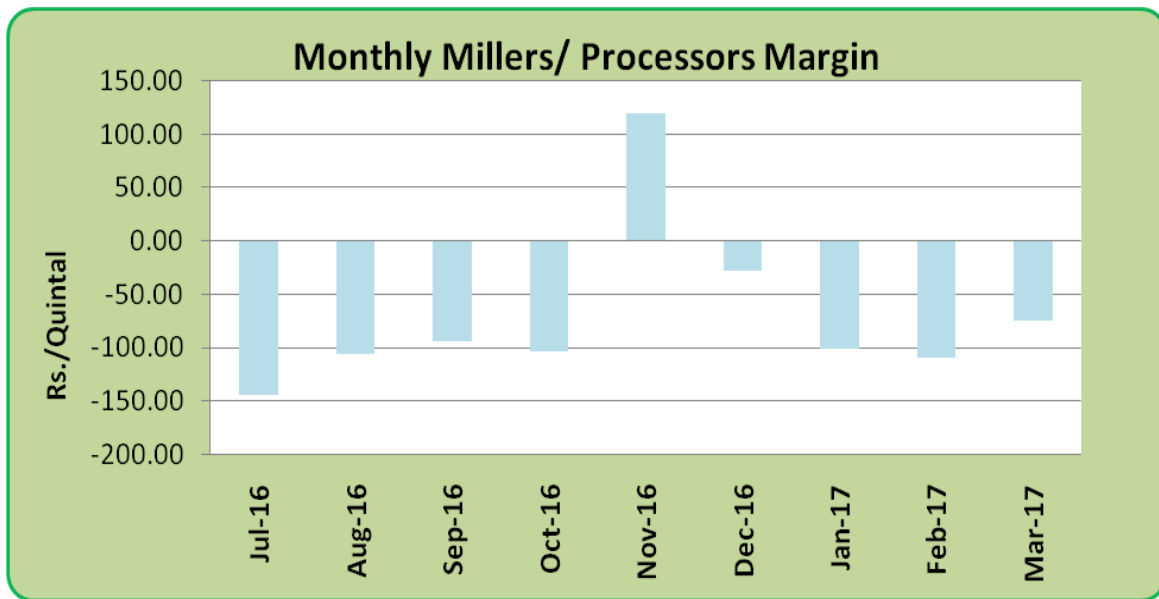
Domestic Guar Seed Supply & Demand Situation (Figures In Lakh Metric Tonnes)						
Item	2015-16	2016-17	2016-17	2016-17	2016-17	2016-17
Supply			Oct-Dec	Jan-Mar	Apr-June	July-Sept
Opening Stock	6.46	8.33	8.33	7.71	9.03	8.18
Production	15.18	11.07	10.44	0.00	0.00	0.00
Arrivals	15.18	11.07	2.21	4.54	2.77	1.55
Import	0.00	0.00	0.00	0.00	0.00	0.00
Total Availability	21.64	19.40	10.54	12.25	11.80	9.73
Demand						
Total Crushing	12.71	13.61	2.84	3.22	3.62	3.94
Domestic Consumption (Textile, Food & Pharma Industry)	3.50	3.31	0.83	0.83	0.83	0.83
Guar Exports	2.80	2.94	0.57	0.68	0.80	0.89
Exports (Guar seed Equivalent)	9.81	10.3	2.01	2.39	2.79	3.11
Carry Forward (Farmers and Traders Holdings)	8.33	5.79	7.71	9.03	8.18	5.79
Av Monthly Consumption	1.06	1.13	0.95	1.07	1.21	1.31
Stock to Month Use	8.43	5.11	8.15	8.42	6.78	4.41
Stock to Consumption Ratio	0.70	0.43	2.72	2.81	2.26	1.47

- Guar seed opening stock for the marketing year 2016-17 is likely to settle at 8.33 lac tons, which is higher compared to last year.
- As far as production is concerned, we expect 11.07 lakh tons of guar seed production in 2016-17, due to lower acreage as well as yield compared to last year.
- Exports are expected to be around 2.94 lakh tonnes slightly higher compared to last year mainly because of recovery in crude oil.

Millers/Processors Margin

As seen in the chart, the average crush margin of guar seed has increased compared to previous month. In the month of March 2017, average crush margin increased to Rs. -75.1/Quintal, which earlier was Rs. -109.7/quintal last month.

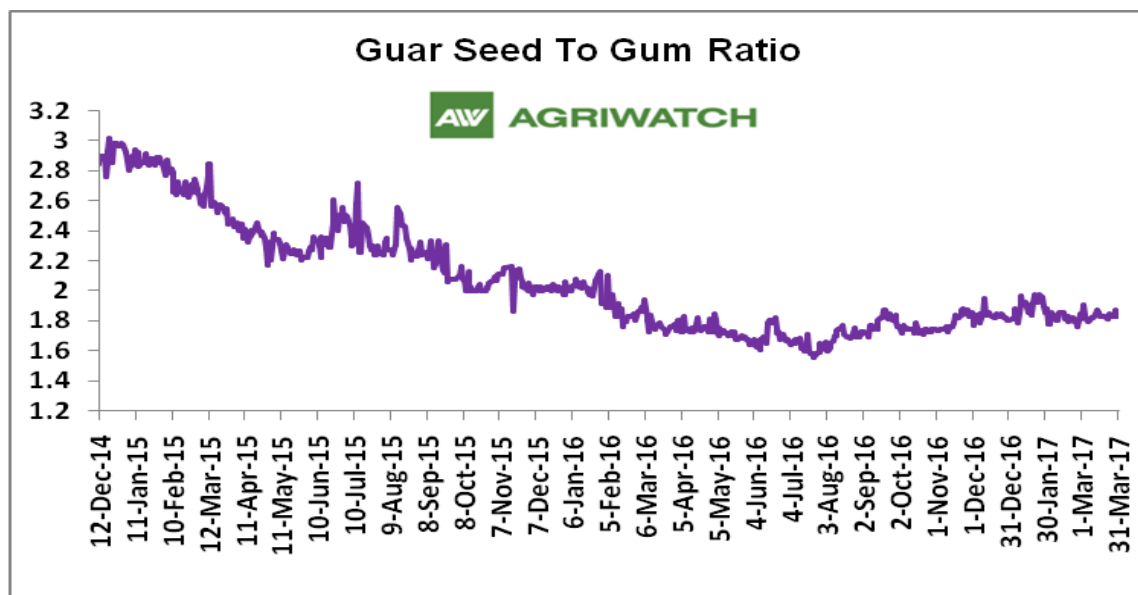
Increase in prices of Churi and Korma have increased the total return and reduced the total cost, which has caused the margin to rise.



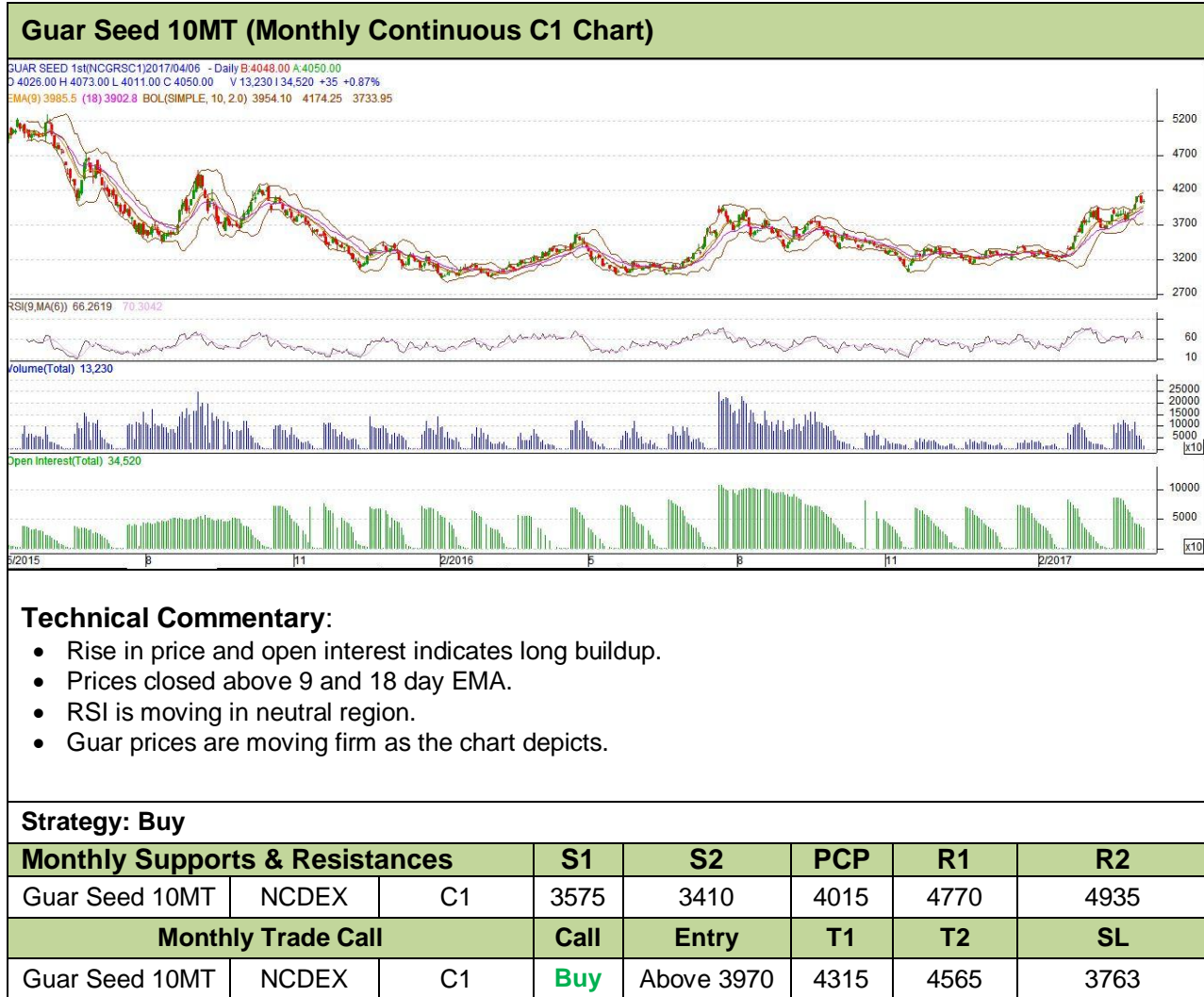
Guar Seed To Gum Ratio:

Ratio of guar seed to gum increased last month to 2.04, which in the earlier month was 1.94. Higher degree of Increase in guar gum prices and decrease in guar seed prices increased the ratio.

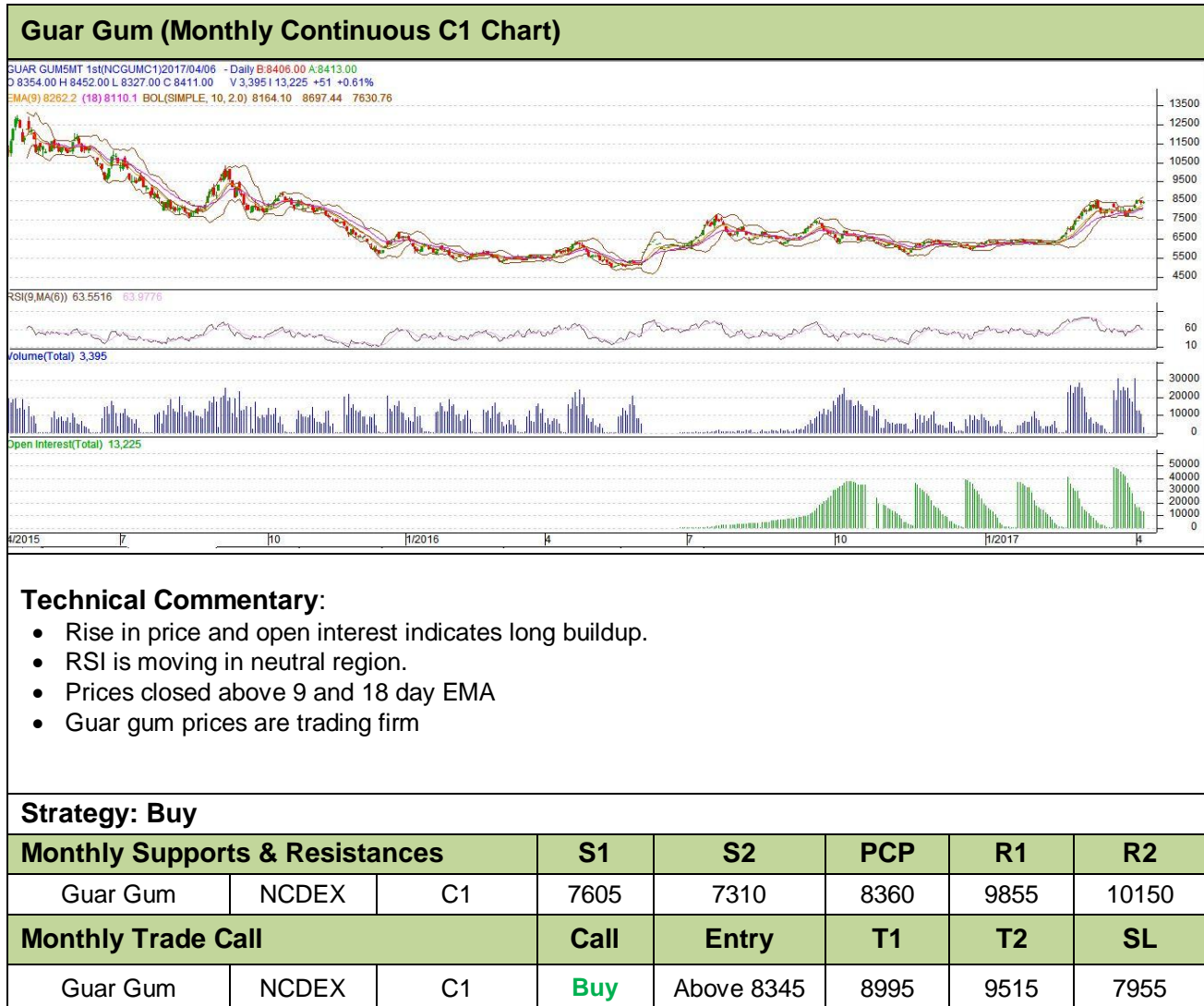
Overall, good demand of gum from overseas and weak demand of seed from millers due to lower churi and korma prices increased the overall ratio.



Technical Analysis (Guar Seed)

Commodity: Guar Seed 10MT
Exchange: NCDEX


Technical Analysis (Guar Gum)

Commodity: Guar Gum
Exchange: NCDEX


Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Monthly Average Prices:				
Commodity	Centre	March,2017	February,2017	Change
Churi	Jodhpur	1581	1425	156
Korma	Jodhpur	1863	1771	92
Churi	Sri-Ganganagar	1411	1296	115
Korma	Sri-Ganganagar	1676	1642	34
Prices in Rs/75kg				

Guar Export Monthly Average Prices:				
Commodity	Variety	March,2017	February,2017	Change
Guargum Split		1233	1002	231
Guargum Powder	200 Mesh 5000 CPS	1537	1301	236
	200 Mesh 3500 CPS	1461	1226	235
Guargum Meal	40%	325	302	23
	50%	385	367	18
Prices in \$/MT				

Guar Seed Monthly Average Prices:					
Commodity	District	Centre	Monthly Prices (Average)(Rs/Qtl)		Change
			March,2017	February,2017	
Guar Seed	Jodhpur	Jodhpur (Loose)	3828	3349	478
		Jodhpur(Delivery)	3972	3499	472
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3713	3150	563
		Sri-Ganganagar (Delivery)	3865	3327	538
		Rawla (Loose)	3703	3225	478
		Gharsana (Loose)	3691	3237	454
		Raisinghnagar (Loose)	3720	3244	476
	Bikaner	Bikaner (Loose)	3707	3251	456
		Bikaner (Delivery)	3857	3401	456
		Nokha(Loose)	3686	3230	456
		Nokha (Delivery)	3819	3347	472
		Khajuwala (Loose)	3762	3237	524
		Khajuwala (Delivery)	3912	3367	545
		Lunkaransar (Loose)	3704	3201	504

	Hanumangarh	Hanumangarh (Loose)	3735	3245	490
		Hanumangarh (Delivery)	3885	3395	490
		Nohar (Loose)	3766	3232	534
		Pilibanga (Loose)	3667	3209	458
	Nagaur	Nagaur (Loose)	3597	3134	463
	Churu	Churu (Delivery)	3825	3365	460
	Alwar	Alwar (Loose)	3587	3128	458
Haryana	Hisar	Adampur (Loose)	3772	3304	468
		Adampur (Delivery)	3922	3454	468
	Bhiwani	Bhiwani (Delivery)	3841	3321	520
		Siwani (Loose)	3845	3280	564
	Sirsa	Sirsa (Loose)	3791	3296	495
		Dhabwali (Loose)	3737	3261	476
		Dhabwali (Delivery)	3863	3411	452
		Ellanabad (Loose)	3737	3228	509
	Fatehabad	Fatehabad (Loose)	3709	3329	381
Gujarat	Banaskantha	Deesa (Loose)	3597	3109	488
	Patan	Patan (Loose)	3580	3072	508
	Rajkot	Rajkot (Loose)	3603	3089	515
	Jamnagar	Dhrol (Loose)	3425	2902	523
Madhya Pradesh	Gwalior	Dabra (Loose)	3638	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8110	6780	1330
	Alwar	Alwar	8073	6824	1249
	Hanumangarh	Nohar	8136	6693	1443
Haryana	Bhiwani	Bhiwani	8407	6745	1662
	Sirsa	Sirsa	8217	6807	1411
		Dhabwali	8124	6805	1319
		Ellanabad	8179	6757	1422
	Fatehabad	Fatehabad	8200	6715	1485

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Monthly Arrivals (Quintals)		Change
Guar Seed			March,2017	February,2017	
Rajasthan	Jodhpur	Jodhpur	3406	3483	-77
	Sri-Ganganagar	Sri-Ganganagar	11333	14596	-3263
		Rawla	3425	10950	-7525
		Gharsana	5857	11250	-5393
		Raisinghnagar	9200	11600	-2400
	Bikaner	Bikaner	9124	16550	-7426
		Nokha	21200	14150	7050
		Khajuwala	8900	18100	-9200
		Lunkaransar	11550	9975	1575
	Hanumangarh	Hanumangarh	2350	3210	-860
		Nohar	19700	39000	-19300
		Pilibanga	5655	3750	1905
	Nagaur	Nagaur	5600	4050	1550
	Churu	Churu	42700	17100	25600
	Alwar	Alwar	17600	9700	7900
Haryana	Hisar	Adampur	42000	44200	-2200
	Bhiwani	Bhiwani	27900	44000	-16100
		Siwani	15600	23400	-7800
	Sirsa	Sirsa	18550	37400	-18850
		Dhabwali	3530	5150	-1620
		Ellanabad	5140	8150	-3010
	Fatehabad	Fatehabad	1190	1740	-550
Gujarat	Banaskantha	Deesa	2934	3054	-120
	Patan	Patan	4856	3706	1150
	Rajkot	Rajkot	3150	5386	-2236
	Jamnagar	Dhrol	61	82	-21
Madhya Pradesh	Gwalior	Dabra	320	NA	-
Total Arrivals/Above Markets			302831	363732	-60901

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