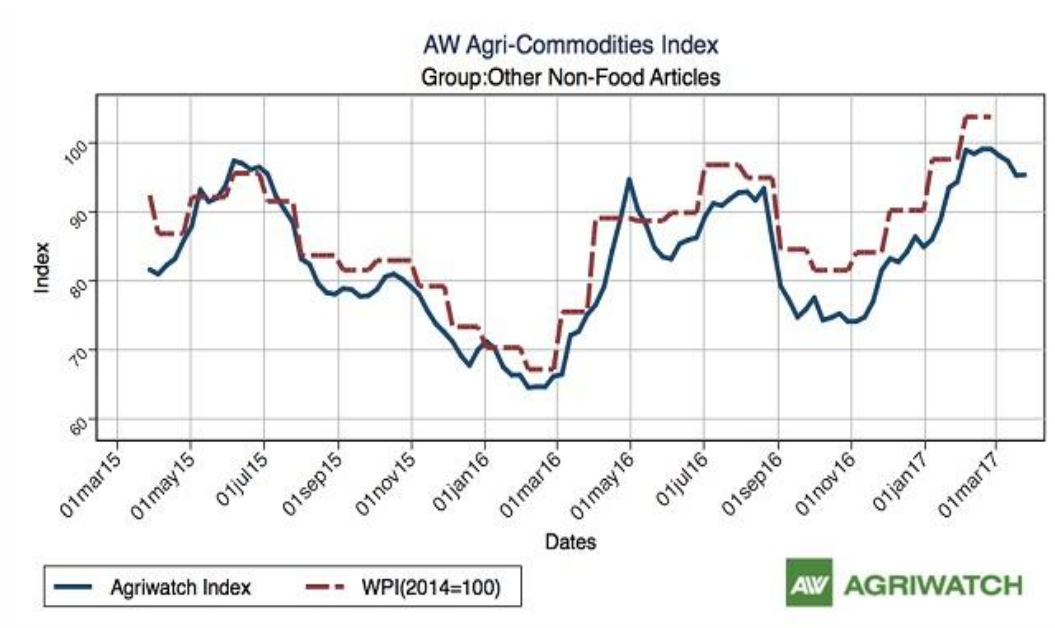


Guar Monthly Research Report

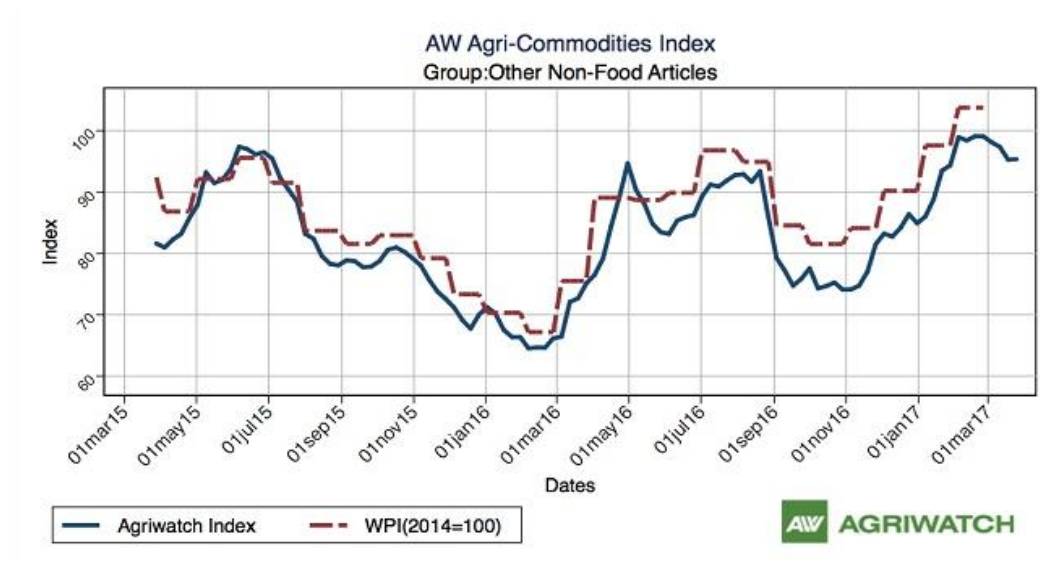
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Agriwatch Agri Commodity Index



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 decreased by 9.08 percent from Rs 3315.71 in May to Rs 3014.58 per qtl in June-2017. Average price (June) is higher by 7.33 percent compared to price (Rs 2808.70 per qtl.) registered in June -2016. Guar prices are expected to remain range bound to weak in coming month.

Government has imposed 5 percent GST on guar meal making it less competitive compared to other cattle feeds available in the market. Furthermore, a 5 percent GST on guar gum has also upset export demand for the commodity. Trading activities are sluggish as traders are still unclear regarding various aspects of GST.

In the first month (June) of southwest monsoon, India witnessed 4 percent excess rains. A surplus of 5 percent and 50 percent was recorded in Central/South India and Northwest India respectively in terms of rain. However, a deficiency of around 17 percent was seen in East and Northeast region. As of now southwest monsoon has hit Delhi-NCR and western disturbance persists over Jammu & Kashmir. Furthermore, a cyclonic circulation is building over East Uttar Pradesh, Bihar, Northwest Bengal and coast of Odhisa. Many sources argue that southwest monsoon is likely to reduce after first week of July and the month is likely to end with a deficit in terms of rain.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 940 until 30th June 2017 down by 1 compared to last week and up by 509 compared to 23rd June 2016. Guar gum is used in hydraulic fracturing for extracting oil and gas; therefore, as the number of oil rigs increases or decreases the demand for guar gum is also affected.

The wholesale price index of guar seed has decreased from 90.3 in April 2017 to 84.9 in May 2017. The WPI for May 2017 is higher by 11.6 compared to last year for the same month and lower by 20.5 compared to May 2015.

As per market sources, in the month of May 2017 India has exported around 53066 tonnes of guar gum in May compared to around 54392 tonnes in April 2017. For financial year 2016-17, India exported around 4.23 lakh tonnes of guar gum have been exported compared to 3.25 lakh tonnes in financial year 2015-16 for the same period. The highest share was of USA followed by Norway and China.

As per latest update by Rajasthan agriculture department, guar seed has been 601.4 thousand hectares until 27th June 2017 against a target of 3800 thousand hectares for current Kharif season. As compared to last year for the same date, area is up 491.7 thousand hectares. Last Kharif season guar was sown in 3530 thousand hectares. The last five year average area ending 2011-15 for guar seed in Rajasthan is 4424 thousand hectares.

On the currency front, Indian rupee against USD (Average) closed at 64.44, appreciating by Rs. 0.02 compared to the previous month. Overall strengthening of Rupee in terms of dollar encourages export of guar gum and powder.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (~9475 quintals) during June 2017 compared to previous month ~16650 quintals.

Similarly, In Bikaner market, arrivals have decreased during June 2017 to 4360 quintals compared to prior month arrivals data i.e. 7570 quintals.

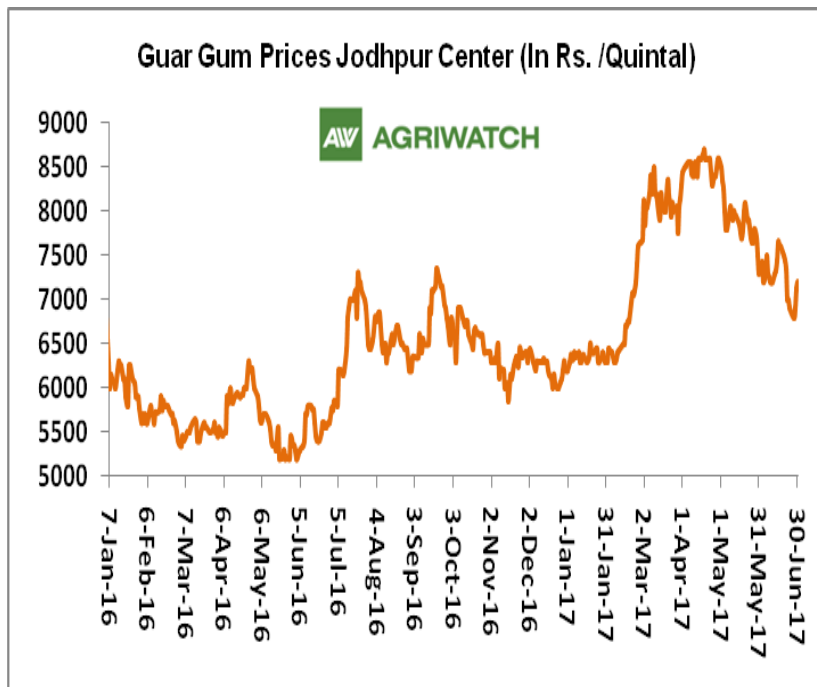
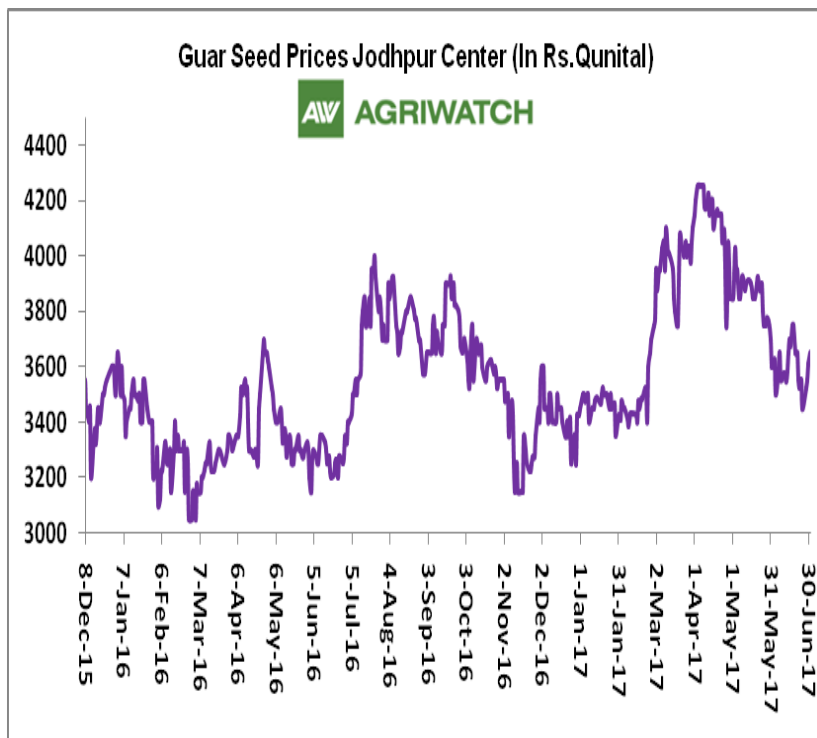
Recommendation:

Monthly Call - : Market participants advised to go short in Guar seed at current levels for a target of 3050 with a stop loss at 3602 on closing basis.

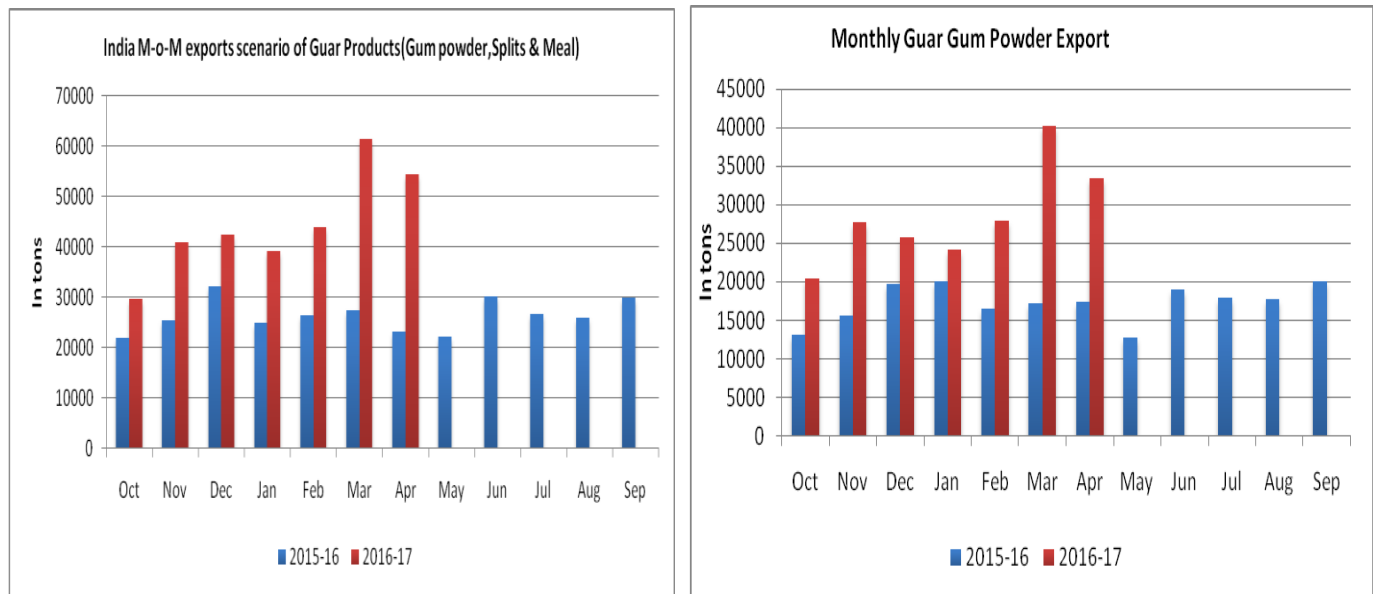
Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

- Average Guar seed prices remained weak during June 2017. All major spot markets witnessed decrease in prices. Overall arrivals were lower in June compared to last month. Highest fall in arrivals was noticed in Sri Ganganagar and Hanumangarh.
- In the month of June 2017, Guar seed monthly average prices decreased by 252.59 compared to prior month and settled at Rs. 3602.22 per quintal. Sluggish trading activities in guar seed in key markets kept the prices down during last month.
- However, Guar gum monthly average prices in June 2017 decreased by 606.33 and settled at Rs 7277 per quintal.
- According to third 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.
- According to third advance estimate for 2016-17 issued by Rajasthan's Department of Agriculture for Guar seed the area, production and yield are 3530007 hectares, 1404819 tonnes and 398 kg/hectare respectively. As compared to first advance estimate for 2016-17, the area, production and yield have decreased by 46932 hectares, 557605 tonnes and 151 kg/hectare respectively.



Export Scenario

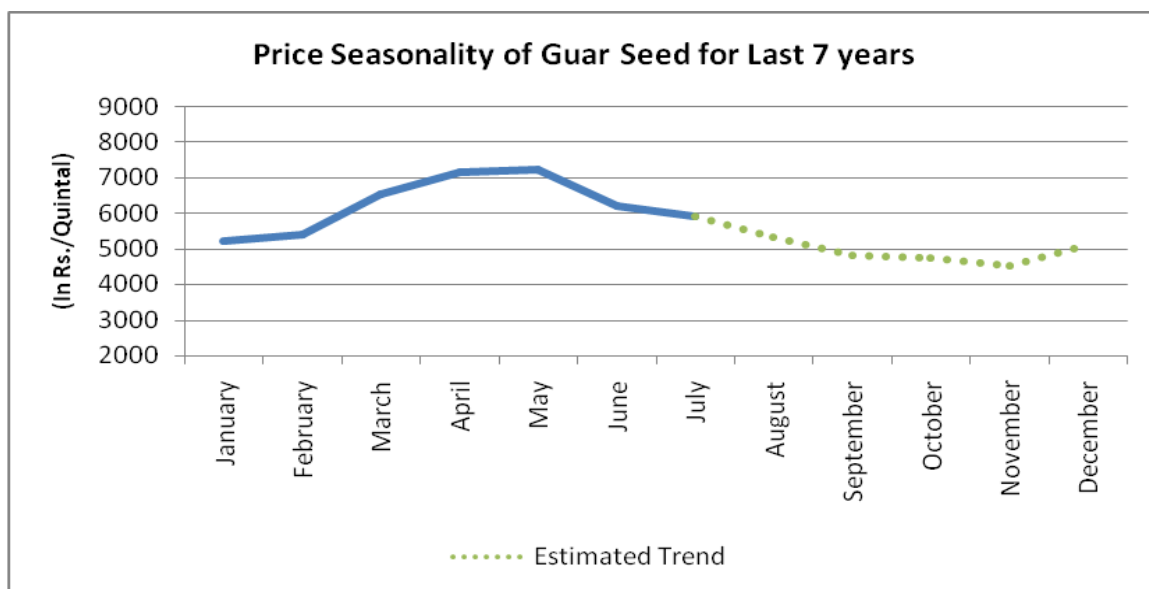


On export front, guar products export demand has decreased compared to prior month. India has exported 54389 tons of guar seed products (Gum powder, Splits & Meal) in the month of April 2017 down by 11.50 % compared to last year for the same month and up by 134.24% compared to last year for the same month.

In addition, recent month guar gum powder export increased by 93.27 % compared to previous year for the same month due to firm domestic as well as export demand.

India exported 33487 tons of guar gum powder in the month of June 2017, which is lower compared to guar gum powder exported last month by 16.67 %.

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

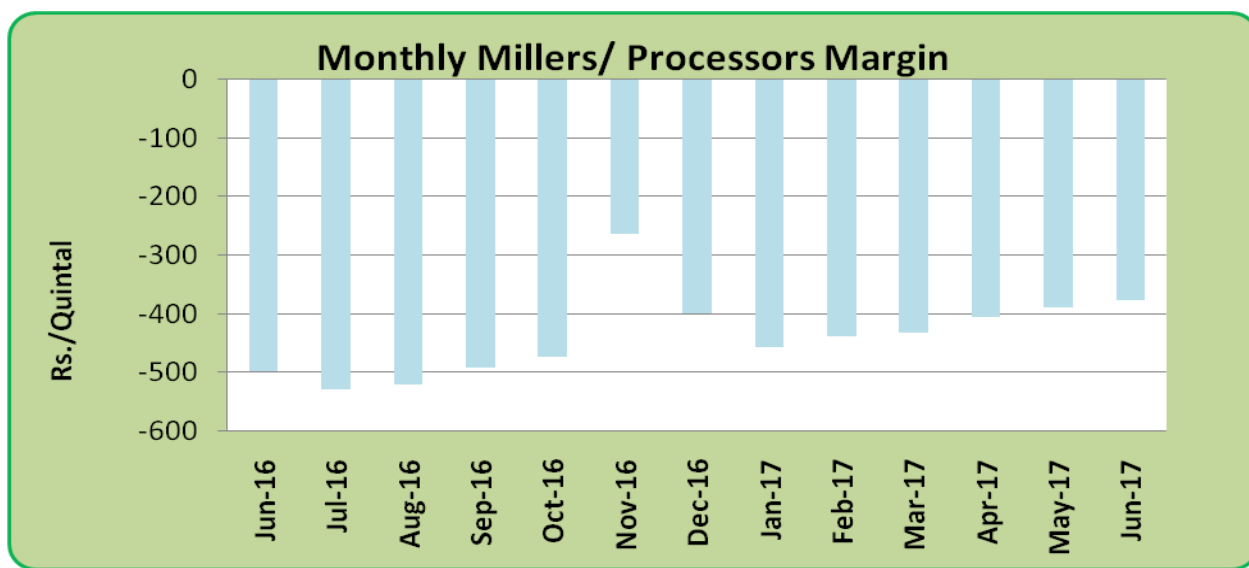
Domestic Guar Seed Supply & Demand Situation (Figures In Lakh Metric Tonnes)						
Item	2015-16	2016-17	2016-17	2016-17	2016-17	2016-17
Supply			Oct-Dec	Jan-Mar	Apr-June	July-Sept
Opening Stock	6.46	8.33	8.33	7.71	9.03	8.18
Production	15.18	11.07	10.44	0.00	0.00	0.00
Arrivals	15.18	11.07	2.21	4.54	2.77	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 June 2017, average crush margin increased to Rs. -378.3/Quintal compared to Rs. -389.2/quintal last month.

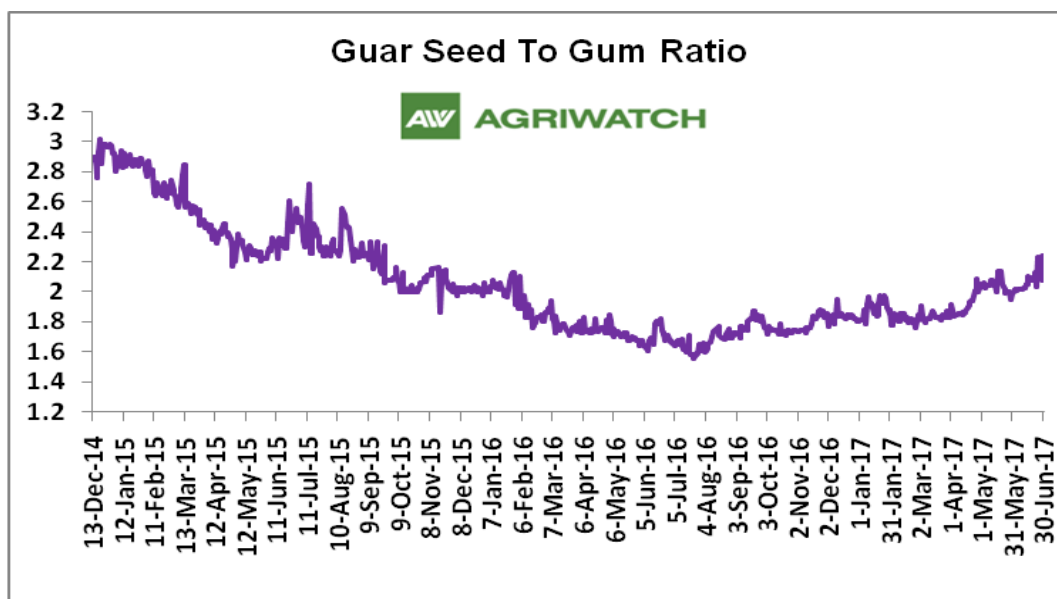
Increase in prices of Churi and Korma have increased the total return and reduced the total cost, which has caused the margin to rise.



Guar Seed To Gum Ratio:

Ratio of guar seed to gum decreased to 2.02, which in the earlier month was 2.04. Higher degree of Increase in guar seed prices and decrease in 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 decreased the overall ratio.





Technical Analysis (Guar Seed)

Commodity: Guar Seed 10MT

Exchange: NCDEX



Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- Prices closed below 9 and 18 day EMA.
- RSI is moving in neutral region.
- Guar prices are moving weak as the chart depicts.

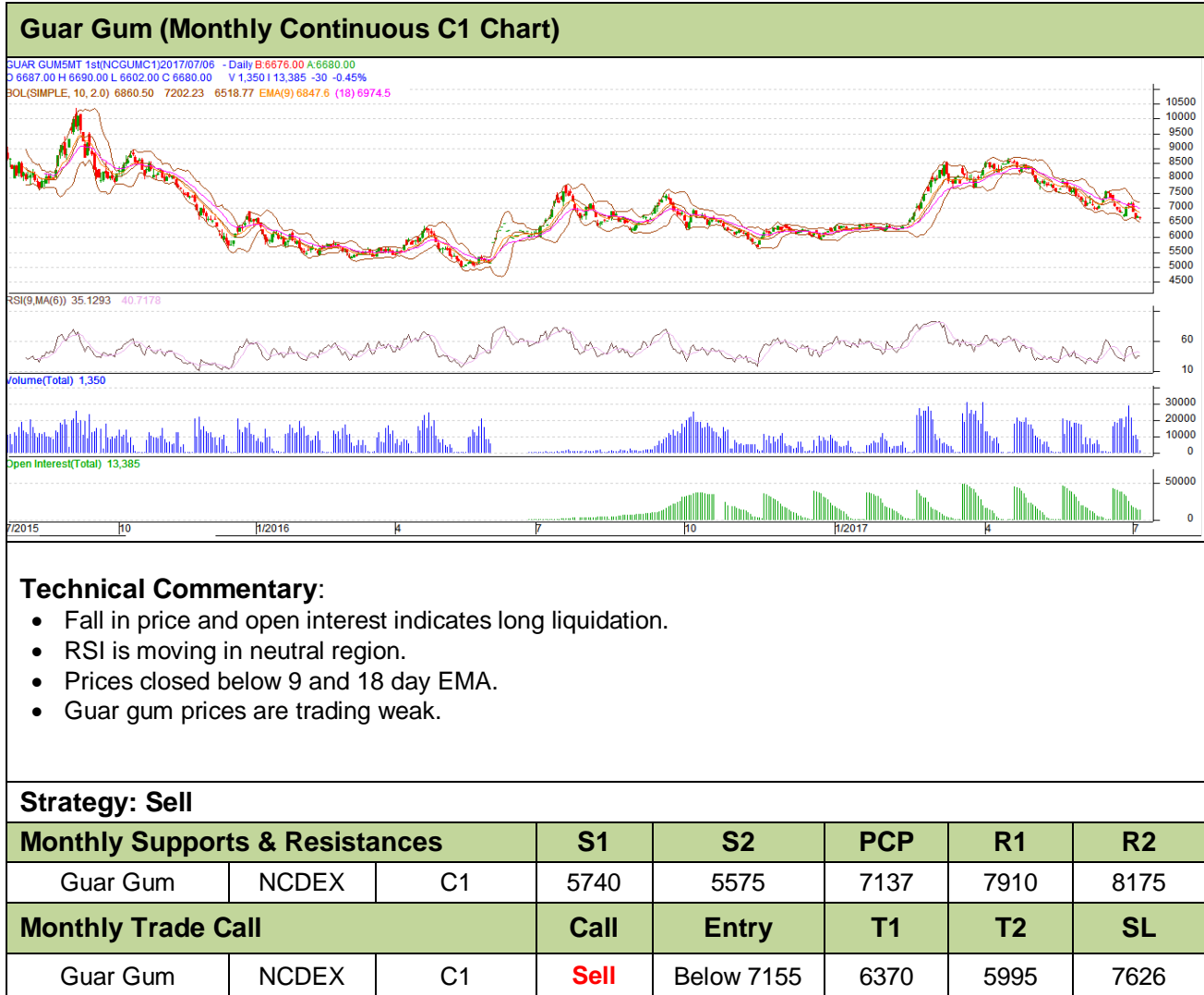
Strategy: Sell

Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	C1	2720	2605	3389	3815	3995
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	C1	Sell	Below 3395	3050	2875	3602

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	June,2017	May,2017	Change
Churi	Jodhpur	1436	1508	-72
Korma	Jodhpur	1791	1920	-129
Churi	Sri-Ganganagar	1282	1335	-53
Korma	Sri-Ganganagar	1568	1767	-199
Prices in Rs/75kg				

Guar Export Monthly Average Prices:				
Commodity	Variety	June,2017	May,2017	Change
Guargum Split		1135	1221	-86
Guargum Powder	200 Mesh 5000 CPS	1445	1531	-86
	200 Mesh 3500 CPS	1368	1453	-86
Guargum Meal	40%	313	324	-11
	50%	377	401	-24
Prices in \$/MT				

Guar Seed Monthly Average Prices:					
Commodity	District	Centre	Monthly Prices (Average)(Rs/Qtl)		Change
			June,2017	May,2017	
Guar Seed	Jodhpur	Jodhpur (Loose)	3448	3705	-256
		Jodhpur(Delivery)	3598	3855	-256
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3272	3560	-288
		Sri-Ganganagar (Delivery)	3412	3703	-291
		Rawla (Loose)	3260	3503	-243
		Gharsana (Loose)	3240	3478	-238
		Raisinghnagar (Loose)	3241	3505	-264
	Bikaner	Bikaner (Loose)	3284	3507	-223
		Bikaner (Delivery)	3434	3657	-223
		Nokha(Loose)	3253	3486	-233
		Nokha (Delivery)	3370	3612	-241
		Khajuwala (Loose)	3275	3546	-271
		Khajuwala (Delivery)	3406	3688	-282
		Lunkaransar (Loose)	3237	3502	-265

	Hanumangarh	Hanumangarh (Loose)	3303	3565	-263
		Hanumangarh (Delivery)	3453	3715	-263
		Nohar (Loose)	3316	3542	-225
		Pilibanga (Loose)	3277	3544	-267
	Nagaur	Nagaur (Loose)	3263	3385	-123
	Churu	Churu (Delivery)	3382	3635	-253
	Alwar	Alwar (Loose)	3176	3387	-211
Haryana	Hisar	Adampur (Loose)	3307	3544	-237
		Adampur (Delivery)	3457	3694	-237
	Bhiwani	Bhiwani (Delivery)	3403	3654	-251
		Siwani (Loose)	3366	3629	-263
	Sirsa	Sirsa (Loose)	3306	3547	-241
		Dhabwali (Loose)	3266	3488	-222
		Dhabwali (Delivery)	3416	3638	-222
		Ellanabad (Loose)	3229	3496	-267
	Fatehabad	Fatehabad (Loose)	NA	3500	-
Gujarat	Banaskantha	Deesa (Loose)	3172	3334	-162
	Patan	Patan (Loose)	3195	3402	-207
	Rajkot	Rajkot (Loose)	3131	3387	-257
	Jamnagar	Dhrol (Loose)	2953	3209	-257
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7277	7883	-606
	Alwar	Alwar	7288	7872	-584
	Hanumangarh	Nohar	7413	7944	-532
Haryana	Bhiwani	Bhiwani	7265	7915	-650
	Sirsa	Sirsa	7300	7872	-572
		Dhabwali	7284	7870	-586
		Ellanabad	7269	7885	-616
	Fatehabad	Fatehabad	NA	7400	-

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Monthly Arrivals (Quintals)		Change
Guar Seed			June,2017	May,2017	
Rajasthan	Jodhpur	Jodhpur	2094	3710	-1616
	Sri-Ganganagar	Sri-Ganganagar	8293	18285	-9992
		Rawla	1530	4120	-2590
		Gharsana	1450	1920	-470
		Raisinghnagar	3900	5440	-1540
	Bikaner	Bikaner	4360	7570	-3210
		Nokha	6500	10600	-4100
		Khajuwala	5300	7150	-1850
		Lunkaransar	5560	7850	-2290
	Hanumangarh	Hanumangarh	1817	1908	-91
		Nohar	16300	24600	-8300
		Pilibanga	2990	5990	-3000
	Nagaur	Nagaur	3200	4705	-1505
	Churu	Churu	14900	14950	-50
	Alwar	Alwar	5800	5730	70
Haryana	Hisar	Adampur	9475	16650	-7175
	Bhiwani	Bhiwani	27500	42400	-14900
		Siwani	14000	15400	-1400
	Sirsa	Sirsa	11200	15150	-3950
		Dhabwali	2580	2970	-390
		Ellanabad	2280	3478	-1198
	Fatehabad	Fatehabad	NA	135	-
Gujarat	Banaskantha	Deesa	6720	2536	4184
	Patan	Patan	893	1591	-698
	Rajkot	Rajkot	1745	3312	-1567
	Jamnagar	Dhrol	76	123	-48
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			160463	228273	-67811

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