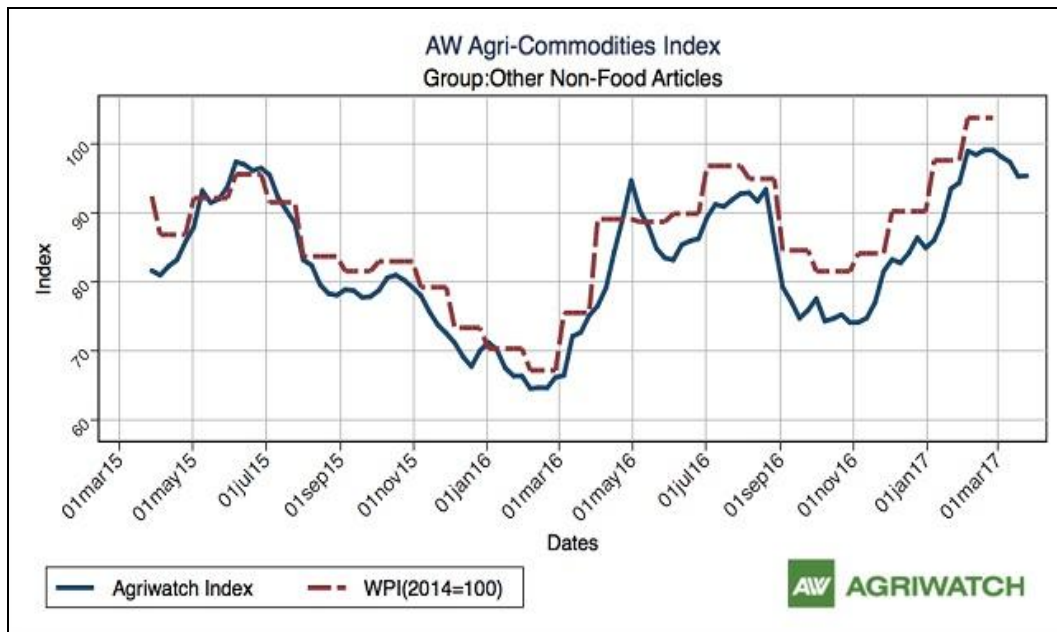


Guar Monthly Research Report

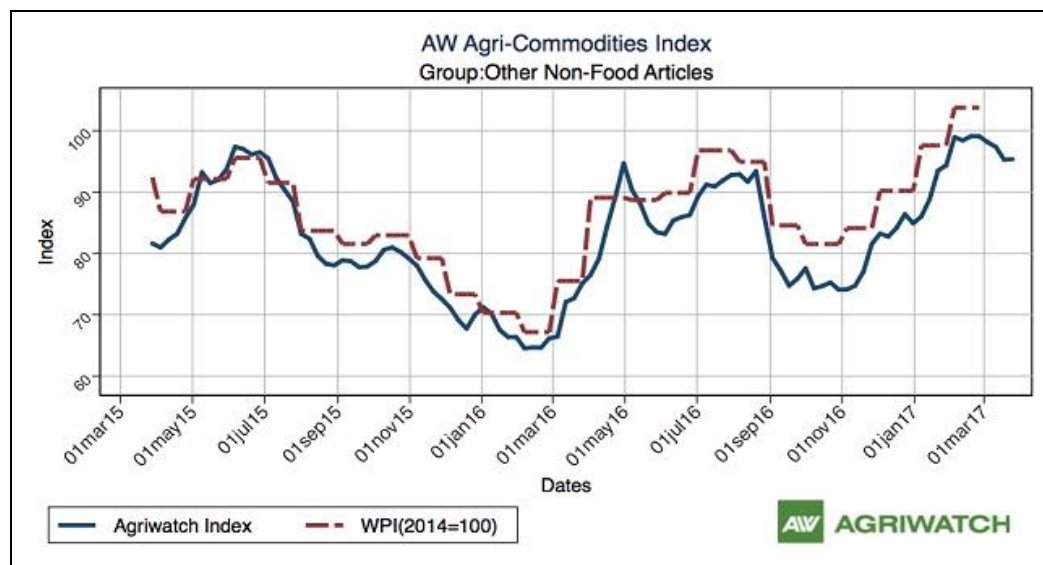
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Agriwatch Agri Commodity Index



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 guarseed decreased by 0.73 percent from Rs 3014.58 in June to Rs 2992.66 per qtl in July-2017. Average price (July) is lower by 3.93 percent compared to price (Rs 3115.10 per qtl.) registered in July -2016. Guar prices are expected to remain range bound to firm in coming month.

As per IMD, since the beginning of south-west monsoon the rains have been well distributed all over India except few areas in the south. The cumulative rainfall until Sunday (30th July) in the country has been around 102 percent of the LPA and it is expected to be 99% of LPA in August, which has 29 percent, share in the overall monsoon rains. Until 28th July around 75 percent of Kharif sowing is done and because of normal rainfall this year better crop can be expected under normal conditions.

As per data released by baker hughes the number of oil rigs in USA has increased to 958 until 28th July 2017 up by 8 compared to last week and by 495 compared to 29th July 2016. Guar gum is used in hydraulic fracturing for extracting oil and gas; therefore, as the number of oilrigs increases or decreases the demand for guar gum is also affected.

The wholesale price index of guar seed has decreased from 84.9 in May 2017 to 78.5 in June 2017. The WPI for June 2017 is higher by 6.40 compared to last year for the same month and lower by 27.4 compared to June 2015.

As per latest update by Rajasthan agriculture department, guar seed has been sown in 2406.6 thousand hectares until 31st July 2017 against a target of 3800 thousand hectares for current Kharif season. As compared to last year for the same date, area is up 815.3 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.

According to latest update, area sown in Gujarat until 31st July 2017 is 161200 hectares compared to 88400 hectares in the previous Kharif season. Area of guar is expected to be lower this season due to recent crop loss. Furthermore, farmers are also shifting to other crops like cotton in irrigated areas and pulses in rain fed areas as these crops are fetching more returns. The last three-year average normal area for guar seed in Gujarat is 292400 hectares.

As per market sources, in the month of May 2017 India has exported around 52983 tonnes of guar seed products in May compared to around 54389 tonnes in April 2017. For financial year 2016-17, India exported around 3.64 lakh tonnes of guar seed products have been exported compared to 2.03 lakh tonnes in financial year 2015-16 for the same period. The highest share was of USA followed by Norway and China.

On the currency front, Indian rupee against USD (Average) closed at 64.45, appreciating by Rs. 0.01 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 (~7250 quintals) during July 2017 compared to previous month ~9475 quintals.

Similarly, In Bikaner market, arrivals have increased during July 2017 to 5827 quintals compared to prior month arrivals data i.e.4360 quintals.

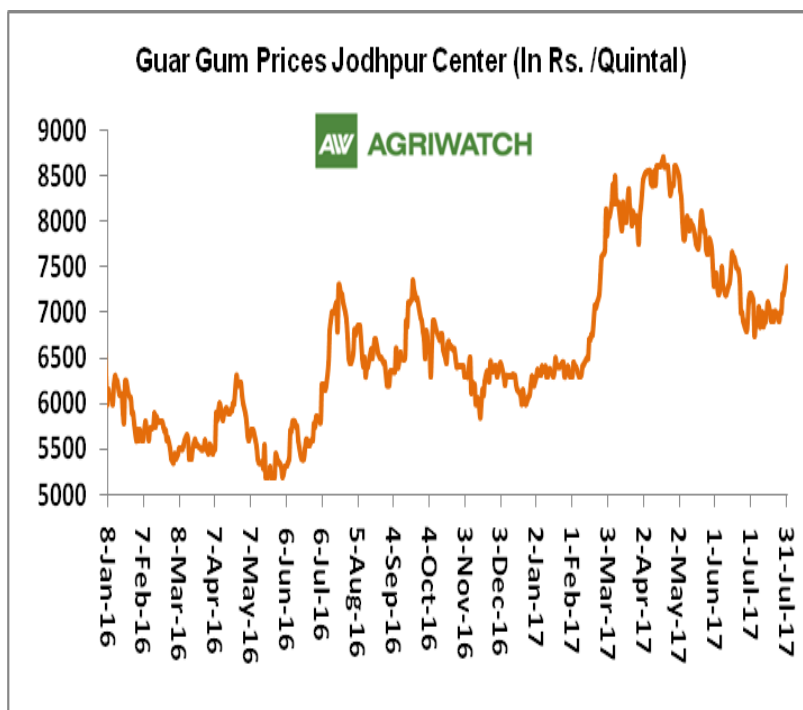
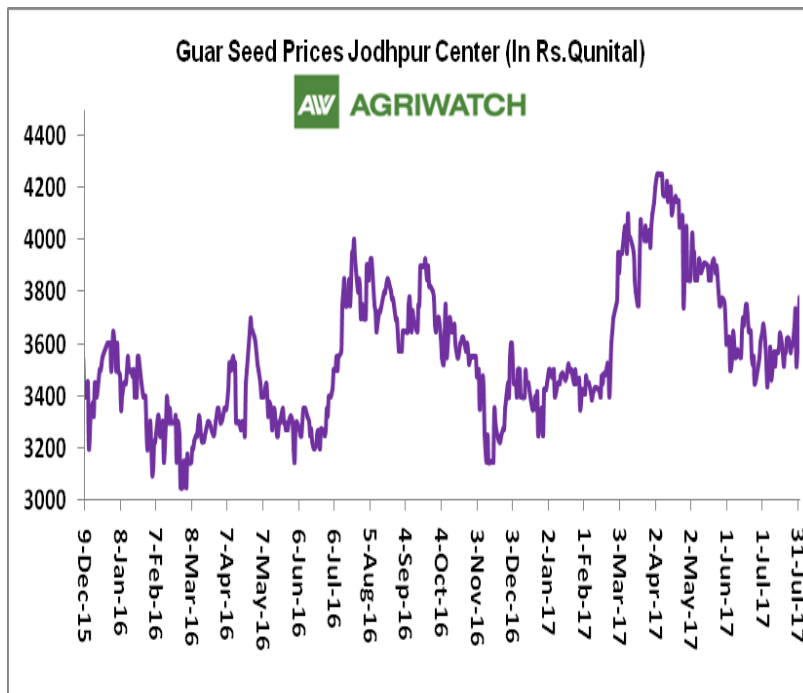
Recommendation:

Monthly Call - : Market participants advised to go long in Guar seed at current levels for a target of 4010 with a stop loss at 3455 on closing basis.

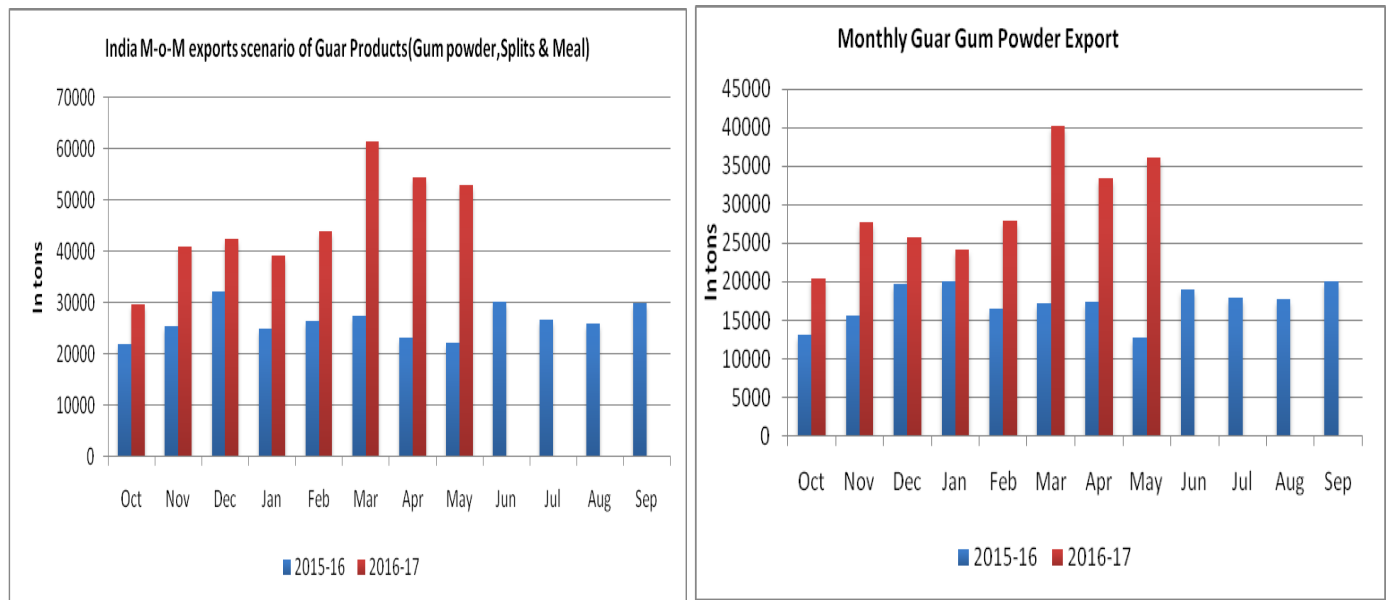
Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

- Average Guar seed prices remained weak during July 2017. All major spot markets witnessed decrease in prices. Overall arrivals were lower in July compared to last month. Highest fall in arrivals was noticed in Bhiwani and Deesa.
- In the month of July 2017, Guar seed monthly average prices decreased by Rs 16.88 per quintal compared to prior month and settled at Rs. 3585.35 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 July 2017 decreased by Rs 268 per quintal and settled at Rs 7009 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

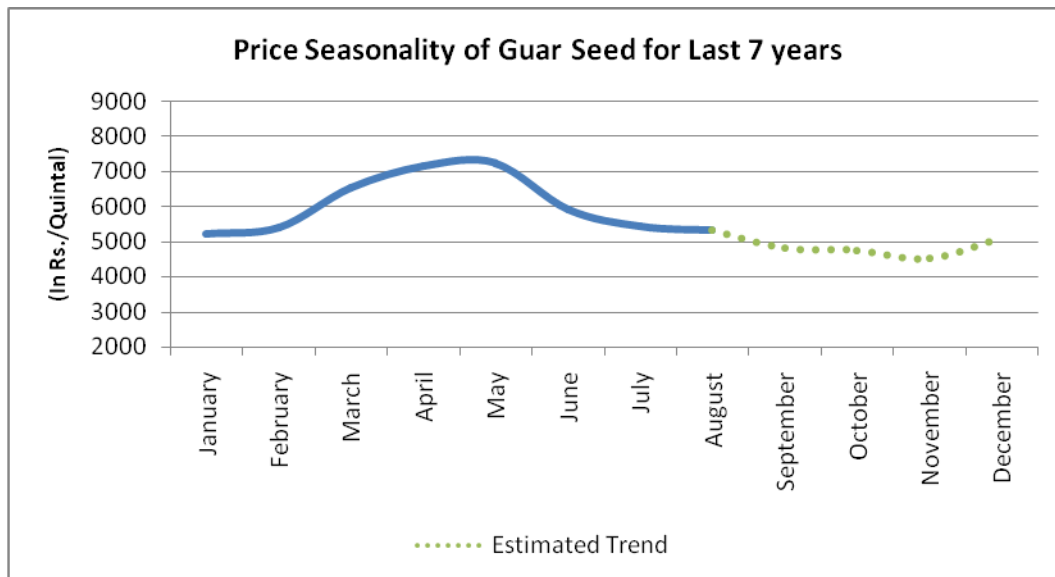


On export front, guar products export demand has decreased compared to prior month. India has exported 52983 tons of guar seed products (Gum powder, Splits & Meal) in the month of May 2017 down by 2.59 % compared to last month and up by 139.97% compared to last year for the same month.

In addition, recent month guar gum powder export increased by 182.37 % compared to previous year for the same month due to firm domestic as well as export demand.

India exported 36186 tons of guar gum powder in the month of May 2017, which is higher compared to guar gum powder exported last month by 8.06 %.

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

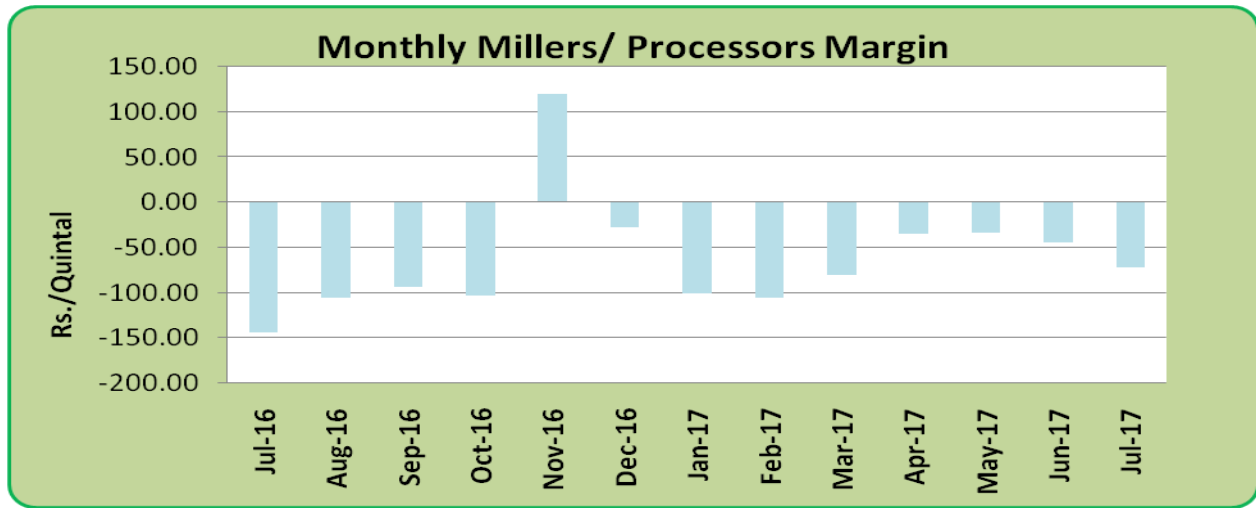
Domestic Guar Seed Supply & Demand Situation (Figures In Lakh Metric Tonnes)						
Item	2015-16	2016-17	2016-17	2016-17	2016-17	2016-17
Supply			Oct-Dec	Jan-Mar	Apr-June	July-Sept
Opening Stock	6.46	8.33	8.33	7.71	9.03	8.18
Production	15.18	11.07	10.44	0.00	0.00	0.00
Arrivals	15.18	11.07	2.21	4.54	2.77	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 July 2017, average crush margin decreased to Rs. -72.3/Quintal compared to Rs. -44.3/quintal last month.

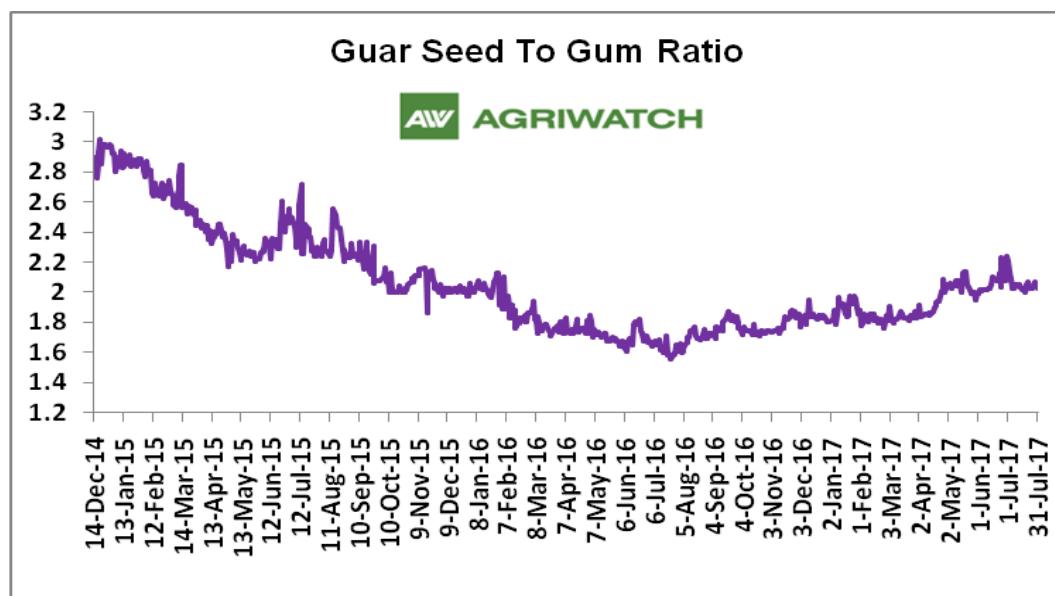
Higher prices of guar seed compared to prices of churi and korma has reduced the total return which has caused the margin to fall further.



Guar Seed To Gum Ratio:

Ratio of guar seed to gum decreased to 1.96, which in the earlier month were 2.02. 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

Guar Seed 10MT (Monthly Continuous C1 Chart)



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- Prices closed below 9 and 18 day EMA.
- RSI is moving in overbought region.
- Guar prices are moving firm as the chart depicts.

Strategy: Buy

Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	C1	3330	3225	3634	4115	4190
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	C1	Buy	Above 3620	3895	4010	3455

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Exchange: NCDEX


Technical Commentary:

- Rise in price and open interest indicates long buildup.
- RSI is moving in overbought region.
- Prices closed above 9 and 18 day EMA.
- Guar gum prices are trading firm.

Strategy: Buy

Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	C1	7015	6820	7473	8560	8715
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	C1	Buy	Above 7445	8020	8345	7238

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Monthly Average Prices:				
Commodity	Centre	July,2017	June,2017	Change
Churi	Jodhpur	1465	1436	29
Korma	Jodhpur	1803	1791	12
Churi	Sri-Ganganagar	1316	1282	33
Korma	Sri-Ganganagar	1623	1568	54
Prices in Rs/75kg				

Guar Export Monthly Average Prices:				
Commodity	Variety	July,2017	June,2017	Change
Guargum Split		1095	1135	-40
Guargum Powder	200 Mesh 5000 CPS	1405	1445	-40
	200 Mesh 3500 CPS	1324	1368	-43
Guargum Meal	40%	320	313	8
	50%	380	377	3
Prices in \$/MT				

Guar Seed Monthly Average Prices:					
Commodity	District	Centre	Monthly Prices (Average)(Rs/Qtl)		Change
			July,2017	June,2017	
Guar Seed	Jodhpur	Jodhpur (Loose)	3415	3448	-34
		Jodhpur(Delivery)	3585	3598	-13
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3211	3272	-61
		Sri-Ganganagar (Delivery)	3352	3412	-60
		Rawla (Loose)	3201	3260	-59
		Gharsana (Loose)	3185	3240	-55
		Raisinghnagar (Loose)	3241	3241	0
	Bikaner	Bikaner (Loose)	3237	3284	-47
		Bikaner (Delivery)	3399	3434	-35
		Nokha(Loose)	3212	3253	-41
		Nokha (Delivery)	3373	3370	3
		Khajuwala (Loose)	3248	3275	-27
		Khajuwala (Delivery)	3410	3406	4
		Lunkaransar (Loose)	3220	3237	-17

	Hanumangarh	Hanumangarh (Loose)	3182	3303	-121
		Hanumangarh (Delivery)	3341	3453	-112
		Nohar (Loose)	3263	3316	-54
		Pilibanga (Loose)	3164	3277	-113
	Nagaur	Nagaur (Loose)	3173	3263	-90
	Churu	Churu (Delivery)	3324	3382	-58
	Alwar	Alwar (Loose)	3065	3176	-111
Haryana	Hisar	Adampur (Loose)	3239	3307	-68
		Adampur (Delivery)	3403	3457	-54
	Bhiwani	Bhiwani (Delivery)	3364	3403	-39
		Siwani (Loose)	3333	3366	-33
	Sirsa	Sirsa (Loose)	3226	3306	-80
		Dhabwali (Loose)	3150	3266	-116
		Dhabwali (Delivery)	3307	3416	-109
		Ellanabad (Loose)	3186	3229	-43
	Fatehabad	Fatehabad (Loose)	3208	NA	-
Gujarat	Banaskantha	Deesa (Loose)	3198	3172	26
	Patan	Patan (Loose)	3031	3195	-164
	Rajkot	Rajkot (Loose)	3110	3131	-21
	Jamnagar	Dhrol (Loose)	2820	2953	-133
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7016	7277	-261
	Alwar	Alwar	6978	7288	-310
	Hanumangarh	Nohar	7021	7413	-392
Haryana	Bhiwani	Bhiwani	7066	7265	-198
	Sirsa	Sirsa	7002	7300	-298
		Dhabwali	7005	7284	-279
		Ellanabad	6998	7269	-271
	Fatehabad	Fatehabad	6830	NA	-

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Monthly Arrivals (Quintals)		Change
Guar Seed			July,2017	June,2017	
Rajasthan	Jodhpur	Jodhpur	2141	2094	47
	Sri-Ganganagar	Sri-Ganganagar	11350	8293	3057
		Rawla	1845	1530	315
		Gharsana	1157	1450	-293
		Raisinghnagar	4625	3900	725
	Bikaner	Bikaner	5827	4360	1467
		Nokha	5600	6500	-900
		Khajuwala	5175	5300	-125
		Lunkaransar	4820	5560	-740
	Hanumangarh	Hanumangarh	974	1817	-843
		Nohar	12600	16300	-3700
		Pilibanga	1260	2990	-1730
	Nagaur	Nagaur	2940	3200	-260
	Churu	Churu	9500	14900	-5400
	Alwar	Alwar	2800	5800	-3000
Haryana	Hisar	Adampur	7250	9475	-2225
	Bhiwani	Bhiwani	19300	27500	-8200
		Siwani	14700	14000	700
	Sirsa	Sirsa	9050	11200	-2150
		Dhabwali	1485	2580	-1095
		Ellanabad	2560	2280	280
	Fatehabad	Fatehabad	30	NA	-
Gujarat	Banaskantha	Deesa	1625	6720	-5095
	Patan	Patan	119	893	-774
	Rajkot	Rajkot	775	1745	-970
	Jamnagar	Dhrol	NA	76	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			129508	160463	-30955

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