

Domestic Market Summary:

- Guar seed prices are trading in a range with firm tone last week. Lower arrivals and moderate demand of guar gum from food industry change the sentiments to bullishness for short term.
- Millers and stockists will not be able to obtain guar seed stock in the coming days due to expected lower arrivals of guar seed in major markets due to lower rates and arrivals of mustard seed. Millers and punters should then artificially depress the guar seed prices creating panic in the market to obtain guar seed from short term stockists and farmers.
- 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.

Next Week Price Projections:

For the next week, prices are likely to move up to Rs 50-100 per quintal. In the Jodhpur market, delivery prices are trading at Rs 3300 and are likely to trade up to Rs 3350 per quintal.

In Ganganagar region, prices are trading at Rs 3038 per quintal which is likely to move up to Rs 3150 quintal as expected.

Current Market Dynamics

Prices of guar seed and gum surged last week due to moderate demand from food industry. Also, retail investors are not interested in long positions which likely to support the prices of guar seed in the short term. 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 (~8700 bags) compared to previous week ~8000 bags.

Similarly, In Ganganagar market, arrivals have decreased slightly last week to 5500 bags compared to prior week arrivals data i.e.6200 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.

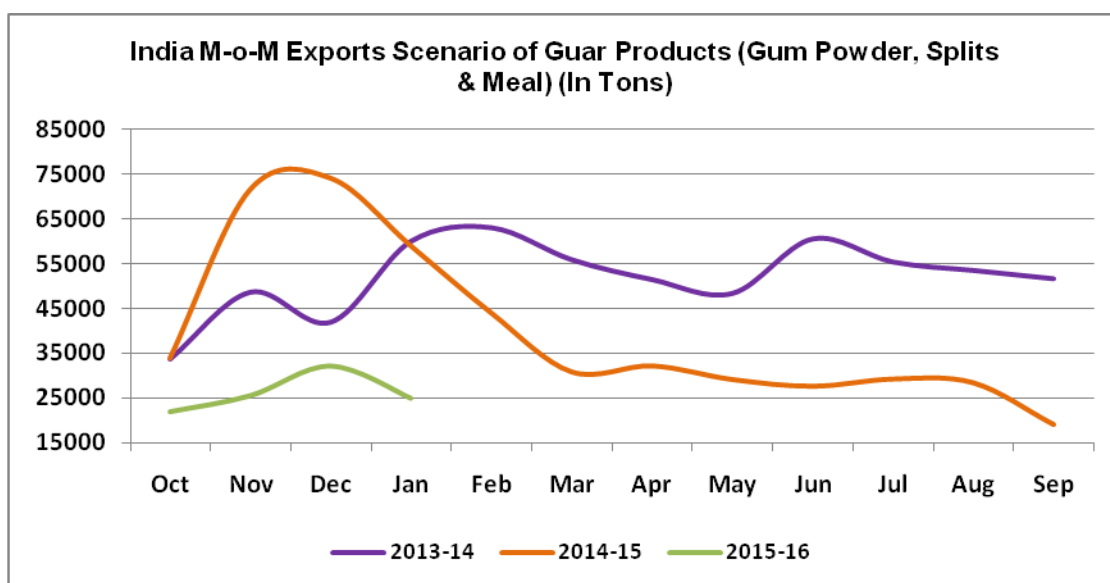
Demand Side of Guar and Guar Gum:

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.

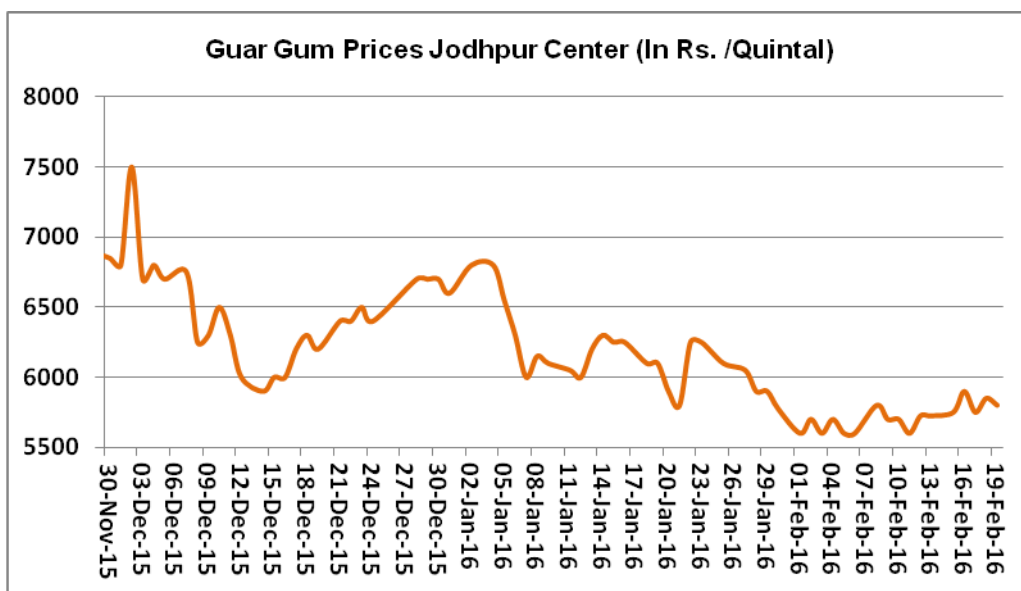
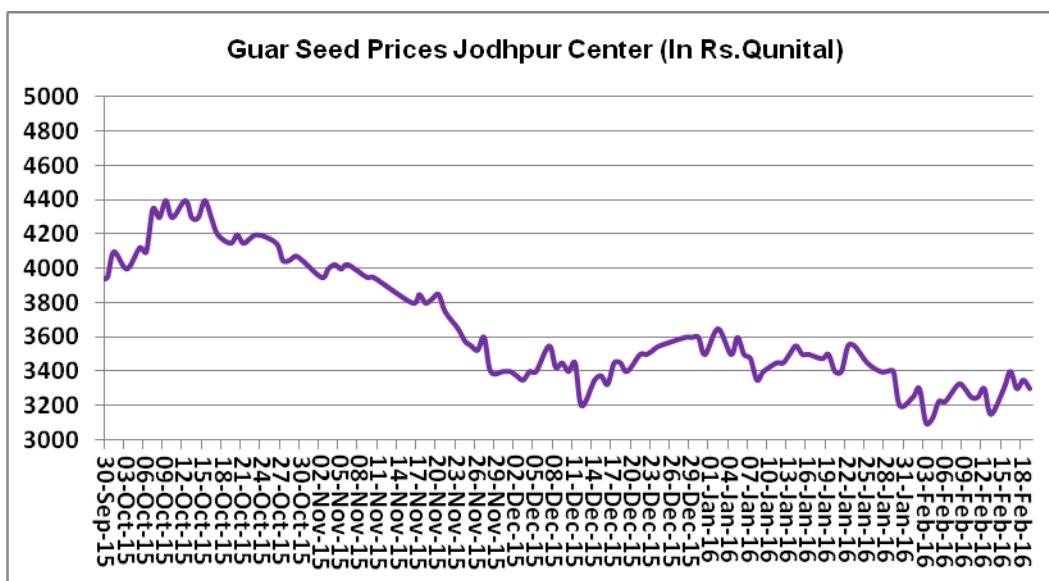
Reportedly, the quantity of unsold gum stored in US has decreased as stockists are selling it at lower quotes as unsold gum will expire soon.

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

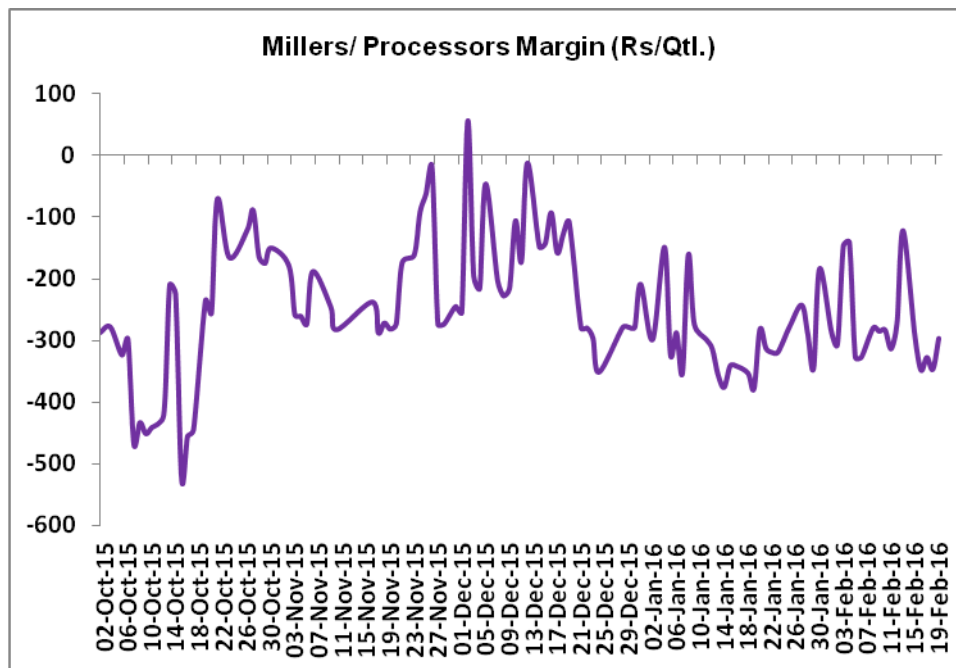


Price Scenario

In the third week of February, the average price of guar seed increased by 0.8% and was at Rs.3300/Qtl compared to previous week. Also, guar gum prices improved marginally last week by 2% at Rs.5795/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 third week of February 2015, average crush margin marginally increased to Rs. -287 /Quintal which were -291 per quintal last week. Higher degree of increase in guar gum prices compared to guar seed prices led the margin up last week.

Guar Seed To Gum Ratio:

Ratio of guar seed to gum surged this week to 1.75 which in the earlier week was 1.73. Higher increase in guar gum prices compared to guar seed increased the ratio.

However, 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.

Guar by – Products Weekly Average Prices:				
Commodity	Centre	13th to 19th Feb 16	5th to 12th Feb 16	Change
Churi	Jodhpur	1568	1542	27
Korma	Jodhpur	1783	1700	83
Churi	Sri-Ganganagar	1485	1533	-48
Korma	Sri-Ganganagar	1683	1779	-97
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	13th to 19th Feb 16	5th to 12th Feb 16	Change
Guargum Split		841	831	10
Guargum Powder	200 Mesh 5000 CPS	1134	1125	9
	200 Mesh 3500 CPS	1061	1051	9
Guargum Meal	40%	307	314	-6
	50%	336	343	-7
Prices in \$/MT				

Guar Seed Weekly Average Prices:				
Commodity	Centre	Weekly Prices (Average)		Change
Guar Seed		13th to 19th Feb 16	5th to 12th Feb 16	
Rajasthan	Jodhpur (Loose)	3100	3091	9
	Jodhpur(Delivery)	3300	3275	25
	Sri-Ganganagar(Loose)	2942	2924	18
	Sri-Ganganagar (Delivery)	3038	3075	-38
	Rawla (Loose)	2906	2880	26
	Nagaur (Loose)	2908	2867	42
	Churu (Delivery)	3167	3092	75
	Alwar (Loose)	2975	2933	42
	Bikaner (Loose)	2954	2911	43
	Bikaner (Delivery)	3154	3108	46
	Nokha(Loose)	2980	2933	47
	Nokha (Delivery)	3087	3039	48
	Khajuwala (Loose)	2928	2898	31
	Khajuwala (Delivery)	3045	3013	32
	Lunkaransar (Loose)	2938	2891	47
	Hanumangarh (Loose)	2880	2863	18

	Hanumangarh (Delivery)	3075	3063	13
Haryana	Adampur (Loose)	2954	2966	-12
	Adampur (Delivery)	3138	3158	-20
	Sirsa (Loose)	2927	2875	52
	Bhiwani (Delivery)	3138	3088	49
	Dhabwali (Loose)	2871	2848	23
	Dhabwali (Delivery)	3071	3050	21
	Siwani (Loose)	3063	3028	34
	Ellanabad (Loose)	2915	2896	19
	Fatehabad (Loose)	2908	2808	100
Gujarat	Deesa (Loose)	3500	NA	-
	Patan (Loose)	2969	3070	-101
	Rajkot (Loose)	2981	2918	63
	Dhrol (Loose)	2849	2910	-61
Madhya pradesh	Dabra (Loose)	3000	3000	Unch
Guar Gum				
Rajasthan	Jodhpur	5796	5688	108
	Alwar	5833	5742	92
Haryana	Sirsa	5767	5675	92
	Bhiwani	6008	6017	-8
	Dhabwali	5808	5683	125
	Ellanabad	5770	5683	87
	Fatehabad	5667	5508	158

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	Centre	Today	Week ago	Month ago	Year ago
Guar Seed		19-Feb-16	12-Feb-16	19-Jan-16	19-Feb-15
Rajasthan	Jodhpur (Loose)	3100	3125	3300	3600
	Jodhpur(Delivery)	3300	3300	3500	3800
	Sri-Ganganagar(Loose)	2900	2980	3060	3715
	Sri-Ganganagar (Delivery)	3000	3150	3250	3915
	Nagaur (Loose)	2850	2900	3000	3660
	Churu (Delivery)	3200	3100	NR	3800
	Alwar (Loose)	3000	2950	NR	3600
	Bikaner (Loose)	2950	2950	3100	3650
	Bikaner (Delivery)	3150	3150	3300	3850
	Nokha(Loose)	3000	2960	3100	3700
	Nokha (Delivery)	3108	3067	3212	3833
	Khajuwala (Loose)	2910	2910	3050	NR

	Khajuwala (Delivery)	2915	2910	3050	NR
	Hanumangarh (Loose)	2850	2900	3050	3550
	Hanumangarh (Delivery)	3050	3100	3250	3750
Haryana	Adampur (Loose)	2900	3000	3120	3750
	Adampur (Delivery)	3100	3150	3320	3850
	Sirsa (Loose)	2925	2900	3070	3675
	Bhiwani (Delivery)	3125	3150	3100	3800
	Dhabwali (Loose)	2800	2900	3000	3615
	Dhabwali (Delivery)	3000	3100	3200	3815
	Siwani (Loose)	3050	3060	3225	3725
	Ellanabad (Loose)	2900	2900	3050	NR
	Fatehabad (Loose)	2800	2800	3050	NR
Gujarat	Deesa (Loose)	NA	NA	3105	3665
	Patan (Loose)	Closed	2995	3125	3850
	Rajkot (Loose)	3025	2980	3100	4055
	Dhrol (Loose)	2775	2950	3060	NR
Madhya pradesh	Dabra (Loose)	2900	3000	3150	3100
Guar Gum					
Rajasthan	Jodhpur	5800	5725	6100	9100
	Alwar	5900	5800	NR	9000
Haryana	Sirsa	5800	5700	6050	9200
	Bhiwani	6000	6000	5500	9270
	Dhabwali	5800	5700	6000	9100
	Ellanabad	5800	5700	6150	NR
	Fatehabad	5500	5500	6000	NR

Guar Cumulative Arrivals in Key Centers:				
Commodity	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed		13th to 19th Feb 16	5th to 12th Feb 16	
Rajasthan	Jodhpur	1410	280	1130
	Sri-Ganganagar	5500	6200	-700
	Rawla	4800	3800	1000
	Nagaur	800	825	-25
	Churu	3200	3300	-100
	Alwar	2100	1900	200
	Bikaner	5300	8000	-2700
	Nokha	1050	950	100
	Khajuwala	10300	13000	-2700
	Lunkaransar	1950	3000	-1050

	Hanumangarh	1000	1300	-300
Haryana	Adampur	8700	8000	700
	Sirsa	3500	4000	-500
	Bhiwani	11000	5300	5700
	Dhabwali	810	950	-140
	Siwani	2600	2400	200
	Ellanabad	2800	3250	-450
	Fatehabad	192	155	37
Gujarat	Deesa	5	NA	-
	Patan	375	594	-219
	Rajkot	1265	875	390
	Dhrol	61	13	48
Madhya pradesh	Dabra	780	875	-95
Total Arrivals		69498	68967	531

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 5th 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 5650.00 H 5830.00 L 5650.00 C 5790.00 V 5,343 I 20,060 +90 +1.58%
BOL(EXPONENTIAL, 10, 2.0) 6017.41 6728.36 5306.45



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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