

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

Guar seed prices continue its rally third consecutive week due to lower arrivals in the market of guar seed. Farmers are indulging in harvest of mustard seed, which hampers arrivals of guar seed. 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.

On the currency front, Indian rupee against USD closed at 66.5, down 0.54 Rs compared to the previous week. Strengthening of Rupee in terms of dollar also discourage exporters of guar gum.

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 higher arrivals (~3550 bags) compared to previous week ~5700 bags.

Similarly, In Ganganagar market, arrivals have decreased slightly last week to 3900 bags compared to prior week arrivals data i.e.5000 bags.

We expect guar seed prices to stay in a range with in the coming week.

Recommendation:

Weekly Call - : Market participants are advised to go short in Guar seed at 3170 levels for a target of 3100 with a stop loss at 3220 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

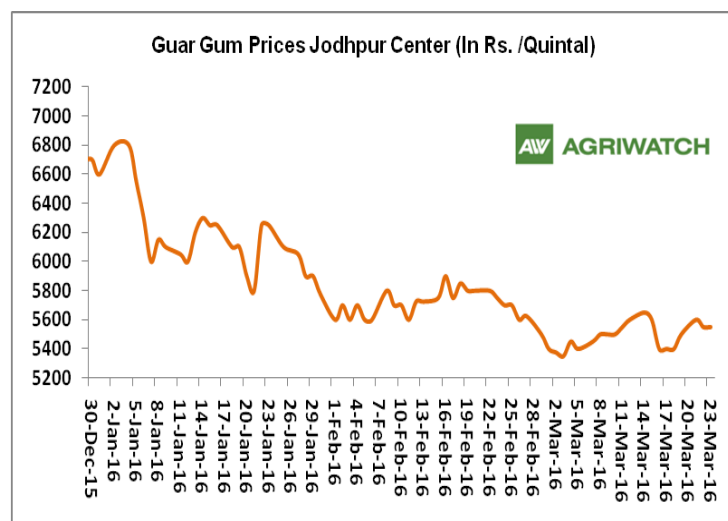
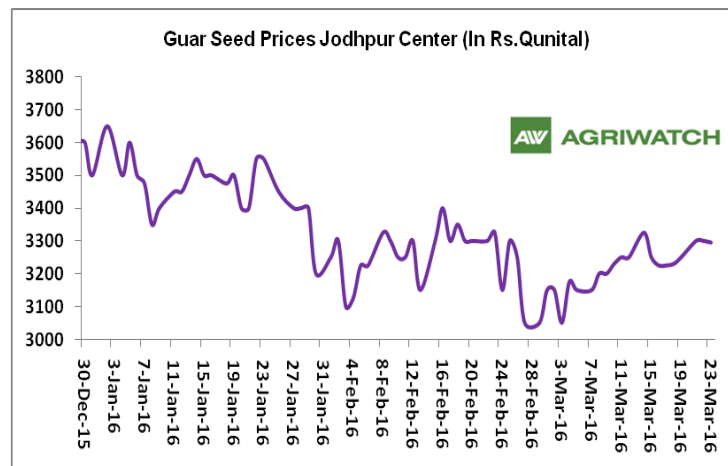
Domestic Front

- Guar seed and gum prices surged slightly due to lower arrivals.
- In the fourth week of March 2016, Guar seed weekly average prices surged during the week by 1.1% compared to prior week and settled at Rs. 3286 per quintal. Lower arrivals of guar seed in open markets support the prices.
- Also, Guar gum weekly average prices surged by 0.8% and was settle at Rs 5550 per quintal.

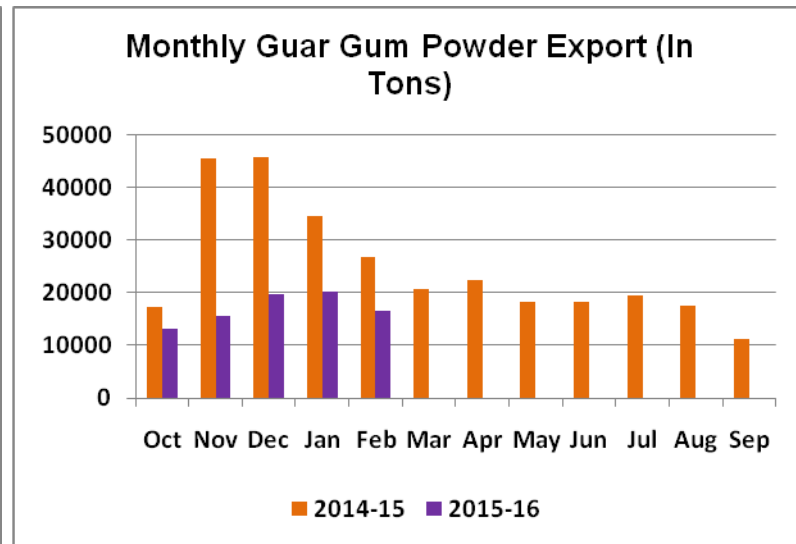
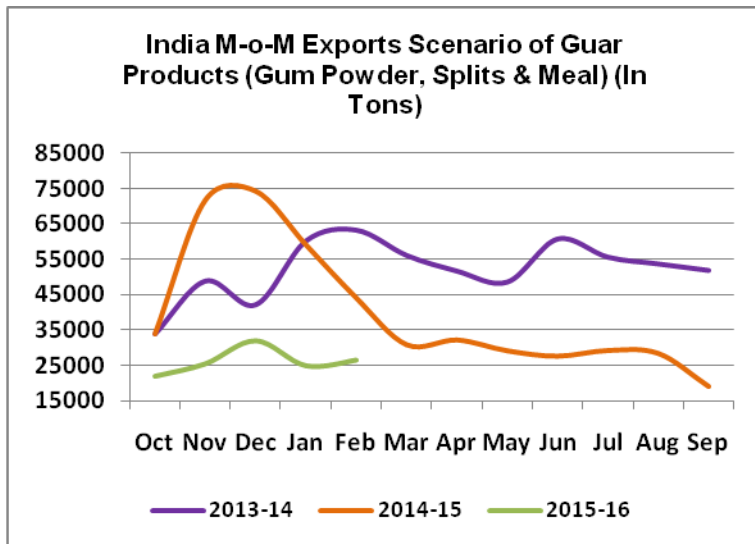
- Guar seed summer sowing continuously falling and lacking behind last year sowing figures. According to

Gujarat agriculture director recent report, farmers have sown only 2500 hectares of guar seed till 14th March 2016 which is 76% 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 small survey done by Agriwatch.

- India export 4932.4 tons of guar gum powder in the third week of March which is 10.5% higher compared to prior week. Recent export figures takes the overall month export figures to 12857 tons till third week of March.
- We expect guar seed and gum prices to trade sideways to weak in the coming days.



Export Scenario



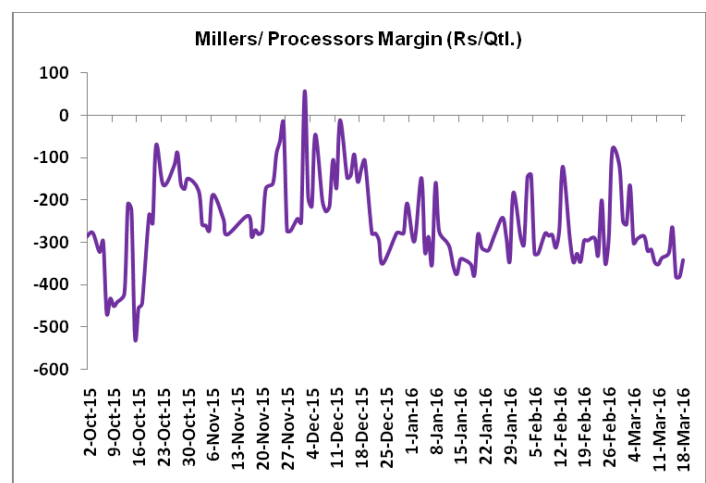
On export front, guar products export demand improved slightly compared to prior month. India has exported 26485 tons of guar seed products (Gum powder, Splits & Meal) in the month of February 2016 up 6.6% compared to last month.

However, recent gum export declined by 18% compared to previous month due to weak overseas demand. Reportedly, around 90% of the guar gum powder mills closed due to lesser demand from overseas.

Millers/Processors Margin

As seen in the chart, the average crushing margin of guar seed has decreased compared to previous week. In the third week of March 2015, average crush margin decreased to Rs. -337.80 /Quintal, which were -318.25 per quintal last week.

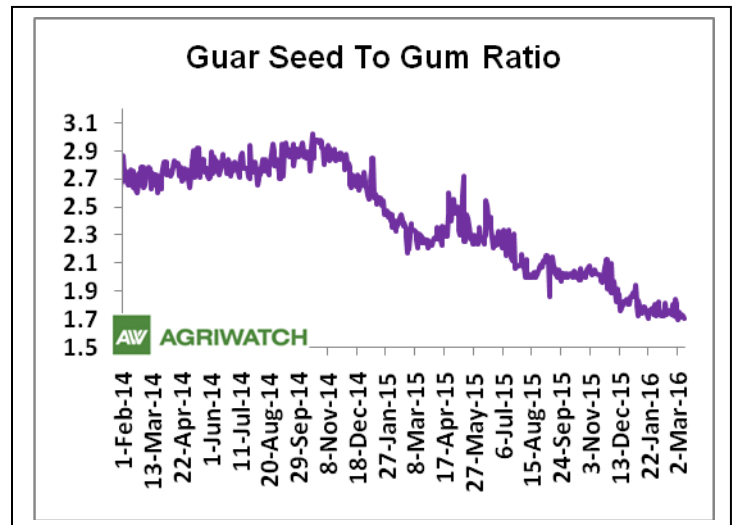
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down last week.



Guar Seed To Gum Ratio:

Ratio of guar seed to gum declined slightly last week to 1.69 which in the earlier week was 1.71. Higher increase in guar seed prices compared to guar gum 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
Contract: Apr
Exchange: NCDEX
Expiry: Apr 20, 2016

Guar Seed 10MT (Weekly Apr Contract Chart)



Technical Commentary:

- Guar prices are trading in downward trend.
- However, RSI is hovering near to oversold region
- Prices likely to trade between Rs 2900-3300 per quintal in the coming weeks.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	Apr	2845	2900	3138	3243	3500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Apr	Sell	Below 3170	3070	3020	3230

Commodity: Guar Gum
Contract: Apr

Exchange: NCDEX
Expiry: Apr 20, 2016

Guar Gum (Apr Weekly Chart)



Technical Commentary:

- Guar gum prices are trading in a falling wedge.
- RSI is hovering at oversold region
- Last candlestick depicts bearishness in the market.
- Prices likely to trade between Rs 5200-6200 per quintal in the coming weeks.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Apr	4800	5170	5530	6100	6500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Apr	Sell	Below 5650	5350	5200	5830

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	19th to 25th Mar.16	12th to 18th Mar.16	Change
Churi	Jodhpur	1475	1513	-38
Korma	Jodhpur	1819	1825	-6
Churi	Sri-Ganganagar	1589	1608	-20
Korma	Sri-Ganganagar	1806	1896	-90
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	19th to 25th Mar.16	12th to 18th Mar.16	Change
Guargum Split		837	826	12
Guargum Powder	200 Mesh 5000 CPS	1137	1124	13
	200 Mesh 3500 CPS	1062	1050	13
Guargum Meal	40%	342	333	9
	50%	390	378	12
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			19th to 25th Mar.16	12th to 18th Mar.16	
Rajasthan	Jodhpur	Jodhpur (Loose)	3136	3101	35
		Jodhpur(Delivery)	3286	3251	35
	Sri-Ganganagar	Sri-Ganganagar(Loose)	2946	2910	36
		Sri-Ganganagar (Delivery)	3006	3004	2
		Rawla (Loose)	2896	2880	16
		Gharsana (Loose)	2891	2875	16
		Raisinghnagar (Loose)	2905	2915	-10
	Bikaner	Bikaner (Loose)	2947	2929	18
		Bikaner (Delivery)	3097	3079	18
		Nokha(Loose)	2918	2912	6
		Nokha (Delivery)	3023	3016	6
		Khajuwala (Loose)	2966	2917	50
		Khajuwala (Delivery)	3085	3033	52
		Lunkaransar (Loose)	2920	2913	7
	Hanumangarh	Hanumangarh (Loose)	2888	2880	8
		Hanumangarh (Delivery)	3038	3030	8

		Nohar (Loose)	2956	2919	37
		Pilibanga (Loose)	2931	2919	12
	Nagaur	Nagaur (Loose)	2863	2867	-4
	Churu	Churu (Delivery)	3100	3050	50
	Alwar	Alwar (Loose)	2900	2883	17
Haryana	Hisar	Adampur (Loose)	2954	2927	27
		Adampur (Delivery)	3104	3077	27
	Bhiwani	Bhiwani (Delivery)	3116	3105	11
		Siwani (Loose)	3072	3070	2
	Sirsa	Sirsa (Loose)	2920	2919	1
		Dhabwali (Loose)	2850	2824	26
		Dhabwali (Delivery)	2888	2948	-60
		Ellanabad (Loose)	2940	2943	-3
	Fatehabad	Fatehabad (Loose)	2870	2838	33
Gujarat	Banaskantha	Deesa (Loose)	3800	3833	-33
	Patan	Patan (Loose)	2919	3004	-85
	Rajkot	Rajkot (Loose)	2941	2950	-9
	Jamnagar	Dhrol (Loose)	2687	2798	-112
Madhya pradesh	Gwalior	Dabra (Loose)	3000	3020	-20
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	5550	5508	42
	Alwar	Alwar	5580	5567	13
	Hanumangarh	Nohar	5763	5617	146
Haryana	Bhiwani	Bhiwani	5675	5633	42
	Sirsa	Sirsa	5510	5500	10
		Dhabwali	5663	5604	58
		Ellanabad	5538	5550	-13
	Fatehabad	Fatehabad	5500	5467	33

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			25-Mar-16	18-Mar-16	25-Feb-16	25-Mar-15
Rajasthan	Jodhpur	Jodhpur (Loose)	Closed	3080	3100	3450
		Jodhpur(Delivery)	Closed	3230	3300	3800
	Sri-Ganganagar	Sri-Ganganagar(Loose)	Closed	2850	2880	3600
		Sri-Ganganagar (Delivery)	Closed	2925	2950	3800
		Rawla (Loose)	2895	2850	2865	3555

		Gharsana (Loose)	2870	2850	2890	3560
		Raisinghnagar (Loose)	2950	2880	2860	3600
	Bikaner	Bikaner (Loose)	Closed	2900	2900	3625
		Bikaner (Delivery)	Closed	3050	3175	3775
		Nokha(Loose)	Closed	2880	2920	3620
		Nokha (Delivery)	Closed	2984	3025	3750
		Khajuwala (Loose)	Closed	2880	2890	3625
		Khajuwala (Delivery)	Closed	2995	3006	3770
		Lunkaransar (Loose)	Closed	2875	2900	3530
	Hanumangarh	Hanumangarh (Loose)	2850	2850	2875	3700
		Hanumangarh (Delivery)	3000	3000	3175	3850
		Nohar (Loose)	2940	2915	2900	NR
		Pilibanga (Loose)	2925	2900	2850	3584
	Nagaur	Nagaur (Loose)	2850	2900	2800	3600
	Churu	Churu (Delivery)	3100	3000	3200	3800
	Alwar	Alwar (Loose)	2900	2850	3000	3600
Haryana	Hisar	Adampur (Loose)	2960	2925	2900	3600
		Adampur (Delivery)	3110	3075	3100	3750
	Bhiwani	Bhiwani (Delivery)	3100	3070	3100	3800
		Siwani (Loose)	3060	3060	3000	3750
	Sirsa	Sirsa (Loose)	2900	2850	2875	3600
		Dhabwali (Loose)	2850	2765	2900	3600
		Dhabwali (Delivery)	2850	2915	3100	3750
		Ellanabad (Loose)	2925	2925	2900	3625
	Fatehabad	Fatehabad (Loose)	2850	2800	2825	NR
Gujarat	Banaskantha	Deesa (Loose)	Closed	3500	NR	3580
	Patan	Patan (Loose)	Closed	2950	2950	NR
	Rajkot	Rajkot (Loose)	Closed	2875	2900	NR
	Jamnagar	Dhrol (Loose)	NR	2810	NR	NR
Madhya pradesh	Gwalior	Dabra (Loose)	Closed	3000	3100	3200
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	Closed	5400	5700	8600
	Alwar	Alwar	5600	5500	5800	8600
	Hanumangarh	Nohar	5800	5700	5700	NA
Haryana	Bhiwani	Bhiwani	5700	5500	5750	9000
	Sirsa	Sirsa	5500	5400	5650	8500
		Dhabwali	5700	5425	5700	8500
		Ellanabad	5550	5450	5700	8600
	Fatehabad	Fatehabad	5500	5400	5550	NA

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			19th to 25th Mar.16	12th to 18th Mar.16	
Rajasthan	Jodhpur	Jodhpur	888	1020	-132
	Sri-Ganganagar	Sri-Ganganagar	5300	3900	1400
		Rawla	1700	2450	-750
		Gharsana	1350	2550	-1200
		Raisinghnagar	4100	4400	-300
	Bikaner	Bikaner	1700	5200	-3500
		Nokha	850	1150	-300
		Khajuwala	2500	5500	-3000
		Lunkaransar	1250	1790	-540
	Hanumangarh	Hanumangarh	1300	850	450
		Nohar	2300	2400	-100
		Pilibanga	1250	1700	-450
	Nagaur	Nagaur	325	920	-595
	Churu	Churu	1900	3000	-1100
	Alwar	Alwar	900	1650	-750
Haryana	Hisar	Adampur	5700	3550	2150
	Bhiwani	Bhiwani	5600	7700	-2100
		Siwani	2900	3800	-900
	Sirsa	Sirsa	2600	2400	200
		Dhabwali	460	775	-315
		Ellanabad	3000	3650	-650
	Fatehabad	Fatehabad	160	260	-100
Gujarat	Banaskantha	Deesa	NA	NA	-
	Patan	Patan	202	412	-210
	Rajkot	Rajkot	550	870	-320
	Jamnagar	Dhrol	87	54	33
Madhya pradesh	Gwalior	Dabra	1350	1650	-300
Total Arrivals/Above Markets			50222	63601	-13379



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