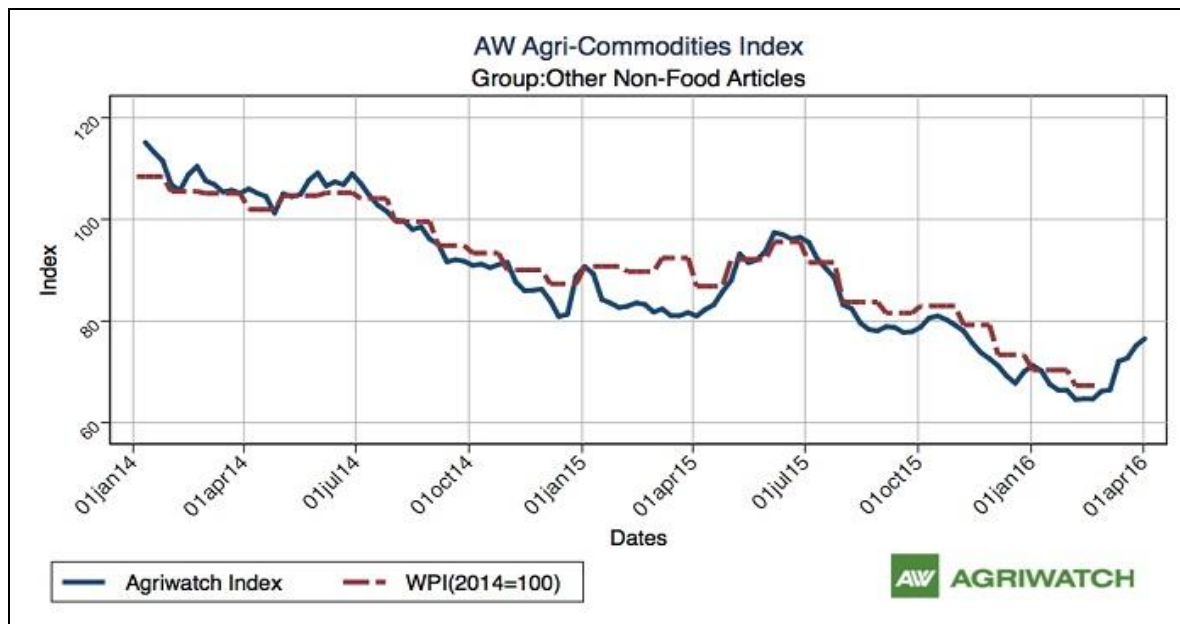


# Guar Weekly Research Report

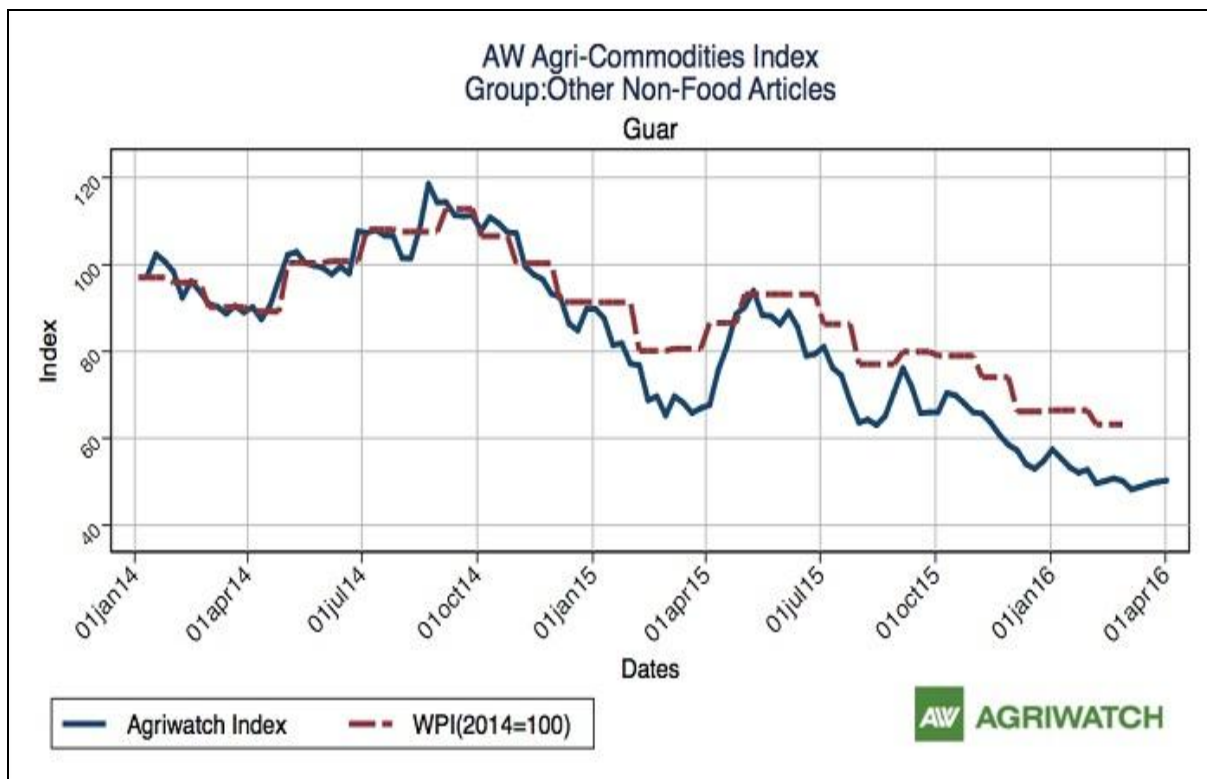
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### Agriwatch Agri Commodity Index – Other Non-Food Articles



The above chart depicts Agriwatch Agri Commodity Other non-food articles index. Other non-food articles Index rose 1.84% during the week ended Apr 2, 2016.



## **Executive Summary**

### **Domestic Guar Seed Market Summary**

*Guar seed prices continued the rally fourth consecutive week due to lower arrivals and firm Churi and Korma prices which support the guar seed in spot markets. 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 66.33, depreciate 0.40 Rs compared to the previous week. Overall strengthening of Rupee in terms of dollar also discourages exports of guar gum and powder*

*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 lower arrivals (~3700 bags) compared to previous week ~5700 bags.*

*Similarly, In Ganganagar market, arrivals have increased slightly last week to 7000 bags compared to prior week arrivals data i.e.5300 bags.*

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

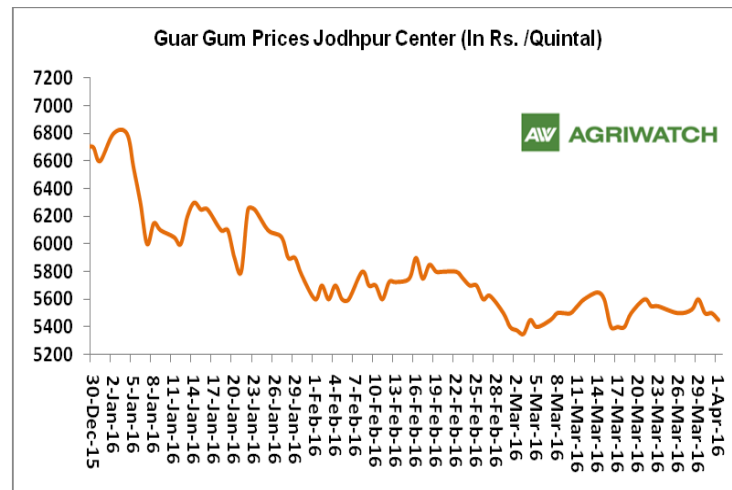
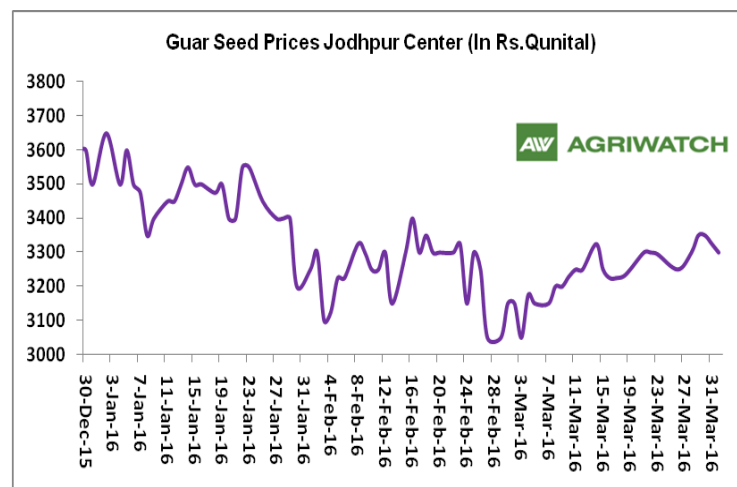
### **Recommendation:**

*Weekly Call - : Market participants advised to go short in Guar seed at 3300 levels for a target of 3200 with a stop loss at 3360 on closing basis.*

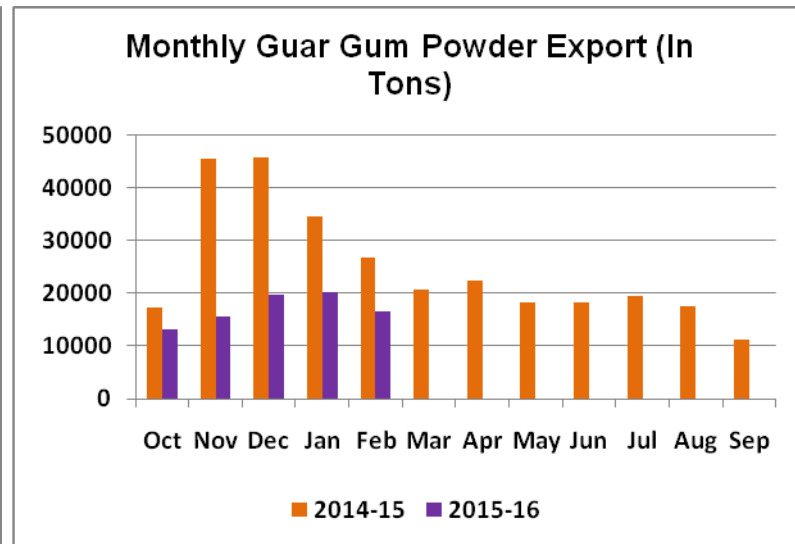
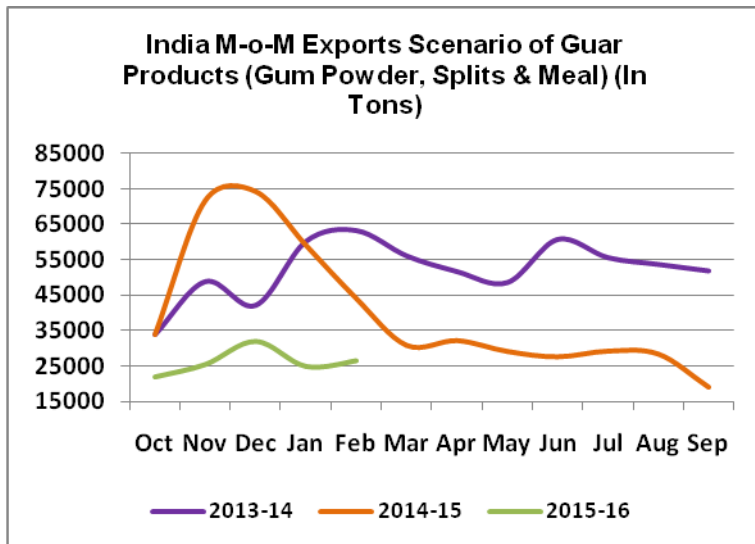
## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

- Guar seed and gum prices surged slightly due to lower arrivals.
- In the fifth week of March 2016, Guar seed weekly average prices surged during the week by 0.8% compared to prior week and settled at Rs. 3312 per quintal. Lower arrivals of guar seed and good demand of Churi and Korma prices support the prices.
- However, Guar gum weekly average prices surged by 0.8% and was settle at Rs 5550 per quintal.
- Declining cotton prices and back to back crop failures urge Haryana and Punjab farmers to shift to other substitute crops like guar and pulses. However, prices of guar seed also trading near to its 5 years lowest levels but farmers would prefer guar over cotton due to lower cost of production of guar seed.
- Guar seed summer sowing continuously falling and lacking behind last year sowing figures. According to Gujarat agriculture director recent report, farmers have sown only 3700 hectares of guar seed till 28th March 2016 which is 74% 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 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 in the coming days.



### Export Scenario



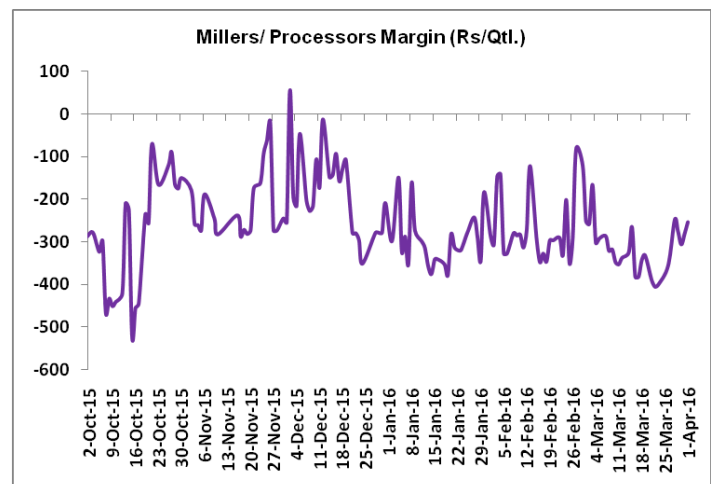
On export front, guar products export demand improved slightly compared to prior month. India has exported 26485 tons of guar seed products (Gum powder, Splits & Meal) in the month of February 2016 up 6.6% compared to last month.

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 fifth week of March 2015, average crush margin recovered up to Rs. -285.18/Quintal, which were -380.75 per quintal last week.

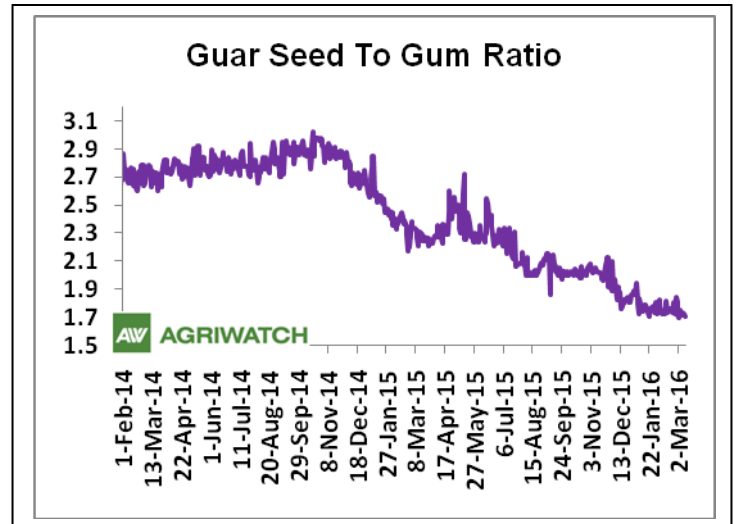
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down last week.



### Guar Seed To Gum Ratio:

Ratio of guar seed to gum declined last week to 1.66 which in the earlier week was 1.68. Increase in guar seed prices and decreasing 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 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.

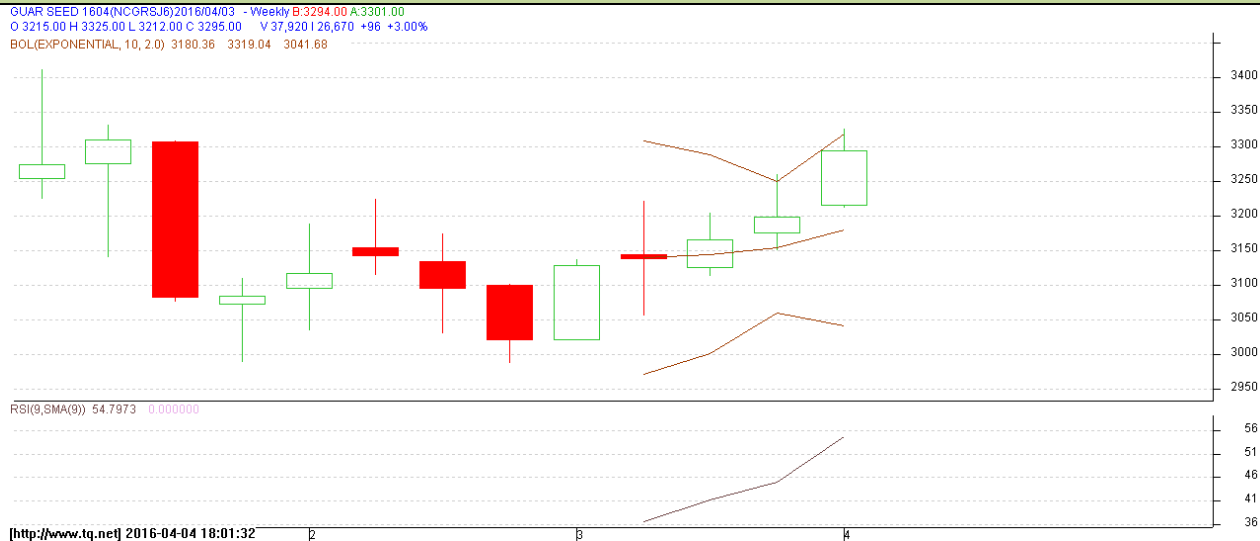


### Technical Analysis (Guar Seed)

**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	3199	3500	3620
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	Apr	<b>Sell</b>	Below 3300	3200	3160	3360



**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	5410	6100	6500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Apr	<b>Sell</b>	Below 5600	5400	5300	5720



**Guar Seed & Gum Prices at Key Spot Markets**

<b>Guar by – Products Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Centre</b>	<b>26th Mar to 01st Apr.16</b>	<b>19th to 25th Mar.16</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1667	1475	<b>192</b>
<b>Korma</b>	Jodhpur	1933	1819	<b>115</b>
<b>Churi</b>	Sri-Ganganagar	1633	1589	<b>45</b>
<b>Korma</b>	Sri-Ganganagar	1906	1806	<b>100</b>
<b>Prices in Rs/75kg</b>				

<b>Guar Export Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Variety</b>	<b>26th Mar to 01st Apr.16</b>	<b>19th to 25th Mar.16</b>	<b>Change</b>
<b>Guargum Split</b>		839	837	<b>2</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1140	1137	<b>3</b>
	200 Mesh 3500 CPS	1065	1062	<b>2</b>
<b>Guargum Meal</b>	40%	343	342	<b>1</b>
	50%	393	390	<b>3</b>
<b>Prices in \$/MT</b>				

<b>Guar Seed Weekly Average Prices:</b>					
<b>Commodity</b>	<b>District</b>	<b>Centre</b>	<b>Weekly Prices (Average ) (Rs/Qtl)</b>		<b>Change</b>
<b>Guar Seed</b>			<b>26th Mar to 01st Apr.16</b>	<b>19th to 25th Mar.16</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3163	3136	<b>26</b>
		Jodhpur(Delivery)	3313	3286	<b>26</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	2983	2946	<b>37</b>
		Sri-Ganganagar (Delivery)	3040	3006	<b>34</b>
		Rawla (Loose)	2937	2896	<b>41</b>
		Gharsana (Loose)	2953	2891	<b>62</b>
		Raisinghnagar (Loose)	2963	2905	<b>58</b>
	<b>Bikaner</b>	Bikaner (Loose)	3013	2947	<b>66</b>
		Bikaner (Delivery)	3163	3097	<b>66</b>
		Nokha(Loose)	3000	2918	<b>83</b>
		Nokha (Delivery)	3108	3023	<b>85</b>
		Khajuwala (Loose)	3007	2966	<b>40</b>
		Khajuwala (Delivery)	3127	3085	<b>42</b>
		Lunkaransar (Loose)	2970	2920	<b>50</b>

	<b>Hanumangarh</b>	Hanumangarh (Loose)	2942	2888	54
		Hanumangarh (Delivery)	3092	3038	54
		Nohar (Loose)	3002	2956	45
		Pilibanga (Loose)	2928	2931	-4
	<b>Nagaur</b>	Nagaur (Loose)	2900	2863	38
	<b>Churu</b>	Churu (Delivery)	3117	3100	17
	<b>Alwar</b>	Alwar (Loose)	2925	2900	25
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3010	2954	56
		Adampur (Delivery)	3160	3104	56
	<b>Bhiwani</b>	Bhiwani (Delivery)	3129	3116	13
		Siwani (Loose)	3108	3072	36
	<b>Sirsa</b>	Sirsa (Loose)	2971	2920	51
		Dhabwali (Loose)	2908	2850	58
		Dhabwali (Delivery)	2908	2888	20
		Ellanabad (Loose)	2977	2940	37
	<b>Fatehabad</b>	Fatehabad (Loose)	2922	2870	52
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	4000	3800	200
	<b>Patan</b>	Patan (Loose)	2935	2919	16
	<b>Rajkot</b>	Rajkot (Loose)	2955	2941	14
	<b>Jamnagar</b>	Dhrol (Loose)	NA	2687	-
<b>Madhya pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	3160	3000	160
<b>Guar Gum</b>					
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	5513	5550	-38
	<b>Alwar</b>	Alwar	5550	5580	-30
	<b>Hanumangarh</b>	Nohar	5733	5763	-29
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	5658	5675	-17
	<b>Sirsa</b>	Sirsa	5532	5510	22
		Dhabwali	5608	5663	-54
		Ellanabad	5625	5538	88
	<b>Fatehabad</b>	Fatehabad	5575	5500	75

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			1-Apr-16	25-Mar-16	1-Mar-16	1-Apr-15
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3150	Closed	3000	3600
		Jodhpur(Delivery)	3300	Closed	3150	3800
	<b>Sri-</b>	Sri-Ganganagar(Loose)	3000	Closed	2865	3550

	<b>Ganganagar</b>	Sri-Ganganagar (Delivery)	3050	Closed	2925	3750
		Rawla (Loose)	2940	2895	2825	3358
		Gharsana (Loose)	2960	2870	2750	3560
		Raisinghnagar (Loose)	3015	2950	2800	3550
	<b>Bikaner</b>	Bikaner (Loose)	3010	Closed	2825	3675
		Bikaner (Delivery)	3160	Closed	2975	3825
		Nokha(Loose)	3020	Closed	2880	NR
		Nokha (Delivery)	3129	Closed	2984	NR
		Khajuwala (Loose)	3020	Closed	2820	3660
		Khajuwala (Delivery)	3141	Closed	2933	3806
		Lunkaransar (Loose)	3000	Closed	2800	3585
	<b>Hanumangarh</b>	Hanumangarh (Loose)	2950	2850	2750	3625
		Hanumangarh (Delivery)	3100	3000	2900	3775
		Nohar (Loose)	3030	2940	2850	NR
		Pilibanga (Loose)	2900	2925	2775	3631
	<b>Nagaur</b>	Nagaur (Loose)	2900	2850	2850	NR
	<b>Churu</b>	Churu (Delivery)	3100	3100	3100	3800
	<b>Alwar</b>	Alwar (Loose)	2900	2900	2900	3600
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3000	2960	2850	3640
		Adampur (Delivery)	3150	3110	3000	3790
	<b>Bhiwani</b>	Bhiwani (Delivery)	3100	3100	3000	3750
		Siwani (Loose)	3100	3060	2975	3800
	<b>Sirsa</b>	Sirsa (Loose)	2950	2900	2840	3600
		Dhabwali (Loose)	2900	2850	2750	3675
		Dhabwali (Delivery)	2900	2850	2900	3800
		Ellanabad (Loose)	3000	2925	2800	3650
	<b>Fatehabad</b>	Fatehabad (Loose)	2950	2850	2750	NR
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	4000	Closed	NR	3550
	<b>Patan</b>	Patan (Loose)	2935	Closed	2900	NR
	<b>Rajkot</b>	Rajkot (Loose)	2955	Closed	2895	NR
	<b>Jamnagar</b>	Dhrol (Loose)	Closed	Closed	NR	NR
<b>Madhya pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	3200	Closed	2945	NR
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	5450	Closed	5400	8600
	<b>Alwar</b>	Alwar	5500	5600	5500	8700
	<b>Hanumangarh</b>	Nohar	5700	5800	5450	NR
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	5550	5700	5550	8600
	<b>Sirsa</b>	Sirsa	5500	5500	5400	8500

		Dhabwali	5550	5700	5600	8500
		Ellanabad	5650	5550	5400	8600
	<b>Fatehabad</b>	Fatehabad	5600	5500	5450	NR

<b>Guar Cumulative Arrivals in Key Centers:</b>					
<b>Commodity</b>	<b>District</b>	<b>Centre</b>	<b>Weekly Arrivals (Quintals)</b>		<b>Change</b>
<b>Guar Seed</b>			<b>26th Mar to 01st Apr.16</b>	<b>19th to 25th Mar.16</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	735	888	<b>-153</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar	7000	5300	<b>1700</b>
		Rawla	1950	1700	<b>250</b>
		Gharsana	2400	1350	<b>1050</b>
		Raisinghnagar	4400	4100	<b>300</b>
	<b>Bikaner</b>	Bikaner	3500	1700	<b>1800</b>
		Nokha	1600	850	<b>750</b>
		Khajuwala	4100	2500	<b>1600</b>
		Lunkaransar	2200	1250	<b>950</b>
	<b>Hanumangarh</b>	Hanumangarh	850	1300	<b>-450</b>
		Nohar	5100	2300	<b>2800</b>
		Pilibanga	1750	1250	<b>500</b>
	<b>Nagaur</b>	Nagaur	150	325	<b>-175</b>
	<b>Churu</b>	Churu	2300	1900	<b>400</b>
	<b>Alwar</b>	Alwar	900	900	<b>Unch</b>
<b>Haryana</b>	<b>Hisar</b>	Adampur	3700	5700	<b>-2000</b>
	<b>Bhiwani</b>	Bhiwani	8800	5600	<b>3200</b>
		Siwani	4600	2900	<b>1700</b>
	<b>Sirsa</b>	Sirsa	2300	2600	<b>-300</b>
		Dhabwali	900	460	<b>440</b>
		Ellanabad	2250	3000	<b>-750</b>
	<b>Fatehabad</b>	Fatehabad	200	160	<b>40</b>
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa	NA	NA	<b>-</b>
	<b>Patan</b>	Patan	88	202	<b>-114</b>
	<b>Rajkot</b>	Rajkot	110	550	<b>-440</b>
	<b>Jamnagar</b>	Dhrol	NA	87	<b>-</b>
<b>Madhya pradesh</b>	<b>Gwalior</b>	Dabra	1100	1350	<b>-250</b>
<b>Total Arrivals/Above Markets</b>			<b>62983</b>	<b>50222</b>	<b>12761</b>



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