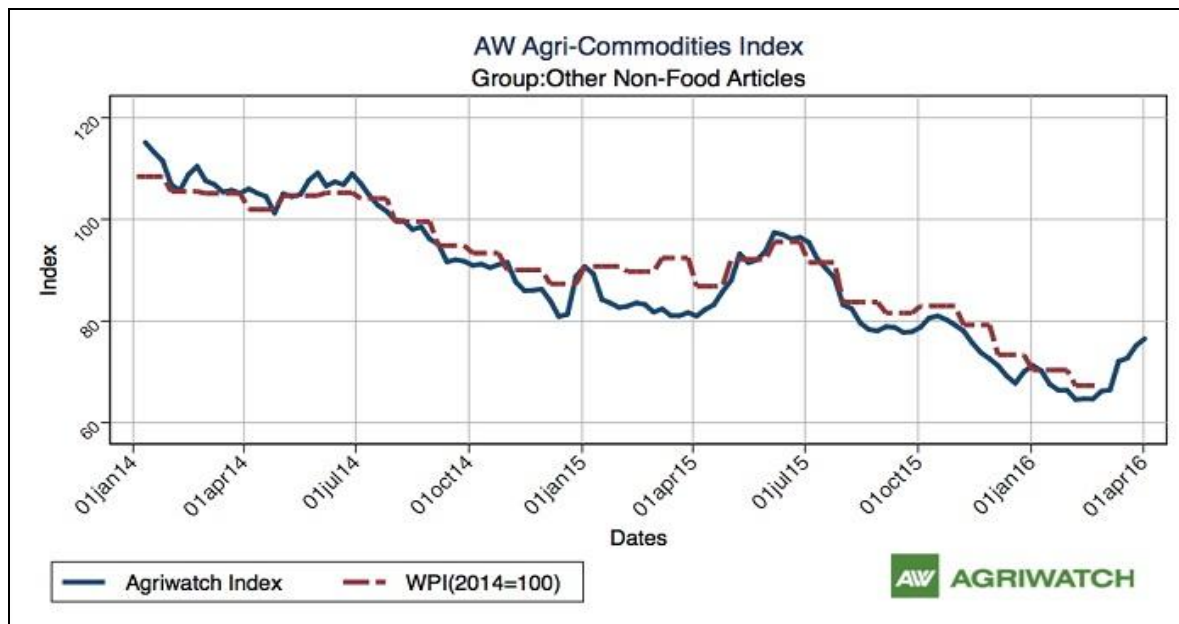


Guar Weekly Research Report

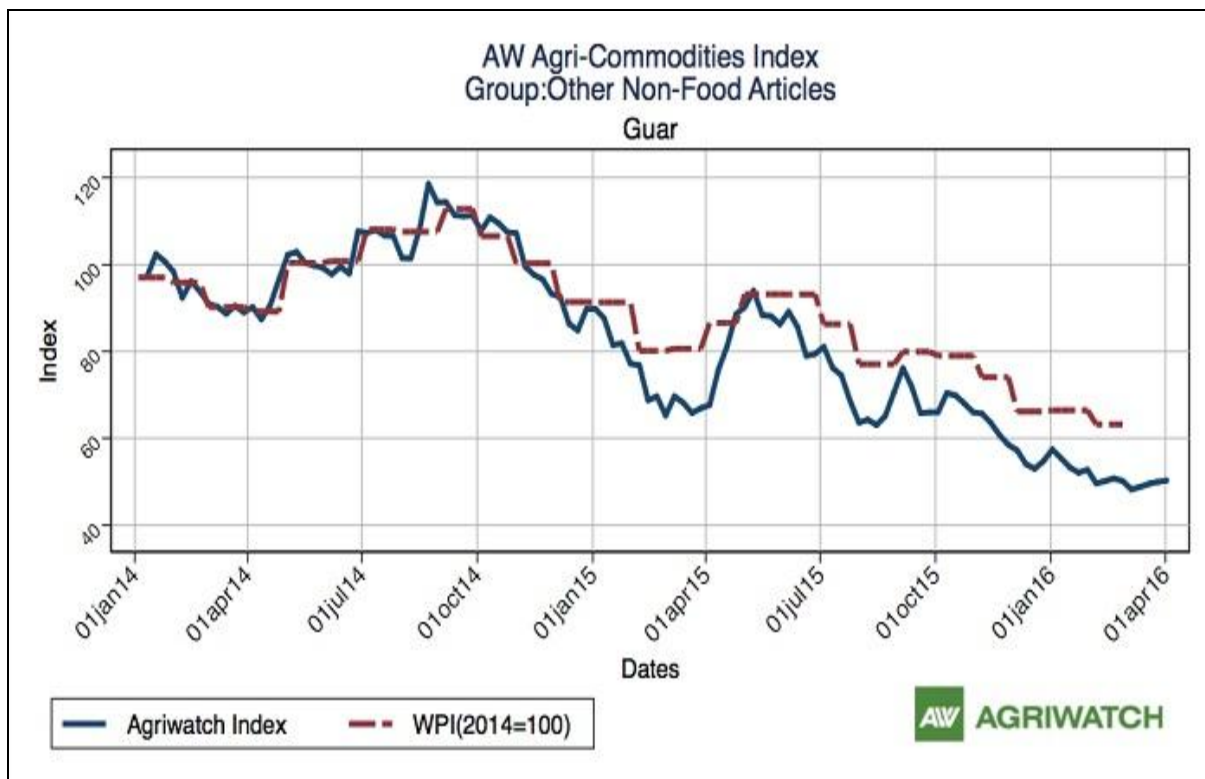
Contents

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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 fifth consecutive week due to lower arrivals and firm Churi and Korma prices which support the guar seed in spot markets.

On the currency front, Indian rupee against USD closed at 66.61, depreciate 0.28 Rs compared to the previous week. However, 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 (~3150 bags) compared to previous week ~3700 bags.

Similarly, In Ganganagar market, arrivals have decreased last week to 3000 bags compared to prior week arrivals data i.e. 7000 bags.

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

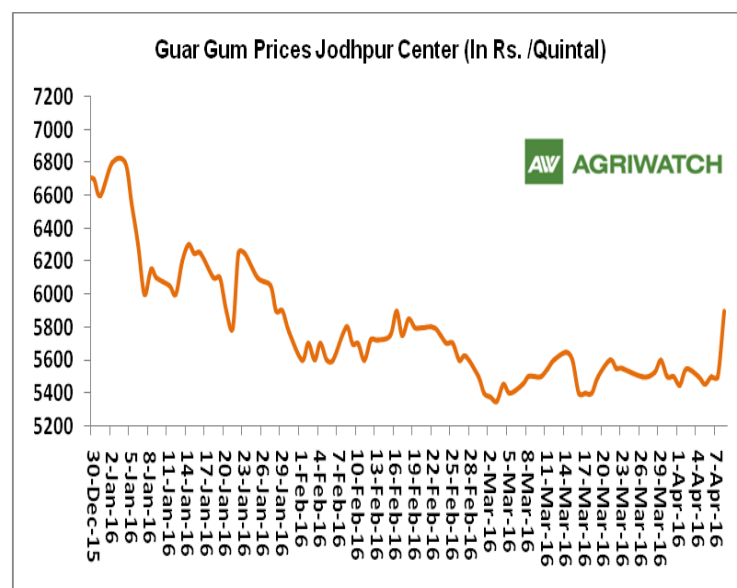
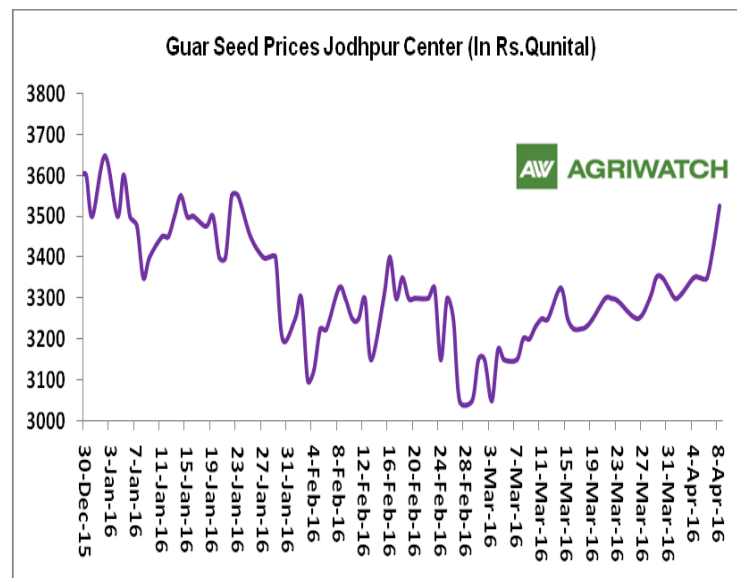
Recommendation:

Weekly Call - : Market participants advised to go short in Guar seed at 3400 levels for a target of 3250 with a stop loss at 3470 on closing basis.

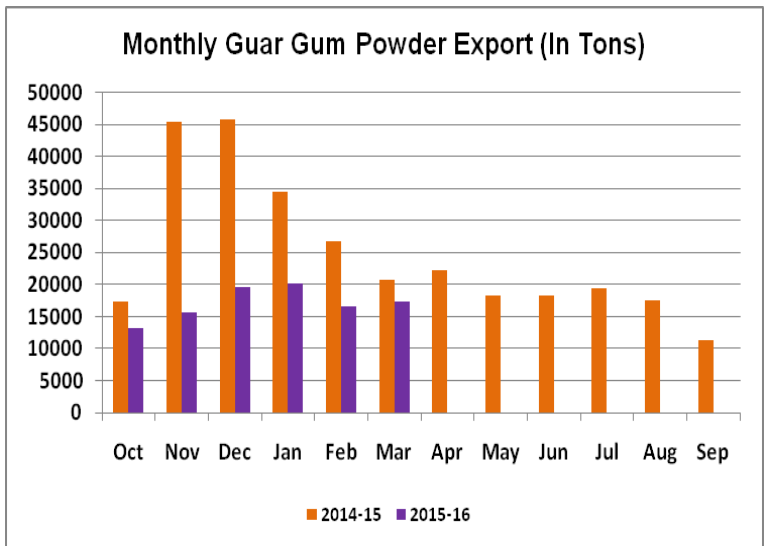
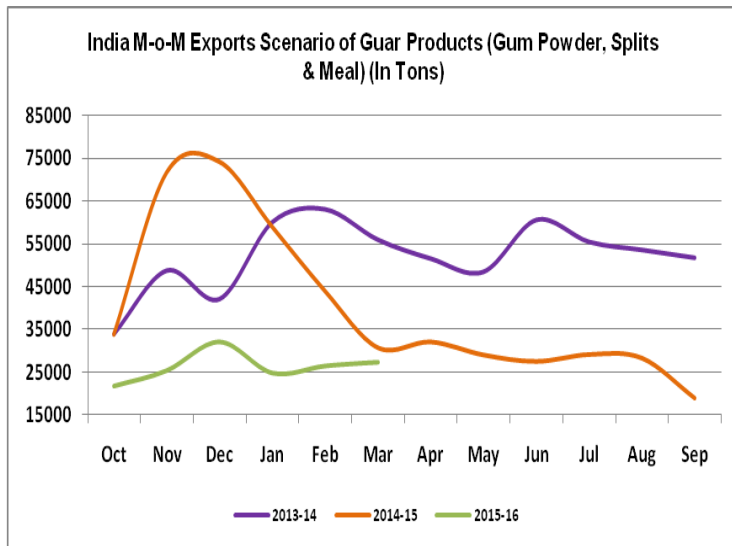
Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

- Guar seed and gum prices surged last week due to lower arrivals.
- In the first week of April 2016, Guar seed weekly average prices surged during the week by 2.2% compared to prior week and settled at Rs. 3385 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 1% and was settle at Rs 5566 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



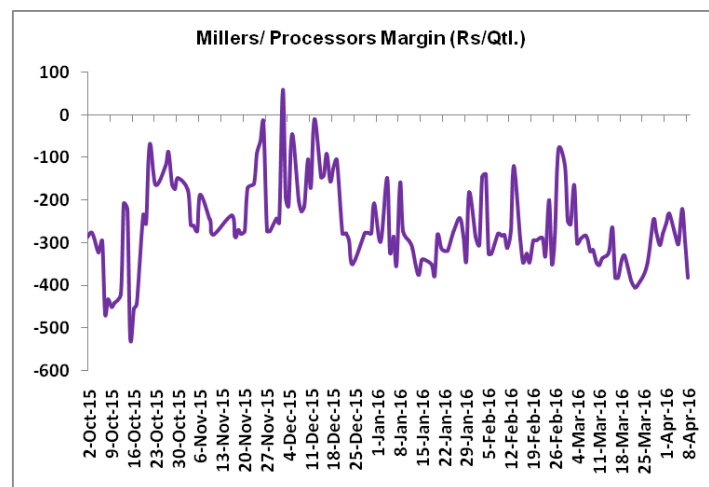
On export front, guar products export demand improved slightly compared to prior month. India has exported 27351.7 tons of guar seed products (Gum powder, Splits & Meal) in the month of March 2016 up 3.3% compared to last month.

Also, recent month guar gum powder export increased by 4.3% compared to previous month due to good demand from local industries (food and textiles). Reportedly, some trade has been done for food grade guar gum at \$800-850 per ton.

Millers/Processors Margin

As seen in the chart, the average crushing margin of guar seed has decreased compared to previous week. In the first week of April 2016, average crush margin declined marginally down to Rs. -286.16/Quintal, which were -285.18 per quintal last week.

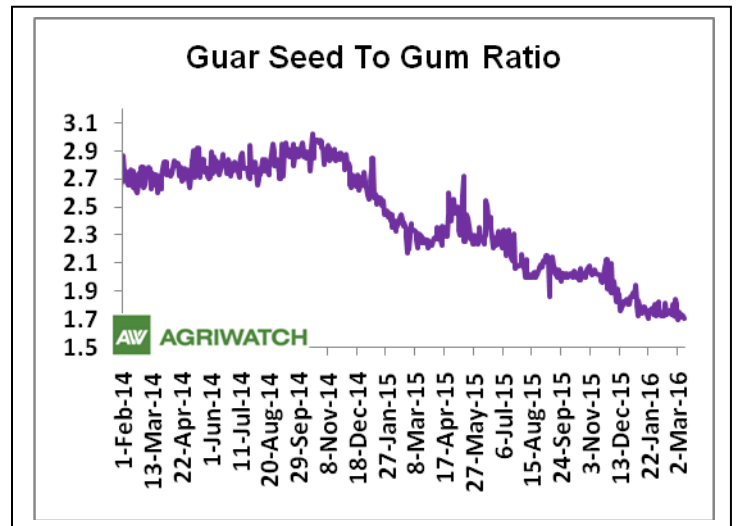
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down last week.



Guar Seed To Gum Ratio:

Ratio of guar seed to gum declined last week to 1.64 which in the earlier week was 1.66. 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.

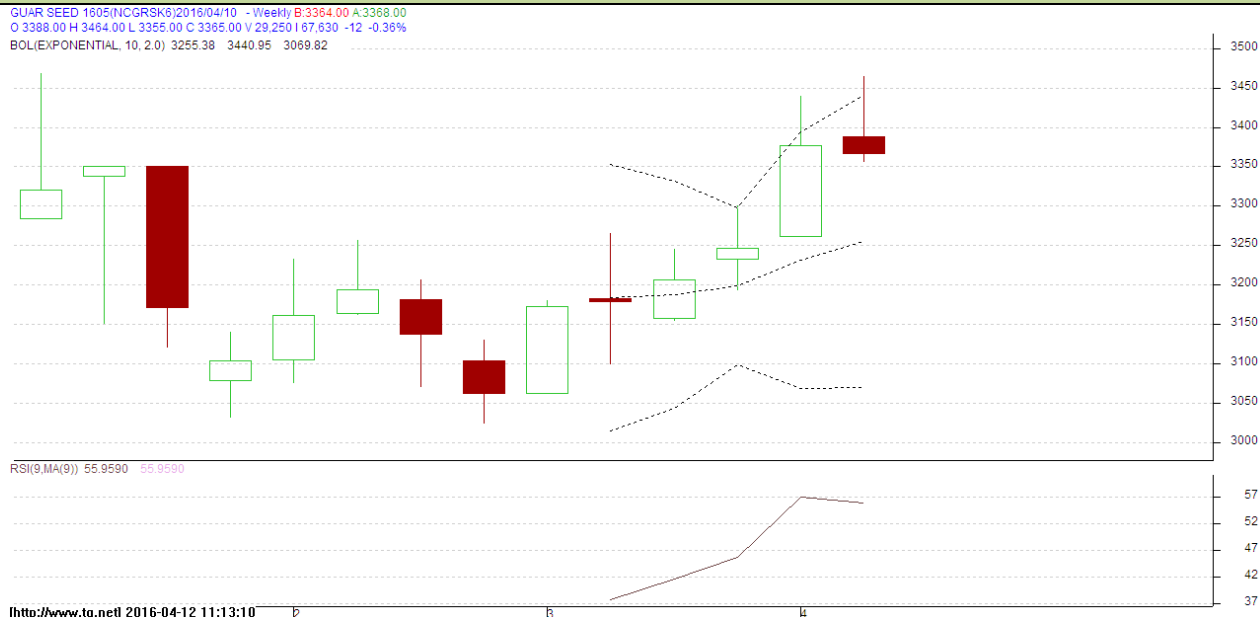


Technical Analysis (Guar Seed)

Commodity: Guar Seed 10MT
Contract: May

Exchange: NCDEX
Expiry: May 20, 2016

Guar Seed 10MT (Weekly May Contract Chart)



Technical Commentary:

- Guar prices are trading in a short up trend.
- However, RSI is hovering near to neutral region
- Prices likely to trade between Rs 3200-3500 per quintal in the coming weeks.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	May	3120	3190	3377	3500	3620
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	May	Sell	Below 3410	3310	3260	3470

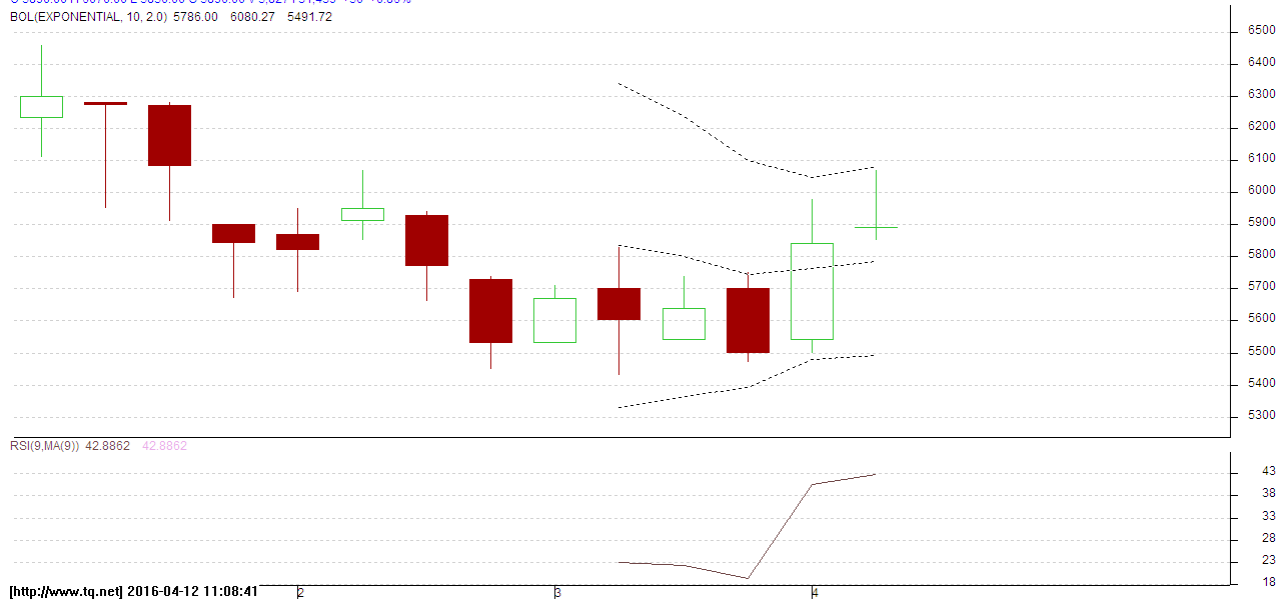


Commodity: Guar Gum
Contract: May

Exchange: NCDEX
Expiry: May 20, 2016

Guar Gum (May Weekly Chart)

GUARGUM 1605(NCGUGK8)2016/04/10 - Weekly B:5880.00 A:5890.00
O:5890.00 H:6070.00 L:5850.00 C:5890.00 V:5,827 I:31.439 +50 +0.86%
BOL(EXPONENTIAL, 10, 2.0) 5786.00 6080.27 5491.72



Technical Commentary:

- Guar gum prices are trading in a short uptrend.
- RSI is hovering at neutral region
- Last candlestick depicts bullishness in the market.
- Prices likely to trade between Rs 5500-6200 per quintal in the coming weeks.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	May	4800	5170	5840	6500	6800
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	May	Sell	Below 6000	5800	5700	6120

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	02nd to 08th Apr.16	26th Mar to 01st Apr.16	Change
Churi	Jodhpur	1725	1667	58
Korma	Jodhpur	2008	1933	75
Churi	Sri-Ganganagar	1675	1633	42
Korma	Sri-Ganganagar	1958	1906	53
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	02nd to 08th Apr.16	26th Mar to 01st Apr.16	Change
Guargum Split		841	839	1
Guargum Powder	200 Mesh 5000 CPS	1142	1140	2
	200 Mesh 3500 CPS	1067	1065	2
Guargum Meal	40%	354	343	11
	50%	412	393	18
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			02nd to 08th Apr.16	26th Mar to 01st Apr.16	
Rajasthan	Jodhpur	Jodhpur (Loose)	3235	3163	73
		Jodhpur(Delivery)	3385	3313	73
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3000	2983	17
		Sri-Ganganagar (Delivery)	3063	3040	23
		Rawla (Loose)	3023	2937	86
		Gharsana (Loose)	3065	2953	112
		Raisinghnagar (Loose)	3045	2963	82
	Bikaner	Bikaner (Loose)	3068	3013	55
		Bikaner (Delivery)	3218	3163	55
		Nokha(Loose)	3108	3000	108
		Nokha (Delivery)	3220	3108	112
		Khajuwala (Loose)	3080	3007	73
		Khajuwala (Delivery)	3203	3127	76
		Lunkaransar (Loose)	3053	2970	83

	Hanumangarh	Hanumangarh (Loose)	3013	2942	71
		Hanumangarh (Delivery)	3163	3092	71
		Nohar (Loose)	3103	3002	102
		Pilibanga (Loose)	2994	2928	67
	Nagaur	Nagaur (Loose)	3000	2900	100
	Churu	Churu (Delivery)	3225	3117	108
	Alwar	Alwar (Loose)	3067	2925	142
Haryana	Hisar	Adampur (Loose)	3080	3010	70
		Adampur (Delivery)	3226	3160	66
	Bhiwani	Bhiwani (Delivery)	3238	3129	108
		Siwani (Loose)	3178	3108	70
	Sirsa	Sirsa (Loose)	3036	2971	65
		Dhabwali (Loose)	2950	2908	43
		Dhabwali (Delivery)	3100	2908	193
		Ellanabad (Loose)	3021	2977	44
	Fatehabad	Fatehabad (Loose)	3017	2922	95
Gujarat	Banaskantha	Deesa (Loose)	3708	4000	-292
	Patan	Patan (Loose)	3036	2935	101
	Rajkot	Rajkot (Loose)	3072	2955	117
	Jamnagar	Dhrol (Loose)	2903	NA	-
Madhya pradesh	Gwalior	Dabra (Loose)	2992	3160	-168
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	5567	5513	54
	Alwar	Alwar	5567	5550	17
	Hanumangarh	Nohar	5750	5733	17
Haryana	Bhiwani	Bhiwani	5775	5658	117
	Sirsa	Sirsa	5592	5532	60
		Dhabwali	5577	5608	-32
		Ellanabad	5617	5625	-8
	Fatehabad	Fatehabad	5575	5575	Unch

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			8-Apr-16	1-Apr-16	8-Mar-16	8-Apr-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3375	3150	3050	3900
		Jodhpur(Delivery)	3525	3300	3200	4100
	Sri-	Sri-Ganganagar(Loose)	3050	3000	2850	4050

	Ganganagar	Sri-Ganganagar (Delivery)	3150	3050	2950	4200
		Rawla (Loose)	3125	2940	2840	3970
		Gharsana (Loose)	3180	2960	2840	3950
		Raisinghnagar (Loose)	3150	3015	2860	3942
	Bikaner	Bikaner (Loose)	3125	3010	2900	4050
		Bikaner (Delivery)	3275	3160	3050	4250
		Nokha(Loose)	3130	3020	2900	3980
		Nokha (Delivery)	3243	3129	3004	4123
		Khajuwala (Loose)	3200	3020	2900	4250
		Khajuwala (Delivery)	3328	3141	3016	4420
		Lunkaransar (Loose)	3200	3000	2860	3926
	Hanumangarh	Hanumangarh (Loose)	3100	2950	2750	4050
		Hanumangarh (Delivery)	3250	3100	2900	4250
		Nohar (Loose)	3325	3030	2900	NR
		Pilibanga (Loose)	3150	2900	2800	3825
	Nagaur	Nagaur (Loose)	3000	2900	2850	NR
	Churu	Churu (Delivery)	3350	3100	3000	4100
	Alwar	Alwar (Loose)	3200	2900	2800	3900
Haryana	Hisar	Adampur (Loose)	3200	3000	2875	NR
		Adampur (Delivery)	3350	3150	3025	NR
	Bhiwani	Bhiwani (Delivery)	3325	3100	3050	NR
		Siwani (Loose)	3300	3100	2980	4150
	Sirsa	Sirsa (Loose)	3115	2950	2825	4075
		Dhabwali (Loose)	3100	2900	2800	4030
		Dhabwali (Delivery)	3250	3050	2950	4230
		Ellanabad (Loose)	3125	3000	2850	4000
	Fatehabad	Fatehabad (Loose)	3100	2950	2760	NR
Gujarat	Banaskantha	Deesa (Loose)	3500	4000	NR	NR
	Patan	Patan (Loose)	3225	2935	2740	NR
	Rajkot	Rajkot (Loose)	3210	2955	2955	4050
	Jamnagar	Dhrol (Loose)	2975	NR	2760	NR
Madhya pradesh	Gwalior	Dabra (Loose)	3050	3200	2900	NR
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	5900	5450	5500	9600
	Alwar	Alwar	5900	5500	5500	9500
	Hanumangarh	Nohar	5800	5700	5300	NR
Haryana	Bhiwani	Bhiwani	5900	5550	5500	NR
	Sirsa	Sirsa	5800	5500	5500	9400

		Dhabwali	5800	5550	5550	9300
		Ellanabad	5900	5650	5425	9500
	Fatehabad	Fatehabad	5700	5600	5400	NR

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			02nd to 08th Apr.16	26th Mar to 01st Apr.16	
Rajasthan	Jodhpur	Jodhpur	1390	735	655
	Sri-Ganganagar	Sri-Ganganagar	3000	7000	-4000
		Rawla	1750	1950	-200
		Gharsana	1550	2400	-850
		Raisinghnagar	2450	4400	-1950
	Bikaner	Bikaner	3000	3500	-500
		Nokha	1550	1600	-50
		Khajuwala	3900	4100	-200
		Lunkaransar	1850	2200	-350
	Hanumangarh	Hanumangarh	370	850	-480
		Nohar	4100	5100	-1000
		Pilibanga	950	1750	-800
	Nagaur	Nagaur	480	150	330
	Churu	Churu	2700	2300	400
	Alwar	Alwar	1100	900	200
Haryana	Hisar	Adampur	3150	3700	-550
	Bhiwani	Bhiwani	3200	8800	-5600
		Siwani	6300	4600	1700
	Sirsa	Sirsa	3850	2300	1550
		Dhabwali	950	900	50
		Ellanabad	2200	2250	-50
	Fatehabad	Fatehabad	100	200	-100
Gujarat	Banaskantha	Deesa	NA	NA	-
	Patan	Patan	370	88	282
	Rajkot	Rajkot	813	110	703
	Jamnagar	Dhrol	51	NA	-
Madhya pradesh	Gwalior	Dabra	1050	1100	-50
Total Arrivals/Above Markets			52174	62983	-10809



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