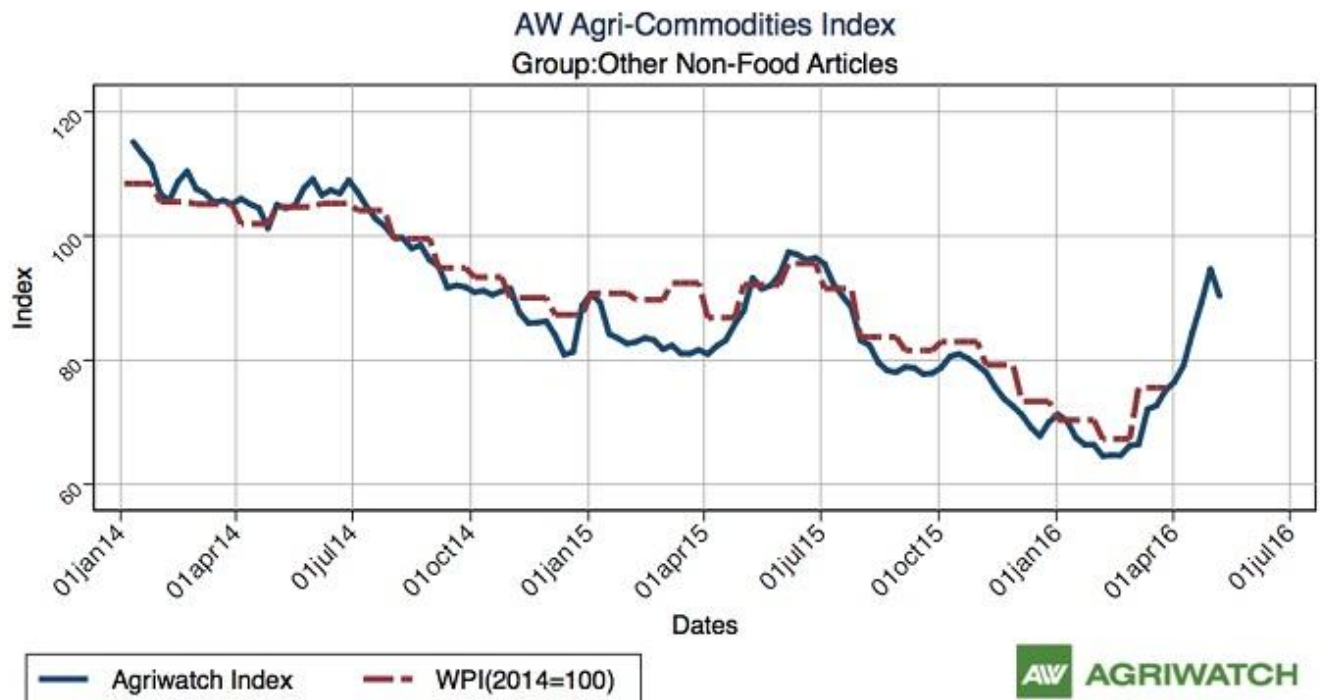


# Guar Weekly Research Report

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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 declined 4.56% during the week ending on May 7<sup>th</sup>, 2016.

**Executive Summary****Domestic Guar Seed Market Summary**

*Guar seed prices declined sharply last week due to weak demand. Lower offtake of guar from open markets depress the prices.*

*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 (~3100 bags) compared to previous week ~2100 bags.*

*Similarly, In Ganganagar market, arrivals had declined last week to 950 bags compared to prior week arrivals data i.e.2000 bags.*

*We expect guar seed prices to move in a range with firm bias.*

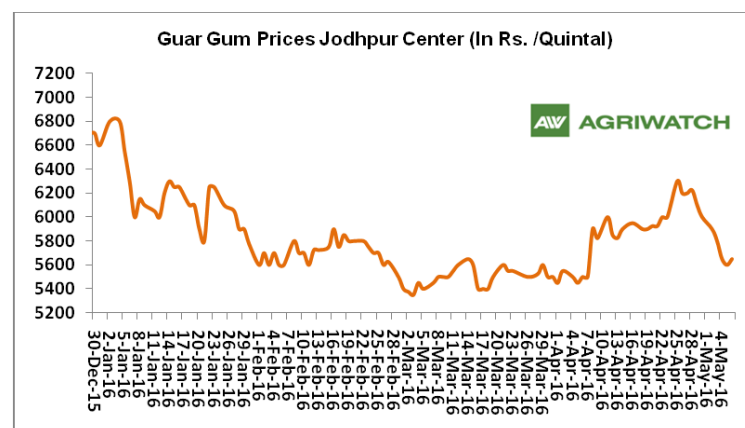
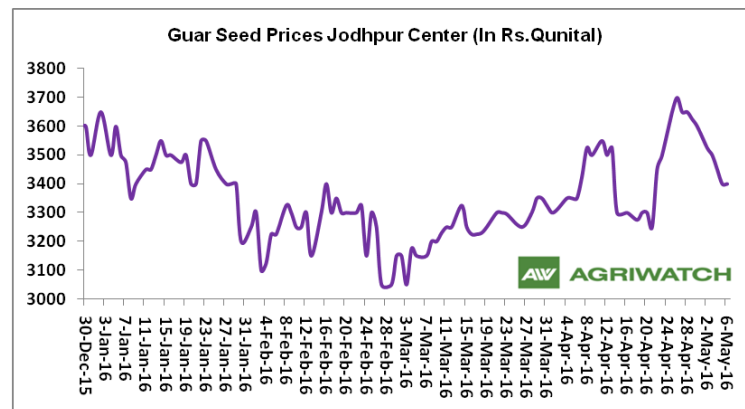
**Recommendation:**

*Weekly Call - : Market participants are advised to buy Guar seed at 3280 levels for a target of 3350 with a stop loss at 3238 on closing basis.*

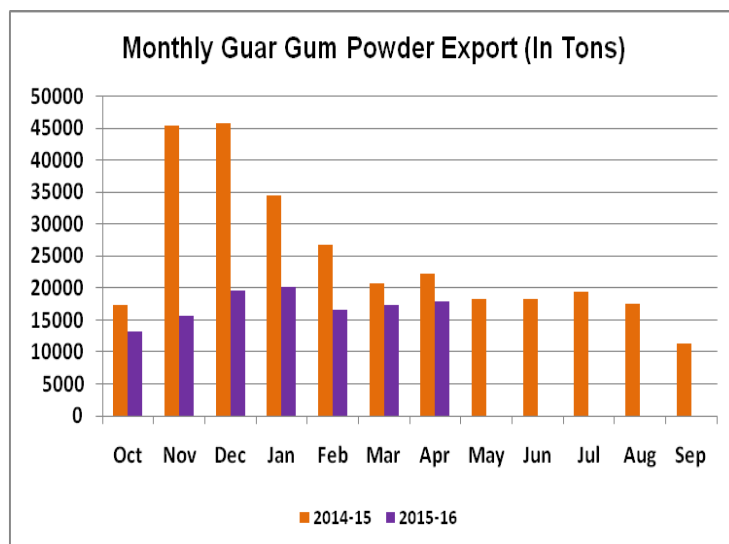
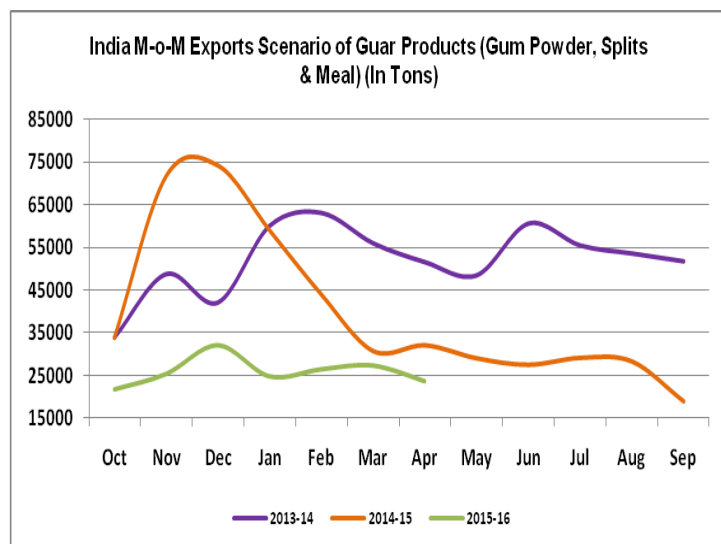
## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

- In the first week of May 2016, Guar seed weekly average prices declined sharply during the week by 4.1% compared to prior week and settled at Rs. 3479 per quintal.
- Also, Guar gum weekly average prices surged by 7% and settled at Rs 5766 per quintal.
- Weak demand of guar gum, higher carry over stock guide the prices downside last week.
- Monsoon will play a vital role in the guar seed prices. Good amount of monsoon showers likely to pressurize the prices of guar seed down to Rs 2600-2900 per quintal in the coming weeks
- According to indications, guar seed area likely to fall by 25% considering lower prices compared to other crops like Moong.
- According to third advance estimate issued by Rajasthan's Department of Agriculture for Guar seed the area, production and yield are 4786781 hectares, 2223474 tonnes and 465 kg/hectare respectively. As compared to final advance estimate the area has increased by 161575 hectares whereas the production and yield have decreased by 520484 tonnes and 128kg/hectare respectively.
- We expect guar seed and gum prices to trade sideways in the coming days.



## Export Scenario



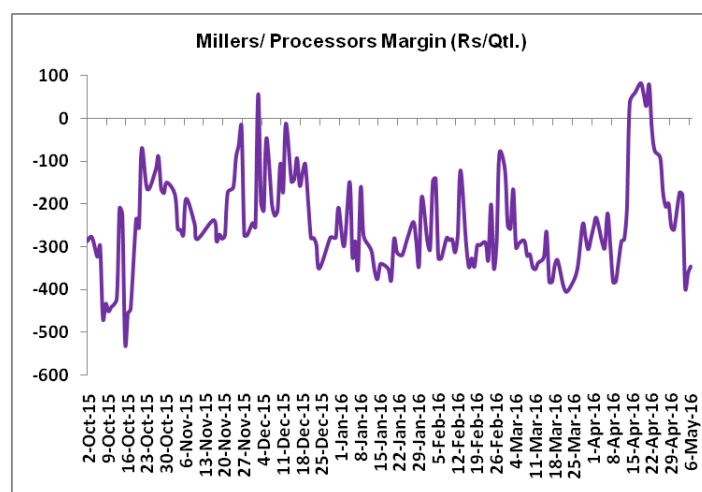
On export front, guar products export demand declined slightly compared to prior month. India has exported 23734.3 tons of guar seed products (Gum powder, Splits & Meal) in the month of April 2016 down 26% compared to last month.

However, recent month guar gum powder export increased slightly by 4% compared to previous month due to good demand from local industries (food and textiles).

## 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 May 2016, average crush margin declined to Rs. -284 /Quintal, which was -165 per quintal last week.

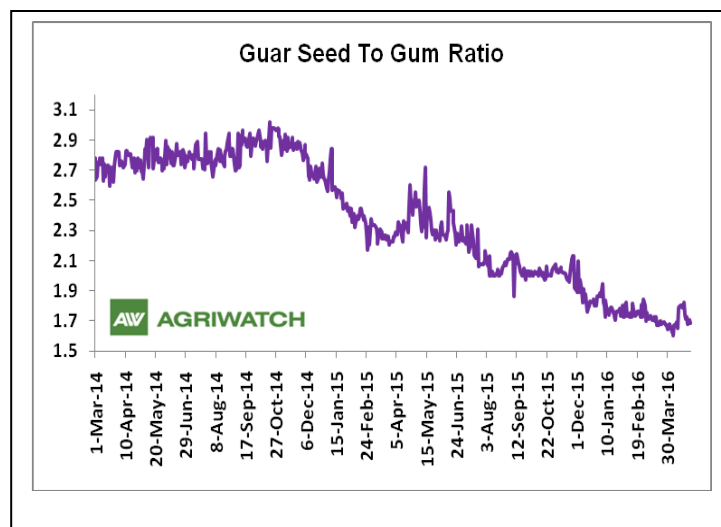
Higher degree of decrease in guar gum prices compared to guar seed prices led the margin down this week.



#### Guar Seed To Gum Ratio:

Ratio of guar seed to gum decreased last week to 1.65, which in the earlier week was 1.70.

Overall weak demand of gum from overseas and good demand of seed from millers due to higher, churi and korma prices decreased the overall ratio.

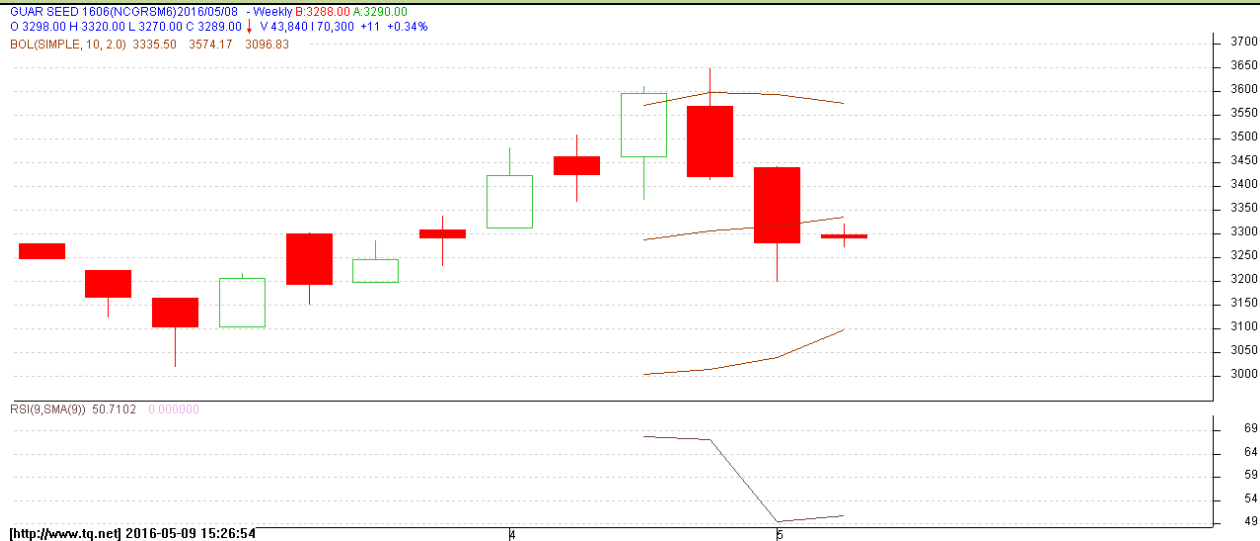


### Technical Analysis (Guar Seed)

**Commodity: Guar Seed 10MT**  
**Contract: June**

**Exchange: NCDEX**  
**Expiry: June 20, 2016**

#### Guar Seed 10MT (Weekly June Contract Chart)



#### Technical Commentary:

- Guar prices, are moving downwards as chart depicts.
- However, RSI is hovering near to neutral region.
- Last candlestick depicts short-term bullishness.

#### Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	June	2600	2960	3278	3750	3820
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	June	Buy	Above 3280	3350	3380	3238



**Commodity: Guar Gum**  
**Contract: June**

**Exchange: NCDEX**  
**Expiry: June 20, 2016**

#### Guar Gum (June Weekly Chart)

GUARGUM1606(NCGUGM6)2016/05/08 - Weekly B:5650.00 A:5660.00  
O 5700.00 H 5740.00 L 5620.00 C 5660.00 V 7,865136,347 O +0.00%  
BOL(SIMPLE,10,2.0) 0.000000 0.000000 0.000000



#### Technical Commentary:

- Guar gum prices are moving downwards as chart depicts.
- Last candlestick depicts bullishness in the market.
- After severe fall in prices, it should recover upto 38.6% retracement levels which is near to Rs 5900 per quintal.

#### Strategy: Buy

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	June	4800	5170	5660	6800	7000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	Buy	Above 5600	5800	5900	5480

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

<b>Guar by – Products Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Centre</b>	<b>30th Apr.16 to 6th May.16</b>	<b>23rd to 29th Apr.16</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1713	1933	<b>-221</b>
<b>Korma</b>	Jodhpur	2121	2233	<b>-112</b>
<b>Churi</b>	Sri-Ganganagar	1729	1850	<b>-121</b>
<b>Korma</b>	Sri-Ganganagar	2083	2129	<b>-46</b>
<b>Prices in Rs/75kg</b>				

<b>Guar Export Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Variety</b>	<b>30th Apr.16 to 6th May.16</b>	<b>23rd to 29th Apr.16</b>	<b>Change</b>
<b>Guargum Split</b>		898	929	<b>-31</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1199	1229	<b>-30</b>
	200 Mesh 3500 CPS	1124	1154	<b>-30</b>
<b>Guargum Meal</b>	40%	371	380	<b>-9</b>
	50%	431	441	<b>-9</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>30th Apr.16 to 6th May.16</b>	<b>23rd to 29th Apr.16</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3329	3479	<b>-150</b>
		Jodhpur(Delivery)	3479	3629	<b>-150</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3225	3325	<b>-100</b>
		Sri-Ganganagar (Delivery)	3321	3483	<b>-163</b>
		Rawla (Loose)	3114	3319	<b>-205</b>
		Gharsana (Loose)	3088	3317	<b>-228</b>
		Raisinghnagar (Loose)	3168	3358	<b>-191</b>
	<b>Bikaner</b>	Bikaner (Loose)	3163	3350	<b>-187</b>
		Bikaner (Delivery)	3313	3500	<b>-187</b>
		Nokha(Loose)	3104	3282	<b>-178</b>
		Nokha (Delivery)	3216	3400	<b>-184</b>
		Khajuwala (Loose)	3145	3355	<b>-210</b>
		Khajuwala (Delivery)	3271	3489	<b>-218</b>
		Lunkaransar (Loose)	3118	3300	<b>-182</b>
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3045	3141	<b>-96</b>
		Hanumangarh (Delivery)	3195	3291	<b>-96</b>
		Nohar (Loose)	3154	3310	<b>-156</b>

		Pilibanga (Loose)	3107	3339	<b>-233</b>
	<b>Nagaur</b>	Nagaur (Loose)	3092	3192	<b>-100</b>
	<b>Churu</b>	Churu (Delivery)	3233	3425	<b>-192</b>
	<b>Alwar</b>	Alwar (Loose)	3067	3250	<b>-183</b>
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3172	3379	<b>-208</b>
		Adampur (Delivery)	3322	3529	<b>-208</b>
	<b>Bhiwani</b>	Bhiwani (Delivery)	3291	3522	<b>-231</b>
		Siwani (Loose)	3283	3454	<b>-172</b>
	<b>Sirsa</b>	Sirsa (Loose)	3146	3338	<b>-192</b>
		Dhabwali (Loose)	NA	NA	-
		Dhabwali (Delivery)	NA	NA	-
		Ellanabad (Loose)	3131	NA	-
	<b>Fatehabad</b>	Fatehabad (Loose)	NA	3600	-
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	NA	NA	-
	<b>Patan</b>	Patan (Loose)	3168	3244	<b>-76</b>
	<b>Rajkot</b>	Rajkot (Loose)	3270	3508	<b>-238</b>
	<b>Jamnagar</b>	Dhrol (Loose)	3126	3315	<b>-189</b>
<b>Madhya pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	3567	3533	<b>33</b>
<b>Guar Gum</b>					
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	5767	6171	<b>-404</b>
	<b>Alwar</b>	Alwar	5850	6192	<b>-342</b>
	<b>Hanumangar h</b>	Nohar	5875	6117	<b>-242</b>
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	5792	6145	<b>-353</b>
	<b>Sirsa</b>	Sirsa	5767	6192	<b>-425</b>
		Dhabwali	NA	NA	-
		Ellanabad	5650	NA	-
	<b>Fatehabad</b>	Fatehabad	NA	6000	-

<b>Week on Week Price: Scenario of Guarseed and Guargum:</b>						
<b>Commodity</b>	<b>District</b>	<b>Centre</b>	<b>Today</b>	<b>Week Ago</b>	<b>Month Ago</b>	<b>Year Ago</b>
<b>Guar Seed</b>			<b>6-May-16</b>	<b>29-Apr-16</b>	<b>6-Apr-16</b>	<b>6-May-15</b>
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3250	3475	3200	4900
		Jodhpur(Delivery)	3400	3625	3350	5100
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3150	3350	3000	4900
		Sri-Ganganagar (Delivery)	3225	3450	3050	5200
		Rawla (Loose)	3150	3260	3025	NA
		Gharsana (Loose)	3080	3200	3070	NA

		Raisinghnagar (Loose)	3100	3300	2950	NA
	<b>Bikaner</b>	Bikaner (Loose)	3130	3325	3075	5100
		Bikaner (Delivery)	3280	3475	3225	5300
		Nokha(Loose)	3140	3250	3090	5000
		Nokha (Delivery)	3253	3367	3201	5180
		Khajuwala (Loose)	3160	3300	3100	5250
		Khajuwala (Delivery)	3286	3432	3224	5460
		Lunkaransar (Loose)	3060	3250	3030	NA
	<b>Hanumangarh</b>	Hanumangarh (Loose)	2950	3150	3050	NA
		Hanumangarh (Delivery)	3100	3300	3200	NA
		Nohar (Loose)	3150	3250	3070	NA
		Pilibanga (Loose)	3050	3250	2950	NA
	<b>Nagaur</b>	Nagaur (Loose)	2950	3200	3000	4950
	<b>Churu</b>	Churu (Delivery)	3200	3400	3250	5100
	<b>Alwar</b>	Alwar (Loose)	3000	3200	3100	4900
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3150	3300	3125	5100
		Adampur (Delivery)	3300	3450	3250	5300
	<b>Bhiwani</b>	Bhiwani (Delivery)	3300	3450	3300	5350
		Siwani (Loose)	3280	3400	3200	5250
	<b>Sirsa</b>	Sirsa (Loose)	3150	3250	3000	4950
		Dhabwali (Loose)	NA	NA	2950	NA
		Dhabwali (Delivery)	NA	NA	3100	NA
		Ellanabad (Loose)	3150	NA	3025	5200
	<b>Fatehabad</b>	Fatehabad (Loose)	NA	NA	3000	5050
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	NA	NA	3500	NA
	<b>Patan</b>	Patan (Loose)	3105	3215	3000	NA
	<b>Rajkot</b>	Rajkot (Loose)	3150	3335	3045	4900
	<b>Jamnagar</b>	Dhrol (Loose)	3000	3285	3000	NA
<b>Madhya pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	3600	3500	2950	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	5650	6100	5500	12400
	<b>Alwar</b>	Alwar	5700	6150	5400	12500
	<b>Hanumangarh</b>	Nohar	5750	6200	5700	NA
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	5850	6000	5850	12700
	<b>Sirsa</b>	Sirsa	5700	6150	5650	12350
		Dhabwali	NA	NA	5600	NA
		Ellanabad	5700	NA	5550	12700
	<b>Fatehabad</b>	Fatehabad	NA	NA	5500	12800

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			30th Apr.16 to 6th May.16	23rd to 29th Apr.16	
Rajasthan	Jodhpur	Jodhpur	990	1275	-285
	Sri-Ganganagar	Sri-Ganganagar	950	2000	-1050
		Rawla	1900	1600	300
		Gharsana	1050	1050	Unch
		Raisinghnagar	1750	1150	600
	Bikaner	Bikaner	5500	3600	1900
		Nokha	1650	1500	150
		Khajuwala	4100	3300	800
		Lunkaransar	2350	1750	600
	Hanumangarh	Hanumangarh	125	82	43
		Nohar	3900	2000	1900
		Pilibanga	900	713	187
	Nagaur	Nagaur	635	950	-315
	Churu	Churu	3400	5400	-2000
	Alwar	Alwar	2000	2900	-900
Haryana	Hisar	Adampur	3100	2100	1000
	Bhiwani	Bhiwani	3600	5800	-2200
		Siwani	4800	4900	-100
	Sirsa	Sirsa	880	140	740
		Dhabwali	NA	NA	-
		Ellanabad	450	NA	-
	Fatehabad	Fatehabad	NA	20	-
Gujarat	Banaskantha	Deesa	NA	NA	-
	Patan	Patan	542	405	137
	Rajkot	Rajkot	1595	2755	-1160
	Jamnagar	Dhrol	43	47	-4
Madhya pradesh	Gwalior	Dabra	400	500	-100
Total Arrivals/Above Markets			46610	45937	673



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