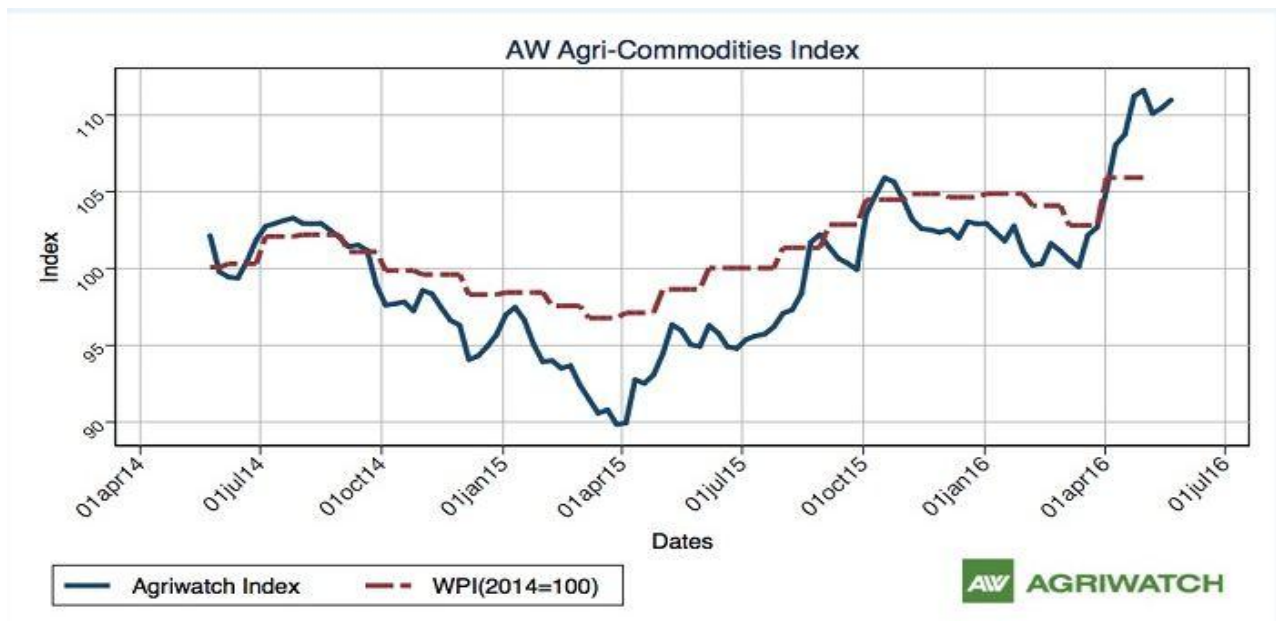


# Guar Weekly Research Report

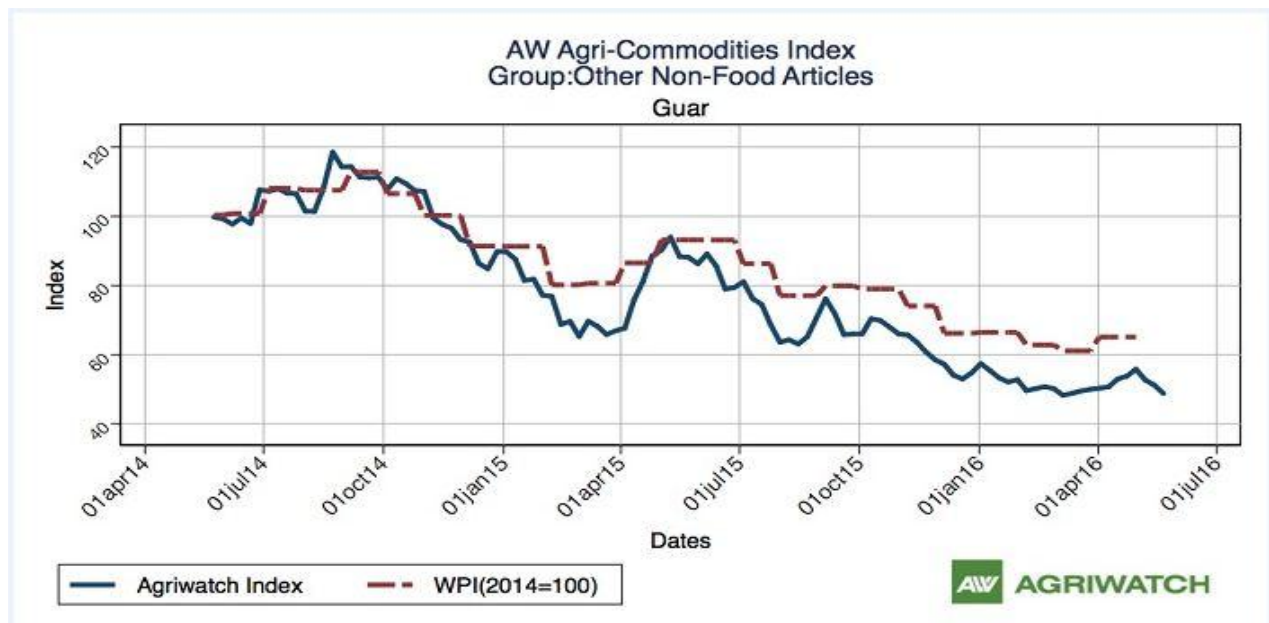
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## Agriwatch Agri Commodity Index



The Agriwatch Agri Commodities Index gained 0.47% to 110.99 during the week ended May 21, 2016 from 110.46 during the previous week. The base for the Index and all sub-Indices is 2014 (=100).



Source: [www.eaindustry.com](http://www.eaindustry.com)

Weight: 0.0483

WPI for Guar seed has increased from 222.6 in March-2016 to 237.2 in April-2016.

Agriwatch has recently launched its AW Agri Commodity Indices to enable organizations access independent Indices to track and use to benchmark their purchases and sales. The Indices are based on the daily prices in the key benchmark markets for each commodity that AW has been covering for the past decade. The indices include an Aggregate Index, Category Indices and individual commodity indices. The weekly indices are free to access on our website [www.agriwatch.com](http://www.agriwatch.com). The daily indices are available on subscription. Please contact for more details.

## **Executive Summary**

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

*Decline in export demand for guar gum accompanied with higher stocks of guar seed of major producing states, prices for both guar seed and guar gum have dropped to lowest level in last five years. For Jodhpur mandi prices of both guar seed and guar gum have declined and are moving near 5100/Qtl and 3100/Qtl respectively*

*Area of guar seed may see a decline in the upcoming kharif season due to decline in its prices. Furthermore, this year better monsoon is expected and farmers may give preference to cotton, groundnut, moong and moth as prices of these commodities are ruling higher.*

*As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (5200 quintals) compared to previous week 3300 quintals.*

*Similarly, In Ganganagar market, arrivals had increased current week to 2000 quintals compared to prior week arrivals data i.e. 1450 quintals.*

*We expect guar seed prices likely to move in a range bound to weak movement in coming ways.*

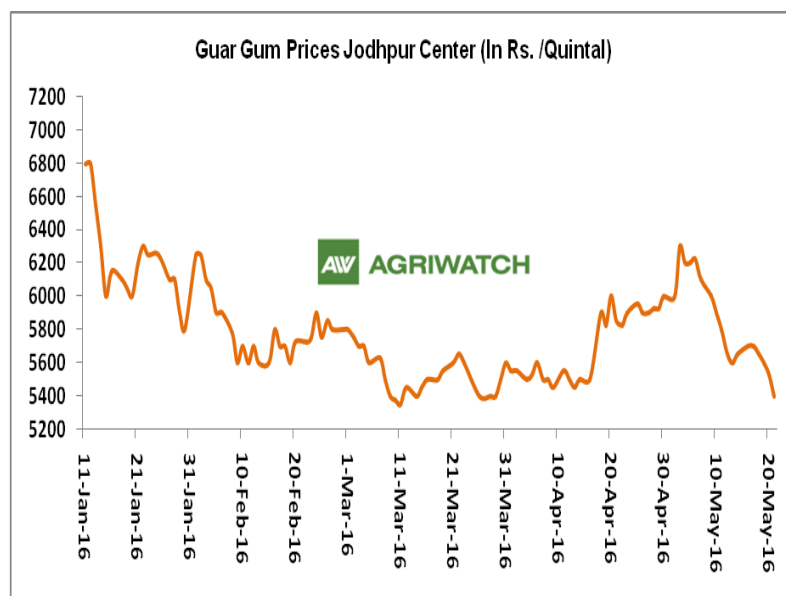
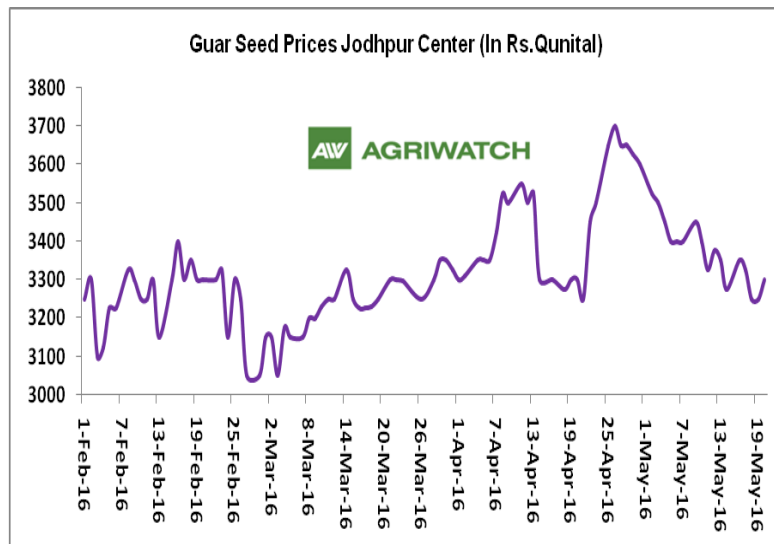
### **Recommendation:**

***Weekly Call - : Market participants are advised to SELL Guar seed at 3140 levels for a target of 3040 with a stop loss at 3200 on closing basis.***

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

- In the third week of May 2016, Guar seed weekly average prices declined slightly during the week by Rs.91/-qtl compared to prior week and settled at Rs. 3292 per quintal.
- In addition, Guar gum weekly average prices down by Rs. 289/- qtl and settled at Rs. 5307 per quintal.
- Demand for Guar Gum reported lower due to higher carry over stock in the spot market put cap on prices.
- 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 days.
- Sources revealed that, in Rajasthan Guar area may decrease by 20 – 25% considering lower prices compared to other crops like Moong, which is currently moving in a range of Rs.6000/-qtl.
- 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 may trade range bound to weak movement in the coming days.***



## Export Scenario

### **Export Scenario (9<sup>th</sup> May to 15<sup>th</sup> May 2016)**

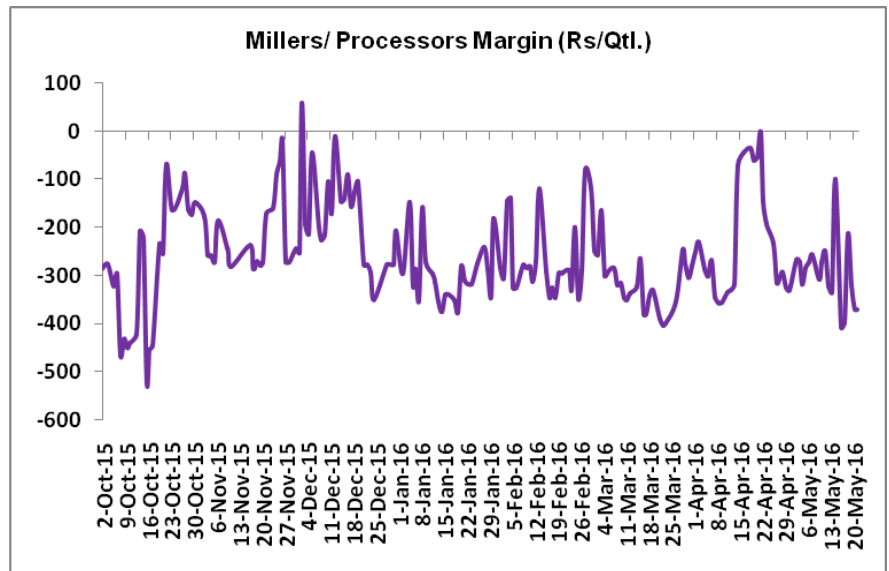
During this week 4648.9 tonnes of guar was exported out of which 2707.14 tonnes was guar gum powder, 841.8 tonnes was guar meal and 1100 tonnes guar gum splits.

Major export destination countries were USA, Germany, Spain, China and Russia

## Millers/Processors Margin

In the third week of May 2016, average crush margin declined to Rs. -346.4 /Quintal, as compared to last week's -264.4/ Quintal. Therefore crushing is not favorable for Millers/Processors

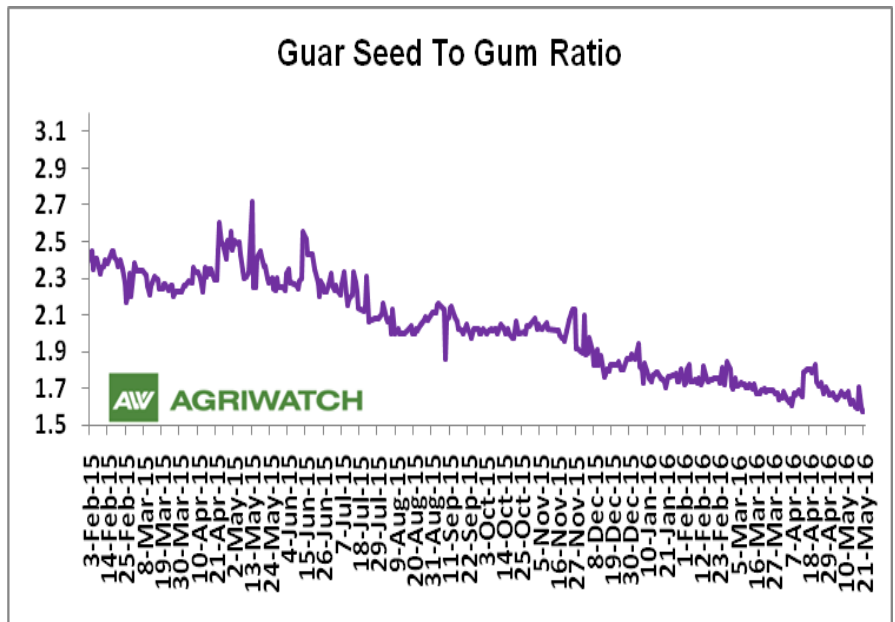
Higher degree of decrease in guar gum prices compared to guar seed prices led the margin down this week.



## Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for third week is 1.618, which is marginally lower as compared to last week's 1.653

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.



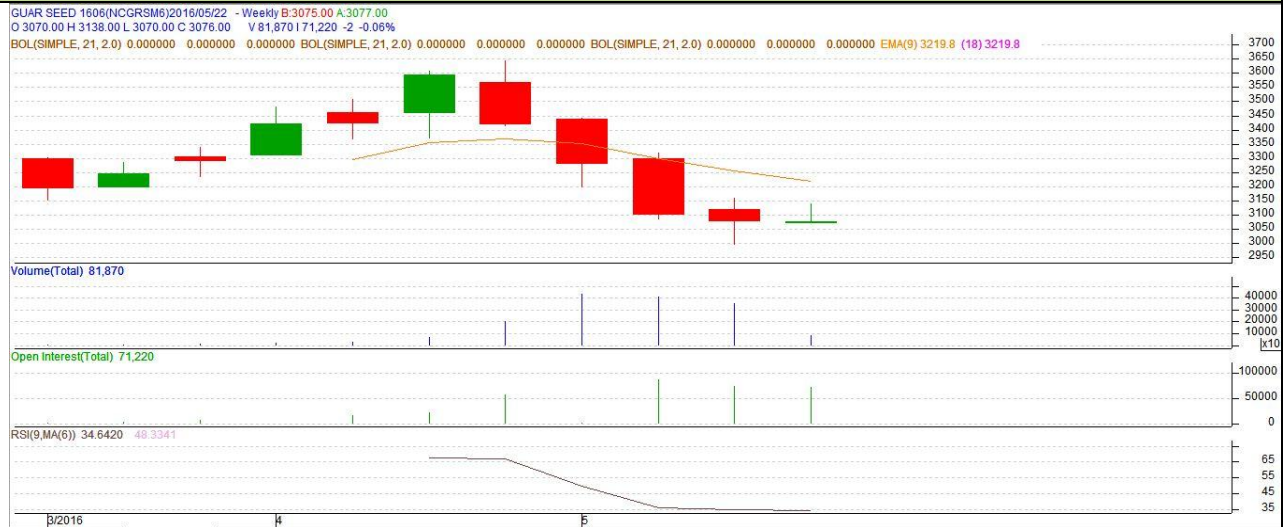


### Technical Analysis (Guar Seed)

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.
- RSI is moving upwards in neutral region.
- Last candlestick depicts bearishness in market.

#### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	June	2790	2890	3078	3240	3290
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	June	<b>Sell</b>	Below 3140	3040	2990	3200



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

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

### Guar Gum (June Weekly Chart)



### Technical Commentary:

- Guar gum prices are moving downwards as chart depicts.
- Last candlestick depicts bearishness in the market.
- Prices are continuously falling from last few weeks and expected to recover in coming weeks.

### Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	June	4850	4950	5140	5420	5500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	<b>Sell</b>	Below 5270	5170	5070	5330

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

<b>Guar by – Products Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Centre</b>	<b>14th to 20th May.16</b>	<b>07th to 13th May.16</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1638	1688	<b>-50</b>
<b>Korma</b>	Jodhpur	1942	2000	<b>-58</b>
<b>Churi</b>	Sri-Ganganagar	1746	1788	<b>-42</b>
<b>Korma</b>	Sri-Ganganagar	2108	2100	<b>8</b>
<b>Prices in Rs/75kg</b>				

<b>Guar Export Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Variety</b>	<b>14th to 20th May.16</b>	<b>07th to 13th May.16</b>	<b>Change</b>
<b>Guargum Split</b>		781	840	<b>-59</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1079	1141	<b>-61</b>
	200 Mesh 3500 CPS	1005	1066	<b>-61</b>
<b>Guargum Meal</b>	40%	373	375	<b>-2</b>
	50%	433	435	<b>-2</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>14th to 20th May.16</b>	<b>07th to 13th May.16</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3138	3233	<b>-96</b>
		Jodhpur(Delivery)	3292	3383	<b>-92</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3017	3158	<b>-142</b>
		Sri-Ganganagar (Delivery)	3113	3238	<b>-125</b>
		Rawla (Loose)	2972	3079	<b>-108</b>
		Gharsana (Loose)	2943	3002	<b>-58</b>
		Raisinghnagar (Loose)	2968	3073	<b>-105</b>
	<b>Bikaner</b>	Bikaner (Loose)	2996	3073	<b>-78</b>
		Bikaner (Delivery)	3121	3223	<b>-103</b>
		Nokha(Loose)	2965	3058	<b>-93</b>
		Nokha (Delivery)	3072	3168	<b>-97</b>
		Khajuwala (Loose)	2980	3093	<b>-113</b>
		Khajuwala (Delivery)	3099	3217	<b>-118</b>
		Lunkaransar (Loose)	2947	3070	<b>-123</b>
	<b>Hanumangarh</b>	Hanumangarh (Loose)	2928	2961	<b>-33</b>



		Hanumangarh (Delivery)	3078	3111	-33
		Nohar (Loose)	2963	3111	-148
		Pilibanga (Loose)	2922	3039	-118
	Nagaur	Nagaur (Loose)	2867	2917	-50
	Churu	Churu (Delivery)	3092	3150	-58
	Alwar	Alwar (Loose)	2900	2983	-83
Haryana	Hisar	Adampur (Loose)	2976	3074	-98
		Adampur (Delivery)	3126	3224	-98
	Bhiwani	Bhiwani (Delivery)	3133	3254	-121
		Siwani (Loose)	3118	3223	-105
	Sirsa	Sirsa (Loose)	3064	3088	-23
		Dhabwali (Loose)	2988	2975	12.5
		Dhabwali (Delivery)	3138	3125	12.5
		Ellanabad (Loose)	NA	3098	-
	Fatehabad	Fatehabad (Loose)	2800	NA	-
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	-
	Patan	Patan (Loose)	2988	3050	-62
	Rajkot	Rajkot (Loose)	3043	3143	-100
	Jamnagar	Dhrol (Loose)	2922	2978	-56
Madhya pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	5325	5596	-271
	Alwar	Alwar	5200	5483	-283
	Hanumangarh	Nohar	5467	5783	-317
Haryana	Bhiwani	Bhiwani	5122	5700	-578
	Sirsa	Sirsa	5183	5500	-317
		Dhabwali	5375	5375	Unch
		Ellanabad	NA	5575	-
	Fatehabad	Fatehabad	5300	NA	-

**Week on Week Price: Scenario of Guarseed and Guargum:**

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			20-May-16	13-May-16	20-Apr-16	20-May-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3150	3200	3150	4700
		Jodhpur(Delivery)	3300	3350	3300	4900
	Sri-Ganganagar	Sri-Ganganagar(Loose)	2925	3150	3250	4675
		Sri-Ganganagar (Delivery)	3075	3200	3350	4975
		Rawla (Loose)	2940	3025	3230	0

		Gharsana (Loose)	2900	2900	3210	0
		Raisinghnagar (Loose)	3000	3000	3225	0
	<b>Bikaner</b>	Bikaner (Loose)	3025	3025	3250	4750
		Bikaner (Delivery)	3175	3175	3400	4950
		Nokha(Loose)	3000	3000	3250	4750
		Nokha (Delivery)	3108	3108	3367	4921
		Khajuwala (Loose)	2970	3000	3300	4770
		Khajuwala (Delivery)	3089	3120	3432	4961
		Lunkaransar (Loose)	2950	3000	3225	0
	<b>Hanumangarh</b>	Hanumangarh (Loose)	NA	2985	3220	0
		Hanumangarh (Delivery)	NA	3135	3370	0
		Nohar (Loose)	2975	3050	3280	0
		Pilibanga (Loose)	2900	2960	3125	0
	<b>Nagaur</b>	Nagaur (Loose)	2800	2900	3200	4700
	<b>Churu</b>	Churu (Delivery)	3100	3100	3350	4800
	<b>Alwar</b>	Alwar (Loose)	2900	2900	3200	4600
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	2950	3000	3370	4750
		Adampur (Delivery)	3100	3150	3520	4950
	<b>Bhiwani</b>	Bhiwani (Delivery)	3125	3150	3450	4800
		Siwani (Loose)	3100	3150	3415	4900
	<b>Sirsa</b>	Sirsa (Loose)	3125	3050	3250	4680
		Dhabwali (Loose)	NR	3000	0	4700
		Dhabwali (Delivery)	NR	3150	0	4900
		Ellanabad (Loose)	NR	3050	3215	4750
	<b>Fatehabad</b>	Fatehabad (Loose)	2800	NA	3500	4700
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	NA	NA	0	4530
	<b>Patan</b>	Patan (Loose)	2975	3010	3105	4445
	<b>Rajkot</b>	Rajkot (Loose)	3005	3090	3180	4425
	<b>Jamnagar</b>	Dhrol (Loose)	NA	3000	3095	4370
<b>Madhya pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	3500	0
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	5200	5400	5925	11600
	<b>Alwar</b>	Alwar	5100	5300	5900	11700
	<b>Hanumangarh</b>	Nohar	5400	5700	5900	0
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	5000	5300	5800	10400
	<b>Sirsa</b>	Sirsa	5150	5350	5900	11350
		Dhabwali	NR	5350	0	11600
		Ellanabad	NR	5500	6100	11600
	<b>Fatehabad</b>	Fatehabad	5300	NA	6000	11300

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			14th to 20th May.16	07th to 13th May.16	
Rajasthan	Jodhpur	Jodhpur	587	1016	-429
	Sri-Ganganagar	Sri-Ganganagar	2000	1450	550
		Rawla	1440	1950	-510
		Gharsana	1050	1100	-50
		Raisinghnagar	1600	1950	-350
	Bikaner	Bikaner	3100	4850	-1750
		Nokha	1300	1300	Unch
		Khajuwala	3200	4000	-800
		Lunkaransar	4200	1300	2900
	Hanumangarh	Hanumangarh	970	610	360
		Nohar	4900	4600	300
		Pilibanga	468	820	-352
	Nagaur	Nagaur	425	520	-95
	Churu	Churu	3500	4100	-600
	Alwar	Alwar	1500	2000	-500
Haryana	Hisar	Adampur	5200	3300	1900
	Bhiwani	Bhiwani	10500	4200	6300
		Siwani	4500	4400	100
	Sirsa	Sirsa	3950	2030	1920
		Dhabwali	320	225	95
		Ellanabad	NA	2850	-
	Fatehabad	Fatehabad	30	NA	-
Gujarat	Banaskantha	Deesa	NA	NA	-
	Patan	Patan	442	299	143
	Rajkot	Rajkot	806	630	176
	Jamnagar	Dhrol	29	15	14
Madhya pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			56017	49515	6502

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