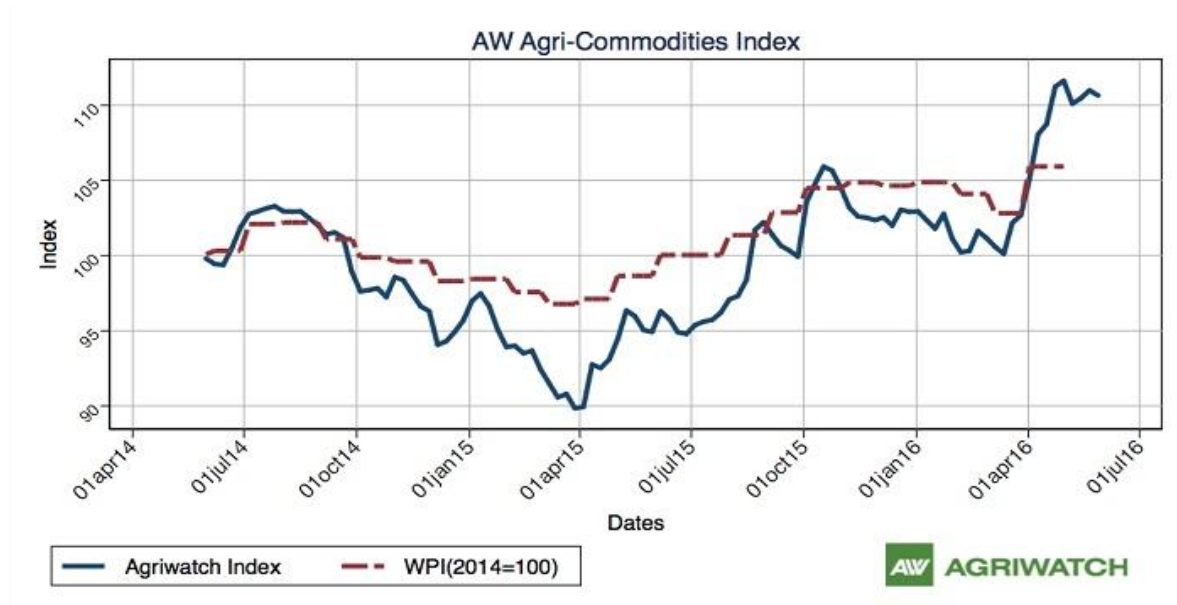


Guar Weekly Research Report

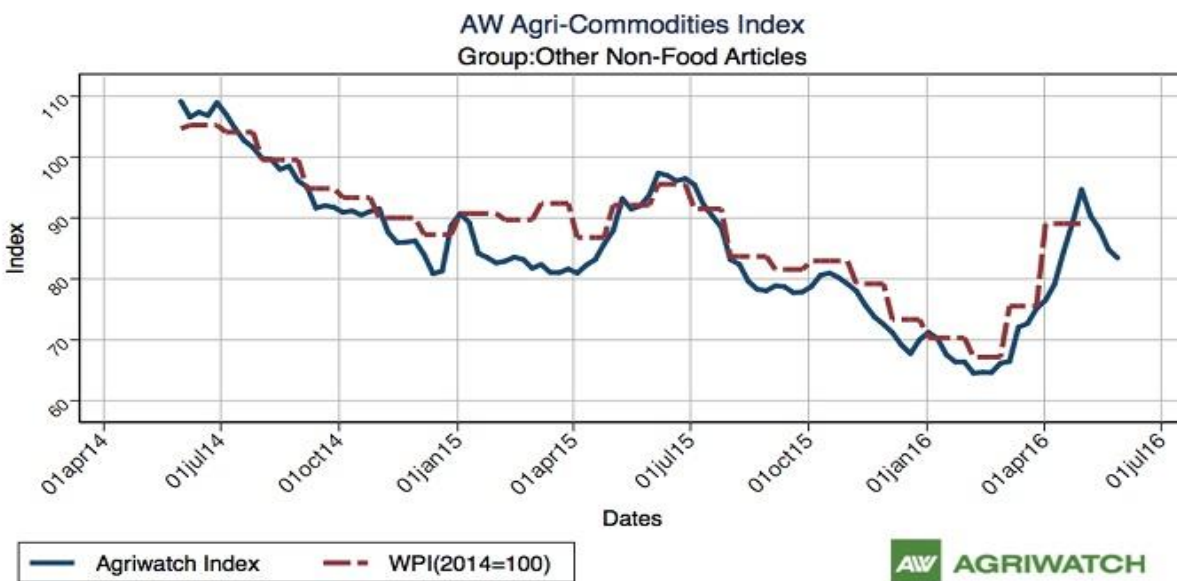
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Agriwatch Agri Commodity Index



The Agriwatch Agri Commodities Index dipped 0.31% to 110.64 during the week ended May 28, 2016 from 110.99 during the previous week. The base for the Index and all sub-Indices is 2014 (= 100).



The Agriwatch Agri commodity other non-food articles Index dipped 1.61 % to 83.45 during the week ended May 28, 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. The daily indices are available on subscription. Please contact for more details.

Executive Summary

Domestic Guar Seed Market Summary

According to trade sources, guar stock of around 2.5 lakh quintals is in lunkaransar region, which is higher as compared to last year stock of around 1.25 lakh quintals. Currently the prices of guar are moving range bound, if the prices go up traders may sell their stock at high, which in turn may pressurize prices to move down.

According to the ministry of commerce and industry, guar gum worth Rs 234.17 crores has been exported in the month of April for financial year 2016-17 as compared to Rs 373.02 crores in financial year 2015-16 for the same month. Guar gum is used in hydraulic fracturing for extracting oil and gas, therefore as the prices of crude oil crashed demand for guar gum also declined.

For the Kharif season 2016-17, Farmers are likely to shift guar area to pulses and other cash crops for better price remuneration. Average Area of guar seed in Gujarat, Rajasthan and Haryana are expected to fall by 10 to 15%. Due to fall in exports of guar gum, prices of guar seed have fallen and are moving in the range of Rs.2800-3000 per quintal.

According to IBIS (provisional data), export of guar seed products (Guar Powder, Split and Meal) in the week (16 May-22 May) was around 5115.22 tonnes. The exports have increased by around 10 percent as compared to last week.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (4200 quintals) compared to previous week 5200 quintals.

Similarly, In Bikaner market, arrivals had decreased in current week to 2900 quintals compared to prior week arrivals data i.e.3100 quintals.

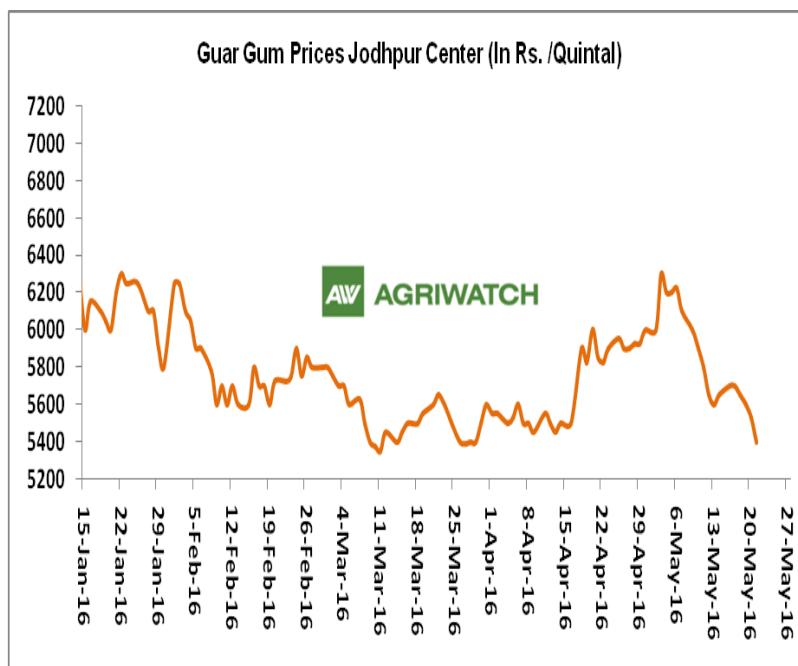
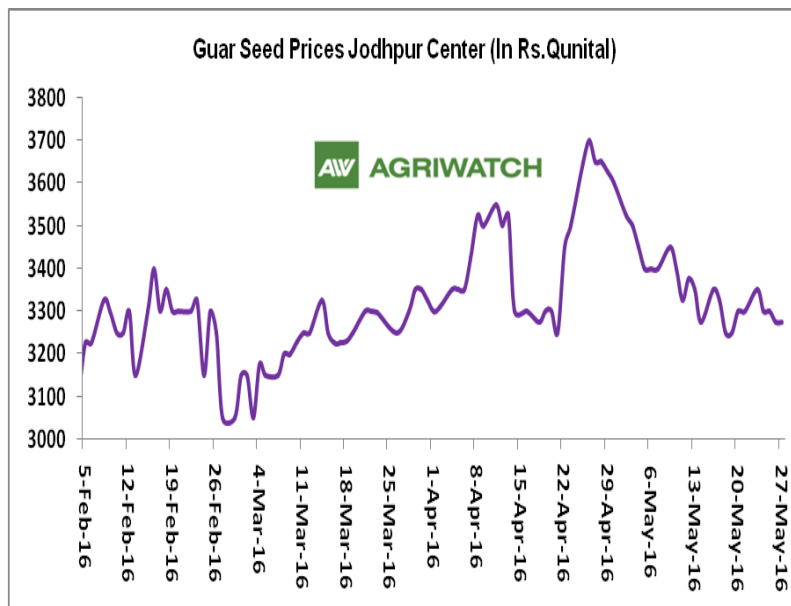
Recommendation:

Weekly Call - : Market participants are advised to SELL Guar seed at 3148 levels for a target of 3048 with a stop loss at 3208 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

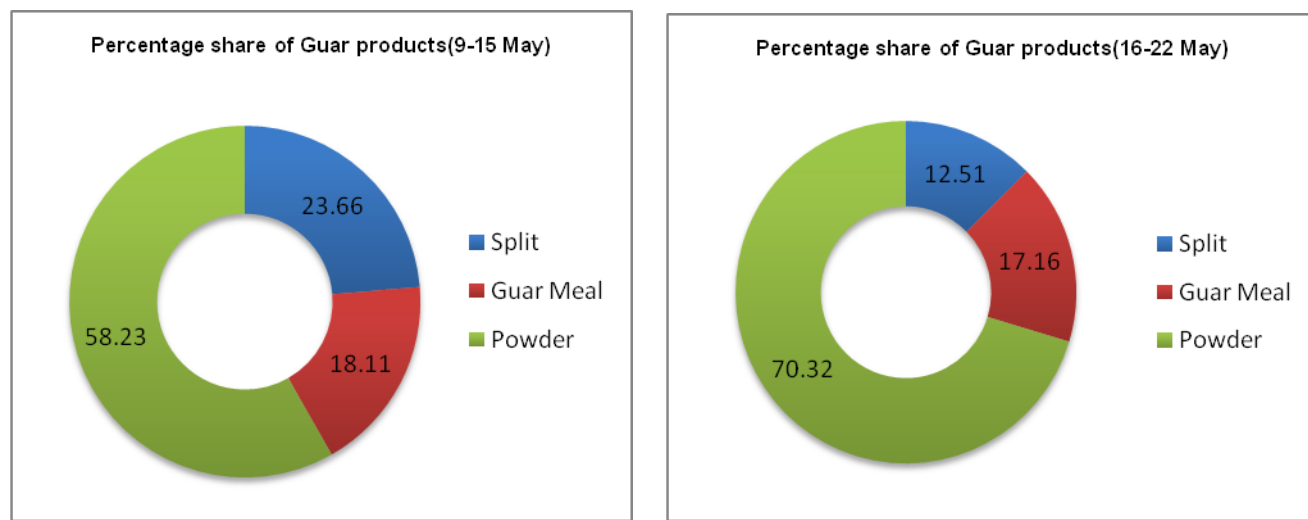
- In the third week of May 2016, Guar seed weekly average prices declined slightly during the week by Rs.91/-qtl compared to prior week and settled at Rs. 3292 per quintal.
- In addition, Guar gum weekly average prices down by Rs. 82/- qtl and settled at Rs. 5225 per quintal.
- Demand for Guar Gum reported 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 2750-2900 per quintal in the coming days.
- Sources revealed that, in Rajasthan Guar area may decrease by 10 – 15% considering lower prices compared to other crops like Moong, which is currently moving in a range of Rs.5900-6000/-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 (16th May to 22th May 2016)

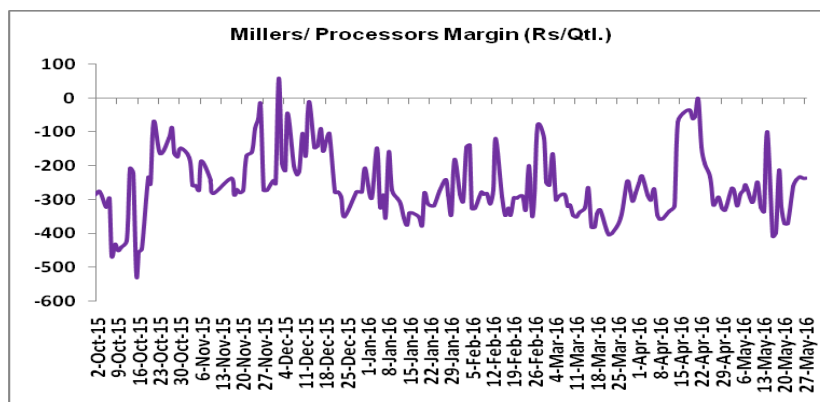
During this week 5115.22 tonnes of guar was exported out of which 3597.22 tonnes was guar gum powder, 878 tonnes was guar meal and 640 tonnes guar gum splits. As compared to last week, the export of guar gum splits have declined by 41.8 percent whereas the exports of guar meal and guar gum powder have increased by 4.3 percent and 32.8 percent respectively



Millers/Processors Margin

In the third week of May 2016, average crush margin is Rs. -241.7/Quintal, as compared to last week's -346.4/ Quintal. Therefore crushing is not favorable for Millers/Processors

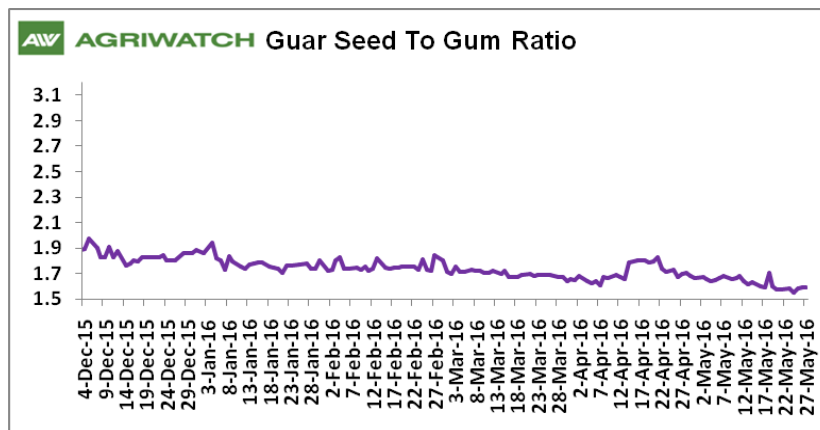
Higher degree of decrease in guar gum prices compared to guar seed prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for fourth week is 1.578, which is lower as compared to last week's 1.618

Overall, weak demand of gum from overseas and good demand of seed from millers has 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 range bound as chart depicts.
- RSI is moving upwards in neutral region.
- Last candlestick depicts bullishness in market.

Strategy: Sell

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed 10MT	NCDEX	June	2885	2990	3169	3240	3290
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	June	Sell	Below 3148	3048	2998	3208

Commodity: Guar Gum
Contract: June

Exchange: NCDEX
Expiry: June 20, 2016

Guar Gum (June Weekly Chart)



Technical Commentary:

- Guar gum prices are moving range bound as chart depicts.
- Last candlestick depicts bullishness in the market.
- Prices were 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	4910	5005	5350	5445	5540
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	Sell	Below 5305	5205	5105	5365

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	21st to 27th May.16	14th to 20th May.16	Change
Churi	Jodhpur	1621	1638	-17
Korma	Jodhpur	1921	1942	-21
Churi	Sri-Ganganagar	1689	1746	-57
Korma	Sri-Ganganagar	2056	2108	-53
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	21st to 27th May.16	14th to 20th May.16	Change
Guargum Split		772	781	-9
Guargum Powder	200 Mesh 5000 CPS	1069	1079	-11
	200 Mesh 3500 CPS	994	1005	-10
Guargum Meal	40%	366	373	-7
	50%	430	433	-2
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			21st to 27th May.16	14th to 20th May.16	
Rajasthan	Jodhpur	Jodhpur (Loose)	3150	3138	13
		Jodhpur(Delivery)	3300	3292	8
	Sri-Ganganagar	Sri-Ganganagar(Loose)	2896	3017	-121
		Sri-Ganganagar (Delivery)	3033	3113	-79
		Rawla (Loose)	2946	2972	-26
		Gharsana (Loose)	2904	2943	-39
		Raisinghnagar (Loose)	2978	2968	10
	Bikaner	Bikaner (Loose)	2983	2996	-13
		Bikaner (Delivery)	3133	3121	13
		Nokha(Loose)	2963	2965	-2
		Nokha (Delivery)	3070	3072	-2
		Khajuwala (Loose)	2967	2980	-13
		Khajuwala (Delivery)	3085	3099	-14
		Lunkaransar (Loose)	2959	2947	13
	Hanumangarh	Hanumangarh (Loose)	2886	2928	-43

		Hanumangarh (Delivery)	3036	3078	-43
		Nohar (Loose)	2974	2963	12
		Pilibanga (Loose)	2892	2922	-30
	Nagaur	Nagaur (Loose)	2813	2867	-54
	Churu	Churu (Delivery)	3083	3092	-8
	Alwar	Alwar (Loose)	2933	2900	33
Haryana	Hisar	Adampur (Loose)	2977	2976	1
		Adampur (Delivery)	3127	3126	1
	Bhiwani	Bhiwani (Delivery)	3163	3133	29
		Siwani (Loose)	3099	3118	-18
	Sirsa	Sirsa (Loose)	2983	3064	-81
		Dhabwali (Loose)	2876	2988	-112
		Dhabwali (Delivery)	3026	3138	-112
		Ellanabad (Loose)	NA	NA	-
	Fatehabad	Fatehabad (Loose)	2900	2800	100
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	-
	Patan	Patan (Loose)	2920	2988	-68
	Rajkot	Rajkot (Loose)	2985	3043	-58
	Jamnagar	Dhrol (Loose)	2839	2922	-83
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	5221	5325	-104
	Alwar	Alwar	5150	5200	-50
	Hanumangarh	Nohar	5238	5467	-229
Haryana	Bhiwani	Bhiwani	5217	5122	95
	Sirsa	Sirsa	5208	5183	25
		Dhabwali	5140	5375	-235
		Ellanabad	NA	NA	-
	Fatehabad	Fatehabad	5442	5300	142

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			27-May-16	20-May-16	27-Apr-16	27-May-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3125	3150	3500	4900
		Jodhpur(Delivery)	3275	3300	3650	5050
	Sri-Ganganagar	Sri-Ganganagar(Loose)	2950	2925	3300	4550
		Sri-Ganganagar (Delivery)	3025	3075	3550	4750
		Rawla (Loose)	2930	2940	3300	4552

		Gharsana (Loose)	2870	2900	3250	4570
		Raisinghnagar (Loose)	2950	3000	3300	4580
	Bikaner	Bikaner (Loose)	2925	3025	3300	4750
		Bikaner (Delivery)	3075	3175	3450	4900
		Nokha(Loose)	2930	3000	3250	4750
		Nokha (Delivery)	3035	3108	3367	4921
		Khajuwala (Loose)	2945	2970	3300	4700
		Khajuwala (Delivery)	3063	3089	3432	4888
		Lunkaransar (Loose)	2950	2950	3250	4620
	Hanumangarh	Hanumangarh (Loose)	2910	2825	3000	NA
		Hanumangarh (Delivery)	3060	2975	3150	NA
		Nohar (Loose)	2960	2975	3250	NA
		Pilibanga (Loose)	2900	2900	3350	4550
	Nagaur	Nagaur (Loose)	2800	2800	3200	NA
	Churu	Churu (Delivery)	3050	3100	3350	4800
	Alwar	Alwar (Loose)	2900	2900	3200	4600
Haryana	Hisar	Adampur (Loose)	2950	2950	3325	4650
		Adampur (Delivery)	3100	3100	3475	4850
	Bhiwani	Bhiwani (Delivery)	3150	3125	3480	4800
		Siwani (Loose)	3100	3100	3400	4850
	Sirsa	Sirsa (Loose)	2975	2975	3250	4580
		Dhabwali (Loose)	2800	NA	NA	4515
		Dhabwali (Delivery)	2950	NA	NA	4650
		Ellanabad (Loose)	NR	NR	NR	4650
	Fatehabad	Fatehabad (Loose)	2900	2800	NA	4600
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	NA	4475
	Patan	Patan (Loose)	2840	2975	3200	4380
	Rajkot	Rajkot (Loose)	2945	3005	3430	4420
	Jamnagar	Dhrol (Loose)	2805	2890	3325	4290
Madhya pradesh	Gwalior	Dabra (Loose)	NA	NA	3500	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	5200	5200	6200	11300
	Alwar	Alwar	5100	5100	6100	11400
	Hanumangarh	Nohar	5150	5400	6100	NA
Haryana	Bhiwani	Bhiwani	5300	5000	6150	11200
	Sirsa	Sirsa	5150	5150	6150	11250
		Dhabwali	5100	NA	NA	11400
		Ellanabad	NR	NA	NA	11200
	Fatehabad	Fatehabad	5450	5300	NA	11250

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			21st to 27th May.16	14th to 20th May.16	
Rajasthan	Jodhpur	Jodhpur	324	587	-263
	Sri-Ganganagar	Sri-Ganganagar	2000	2000	Unch
		Rawla	1600	1440	160
		Gharsana	870	1050	-180
		Raisinghnagar	2650	1600	1050
	Bikaner	Bikaner	2900	3100	-200
		Nokha	1450	1300	150
		Khajuwala	2600	3200	-600
		Lunkaransar	1375	4200	-2825
	Hanumangarh	Hanumangarh	450	970	-520
		Nohar	4400	4900	-500
		Pilibanga	491	468	23
	Nagaur	Nagaur	420	425	-5
	Churu	Churu	4200	3500	700
	Alwar	Alwar	2600	1500	1100
Haryana	Hisar	Adampur	4200	5200	-1000
	Bhiwani	Bhiwani	13000	10500	2500
		Siwani	4500	4500	Unch
	Sirsa	Sirsa	3250	3950	-700
		Dhabwali	900	320	580
		Ellanabad	NA	NA	-
	Fatehabad	Fatehabad	220	30	190
Gujarat	Banaskantha	Deesa	NA	NA	-
	Patan	Patan	403	442	-39
	Rajkot	Rajkot	1355	806	549
	Jamnagar	Dhrol	82	29	53
Madhya pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			56240	56017	223

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