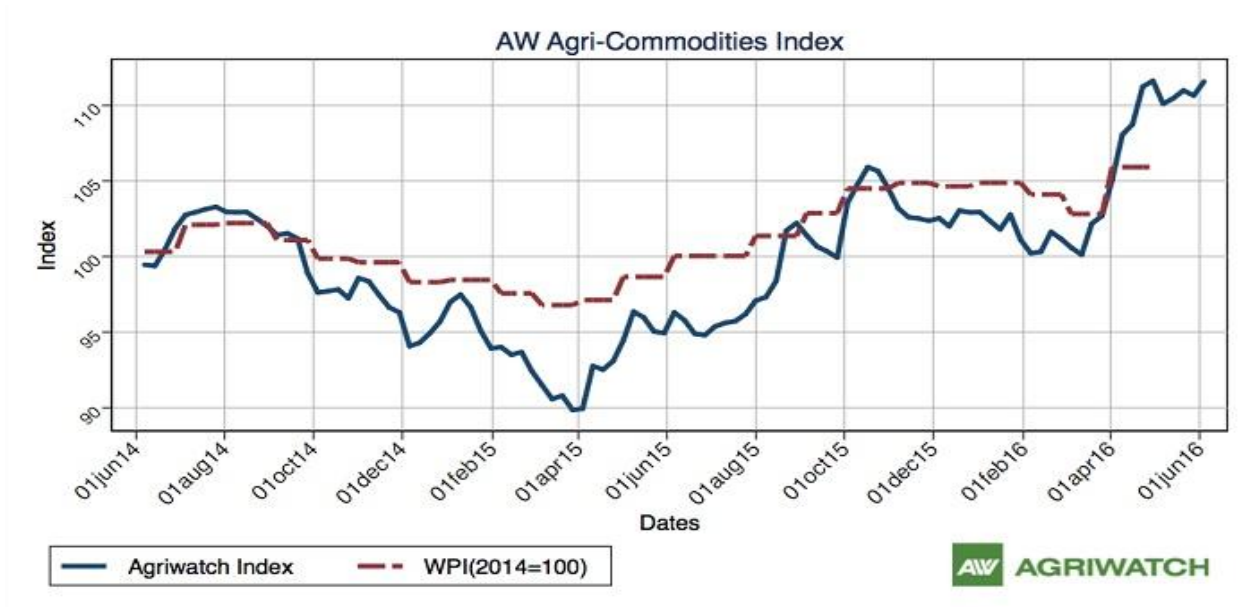


# Guar Weekly Research Report

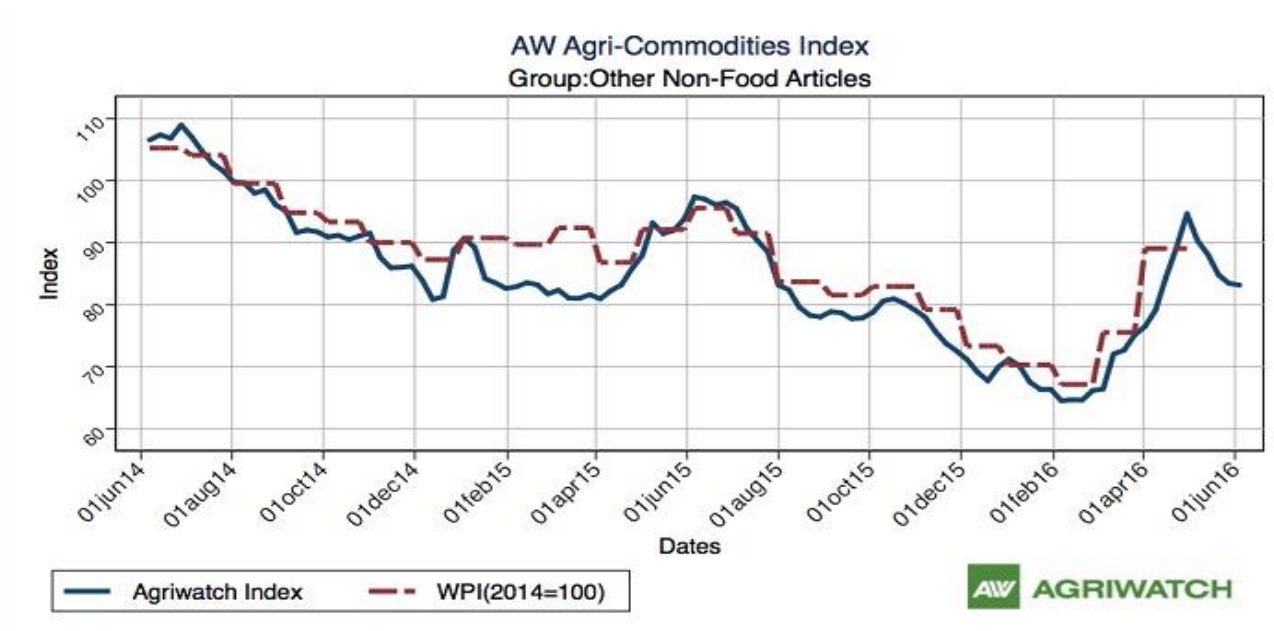
## Contents

- ❖ Agriwatch Agri Commodity Index
- ❖ Executive Summary
- ❖ Recommendations
- ❖ Domestic Market Fundamentals
- ❖ Export Scenario
- ❖ Processing Margins
- ❖ Technical Analysis (Futures Market)
- ❖ Guar Seed & Gum Prices at Key Spot Markets

### Agriwatch Agri Commodity Index



The Agriwatch Agri Commodities Index increased by 0.83% to 111.57 during the week ended June 4, 2016 from 110.64 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 0.34 % to 83.17 during the week ended June 4, 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**

*Export demand of guar seed since January 2015-16 has been low compared to export demand last year. Guar is sown in 40 lakh hectares in India and Key guar sowing States are Rajasthan, Haryana and Gujarat. All three States are seeing a dip in guar acreage by 20-25% as farmers are shifting to other remunerative crops like pulses and cotton*

*According to IBIS (provisional data), export of guar seed products (Guar Powder, Split and Meal) in the week (23 May-29 May) was around 8326 metric tonnes. The exports have increased by around 3210 metric tonnes as compared to last week*

*According to IBIS (provisional data) for fourth week of May, Export of all guar seed products i.e. powder, Split and meal has increased compared to last week. India has exported 4103 metric tonnes of guar gum powder, 1534 metric tonnes of guar split at an average fob of \$1038.89/tonne and 2689 metric tonnes of guar meal at an average fob of \$532.85/tonne. The main countries to which guar seed products were exported are USA, Germany, Russia and china.*

*According to trade sources, guar stock of around 2.5 lakh quintals is in lunkaransar region, which is higher 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.*

*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.*

*As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (4600 quintals) compared to previous week 4200 quintals.*

*As far as arrivals are concerned in Bikaner market, there is no change (2900 quintals) compared to last week.*

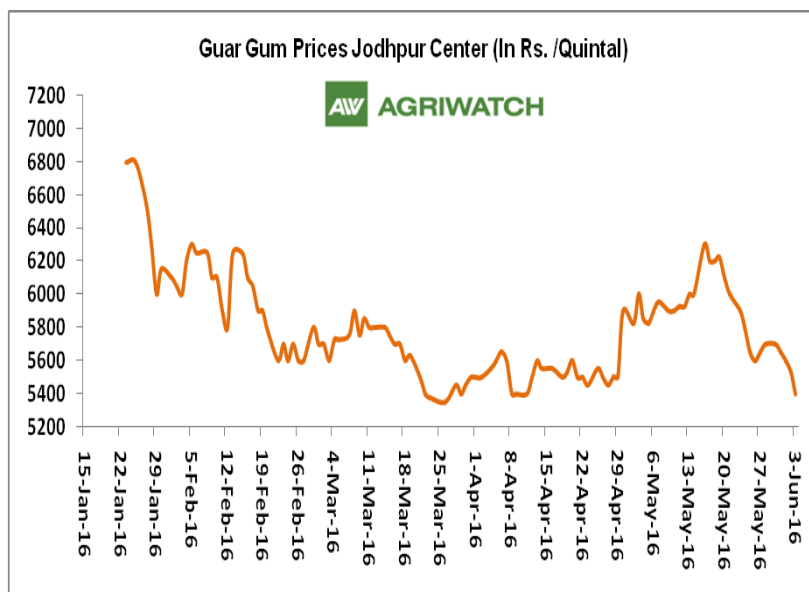
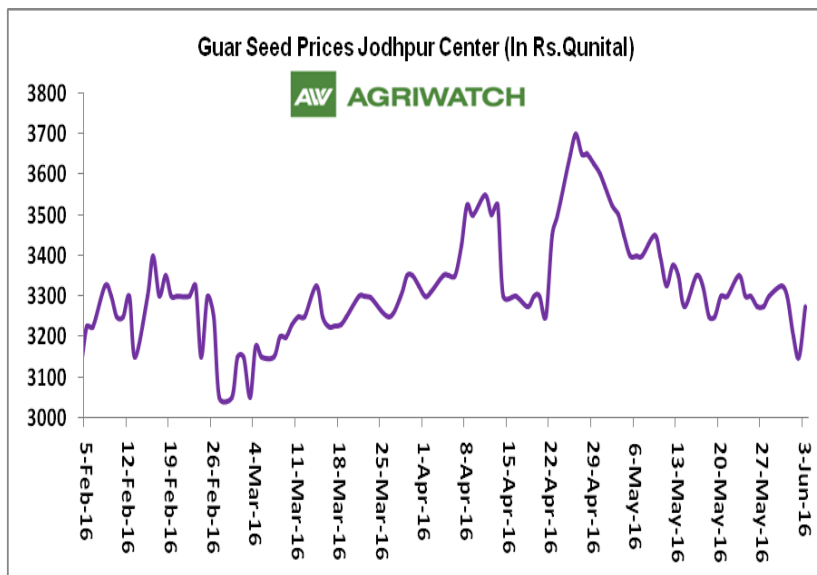
### **Recommendation:**

**Weekly Call - : Market participants are advised to SELL Guar seed at 3170 levels for a target of 3117 with a stop loss at 3201 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

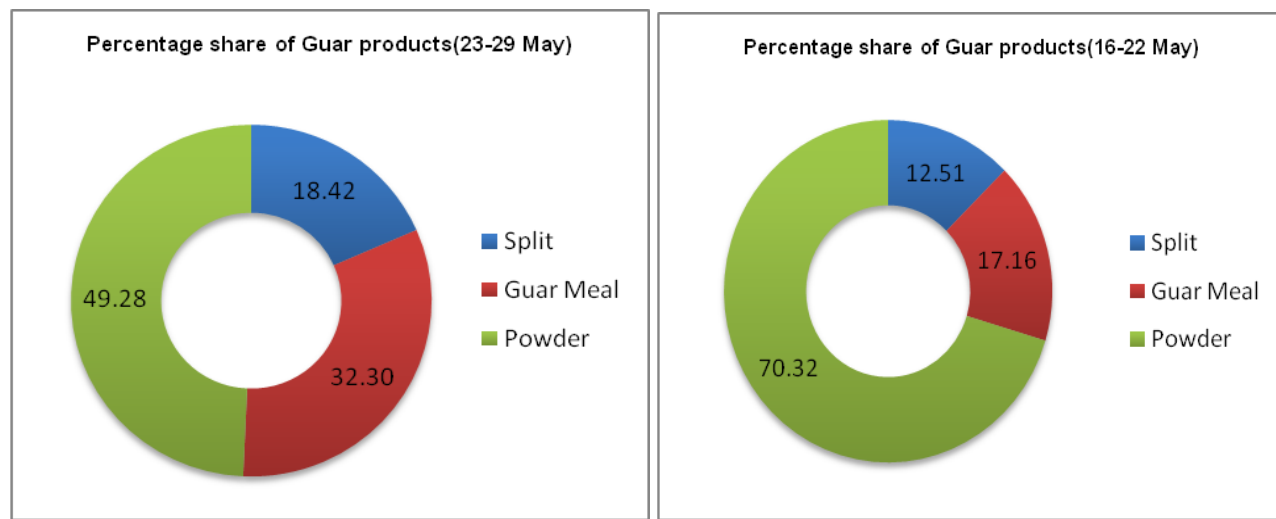
- In the last week of May 2016, Guar seed weekly average prices declined slightly during the week by Rs.41.67/-qtl compared to prior week and settled at Rs. 3258.33 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 87.5/- qtl and settled at Rs. 5312.5 per quintal. This rise in guar gum prices is mainly due to slight increase in exports as compared to 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 2750-2900 per quintal in the coming days.
- Sources revealed that guar seed area in Rajasthan, Haryana and Gujarat may decrease by 20 – 25% considering lower prices compared to other crops like Pulses and cotton, which are more remunerative for farmers as compared to guar.
- 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.



## Export Scenario

### **Export Scenario (23<sup>rd</sup> May to 29<sup>th</sup> May 2016)**

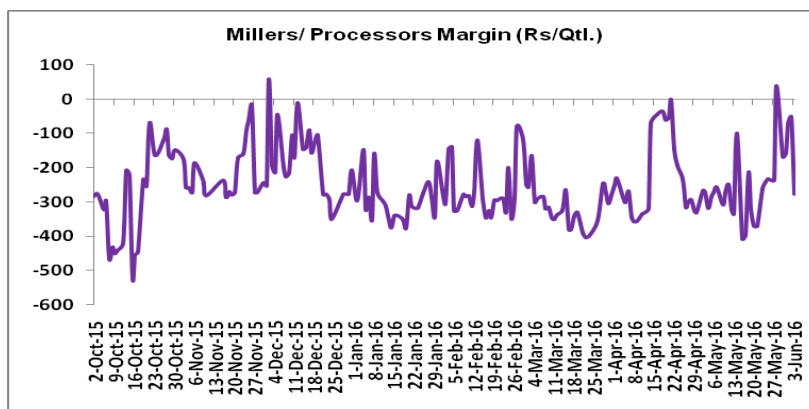
During this week 8326 tonnes of guar was exported out of which 4103 tonnes was guar gum powder, 2689 tonnes was guar meal and 1534 tonnes guar gum splits. As compared to last week, the export of guar gum splits, guar meal and guar gum have increased.



## Millers/Processors Margin

In the last week of May 2016, average crush margin is Rs. -114.7/Quintal, compared to last week's -241.7/ Quintal. Therefore crushing is not favorable for Millers/Processors

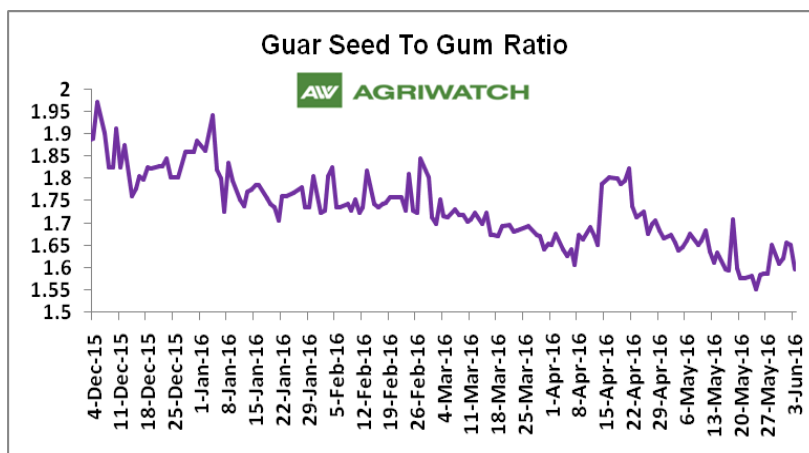
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



## Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for fourth week is 1.631, which is higher compared to last week's 1.578

Overall, buoyant demand of gum from overseas and good demand of seed from millers has increased the overall ratio.





### Technical Analysis (Guar Seed)

Commodity: Guar Seed 10MT

Contract: July

Exchange: NCDEX

Expiry: July 20, 2016

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



#### Technical Commentary:

- Fall in prices and rise in Volume and Open interest indicates short buildup
- Guar prices are moving range bound as chart depicts.
- Last candlestick depicts bearishness in market.

#### Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed 10MT	NCDEX	July	3065	3045	3114	3220	3230
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	July	<b>Sell</b>	Below 3170	3117	3090	3201

**Commodity: Guar Gum**  
**Contract: July**

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

### Guar Gum (July Weekly Chart)



### Technical Commentary:

- Fall in prices and rise in Volume and Open interest indicates short buildup
- Guar gum prices are moving range bound as chart depicts.
- Last candlestick depicts bearishness in the market.
- Prices have become range bound and are expected to move up in coming weeks.

### Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	July	5150	5120	5240	5430	5480
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	<b>Sell</b>	Below 5320	5260	5185	5365

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

<b>Guar by – Products Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Centre</b>	<b>28th May.16 to 03rd June.16</b>	<b>21st to 27th May.16</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1645	1621	<b>24</b>
<b>Korma</b>	Jodhpur	1970	1921	<b>49</b>
<b>Churi</b>	Sri-Ganganagar	1679	1689	<b>-10</b>
<b>Korma</b>	Sri-Ganganagar	2033	2056	<b>-22</b>
<b>Prices in Rs/75kg</b>				

<b>Guar Export Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Variety</b>	<b>28th May.16 to 03rd June.16</b>	<b>21st to 27th May.16</b>	<b>Change</b>
<b>Guargum Split</b>		796	772	<b>24</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1093	1069	<b>25</b>
	200 Mesh 3500 CPS	1019	994	<b>24</b>
<b>Guargum Meal</b>	40%	347	366	<b>-19</b>
	50%	421	430	<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>28th May.16 to 03rd June.16</b>	<b>21st to 27th May.16</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3083	3150	<b>-67</b>
		Jodhpur(Delivery)	3258	3300	<b>-42</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3000	2896	<b>104</b>
		Sri-Ganganagar (Delivery)	3142	3033	<b>108</b>
		Rawla (Loose)	2973	2946	<b>27</b>
		Gharsana (Loose)	2953	2904	<b>49</b>
		Raisinghnagar (Loose)	3020	2978	<b>43</b>
	<b>Bikaner</b>	Bikaner (Loose)	2999	2983	<b>16</b>
		Bikaner (Delivery)	3149	3133	<b>16</b>
		Nokha(Loose)	3013	2963	<b>49</b>
		Nokha (Delivery)	3121	3070	<b>51</b>
		Khajuwala (Loose)	3012	2967	<b>45</b>
		Khajuwala (Delivery)	3132	3085	<b>47</b>
		Lunkaransar (Loose)	2967	2959	<b>8</b>
	<b>Hanumangarh</b>	Hanumangarh (Loose)	2902	2886	<b>16</b>



		Hanumangarh (Delivery)	3052	3036	16
		Nohar (Loose)	3000	2974	26
		Pilibanga (Loose)	2935	2892	42
	Nagaur	Nagaur (Loose)	2908	2813	96
	Churu	Churu (Delivery)	3150	3083	67
	Alwar	Alwar (Loose)	2983	2933	50
Haryana	Hisar	Adampur (Loose)	2979	2977	3
		Adampur (Delivery)	3129	3127	3
	Bhiwani	Bhiwani (Delivery)	3171	3163	8
		Siwani (Loose)	3101	3099	2
	Sirsa	Sirsa (Loose)	2986	2983	3
		Dhabwali (Loose)	2883	2876	7
		Dhabwali (Delivery)	3033	3026	7
		Ellanabad (Loose)	NA	NA	-
	Fatehabad	Fatehabad (Loose)	2941	2900	41
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	-
	Patan	Patan (Loose)	2935	2920	15
	Rajkot	Rajkot (Loose)	2979	2985	-6
	Jamnagar	Dhrol (Loose)	2796	2839	-43
Madhya pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	5313	5221	92
	Alwar	Alwar	5300	5150	150
	Hanumangarh	Nohar	5275	5238	38
Haryana	Bhiwani	Bhiwani	5250	5217	33
	Sirsa	Sirsa	5325	5208	117
		Dhabwali	5242	5140	102
		Ellanabad	NA	NA	-
	Fatehabad	Fatehabad	5325	5442	-117

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

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			3-Jun-16	27-May-16	3-May-16	3-Jun-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3125	3125	3350	4700
		Jodhpur(Delivery)	3275	3275	3500	5200
	Sri-Ganganagar	Sri-Ganganagar(Loose)	2950	2950	3250	4850
		Sri-Ganganagar (Delivery)	3100	3025	3350	5150
		Rawla (Loose)	2950	2930	3100	4613

		Gharsana (Loose)	2890	2870	3050	4700
		Raisinghnagar (Loose)	2980	2950	3175	NA
	<b>Bikaner</b>	Bikaner (Loose)	2950	2925	3150	5000
		Bikaner (Delivery)	3100	3075	3300	5150
		Nokha(Loose)	2990	2930	3100	4900
		Nokha (Delivery)	3098	3035	3212	5076
		Khajuwala (Loose)	2960	2945	3150	4950
		Khajuwala (Delivery)	3078	3063	3276	5148
		Lunkaransar (Loose)	2900	2950	3150	4600
	<b>Hanumangarh</b>	Hanumangarh (Loose)	2950	2910	3100	4750
		Hanumangarh (Delivery)	3100	3060	3250	4950
		Nohar (Loose)	2950	2960	3150	NA
		Pilibanga (Loose)	2925	2900	3150	4600
	<b>Nagaur</b>	Nagaur (Loose)	2900	2800	3200	4750
	<b>Churu</b>	Churu (Delivery)	3100	3050	3250	NA
	<b>Alwar</b>	Alwar (Loose)	2950	2900	3100	4800
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	2950	2950	3175	4850
		Adampur (Delivery)	3100	3100	3325	5000
	<b>Bhiwani</b>	Bhiwani (Delivery)	3100	3150	3225	5100
		Siwani (Loose)	3070	3100	3275	5000
	<b>Sirsa</b>	Sirsa (Loose)	2950	2975	3150	4750
		Dhabwali (Loose)	2900	2800	NA	4700
		Dhabwali (Delivery)	3050	2950	NA	4900
		Ellanabad (Loose)	NR	NR	3150	4900
	<b>Fatehabad</b>	Fatehabad (Loose)	2950	2900	NA	4700
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	NA	NA	NA	4575
	<b>Patan</b>	Patan (Loose)	2895	2840	3175	4550
	<b>Rajkot</b>	Rajkot (Loose)	2855	2945	3450	4625
	<b>Jamnagar</b>	Dhrol (Loose)	2850	2805	3195	4455
<b>Madhya pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	3600	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	5225	5200	5800	12100
	<b>Alwar</b>	Alwar	5200	5100	5900	NA
	<b>Hanumangarh</b>	Nohar	5200	5150	5900	NA
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	5200	5300	5750	12200
	<b>Sirsa</b>	Sirsa	5250	5150	5750	11800
		Dhabwali	5200	5100	NA	11900
		Ellanabad	NR	NR	5700	12100
	<b>Fatehabad</b>	Fatehabad	5450	5450	NA	11600

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			28th May.16 to 03rd June.16	21st to 27th May.16	
Rajasthan	Jodhpur	Jodhpur	551	324	227
	Sri-Ganganagar	Sri-Ganganagar	2850	2000	850
		Rawla	2050	1600	450
		Gharsana	1200	870	330
		Raisinghnagar	2850	2650	200
	Bikaner	Bikaner	2900	2900	Unch
		Nokha	1450	1450	Unch
		Khajuwala	3600	2600	1000
		Lunkaransar	2150	1375	775
	Hanumangarh	Hanumangarh	255	450	-195
		Nohar	3800	4400	-600
		Pilibanga	735	491	244
	Nagaur	Nagaur	545	420	125
	Churu	Churu	4200	4200	Unch
	Alwar	Alwar	2100	2600	-500
Haryana	Hisar	Adampur	4600	4200	400
	Bhiwani	Bhiwani	39000	13000	26000
		Siwani	4800	4500	300
	Sirsa	Sirsa	3200	3250	-50
		Dhabwali	800	900	-100
		Ellanabad	NA	NA	-
	Fatehabad	Fatehabad	125	220	-95
Gujarat	Banaskantha	Deesa	NA	NA	-
	Patan	Patan	342	403	-61
	Rajkot	Rajkot	1231	1355	-124
	Jamnagar	Dhrol	63	82	-19
Madhya pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			85397	56240	29157

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