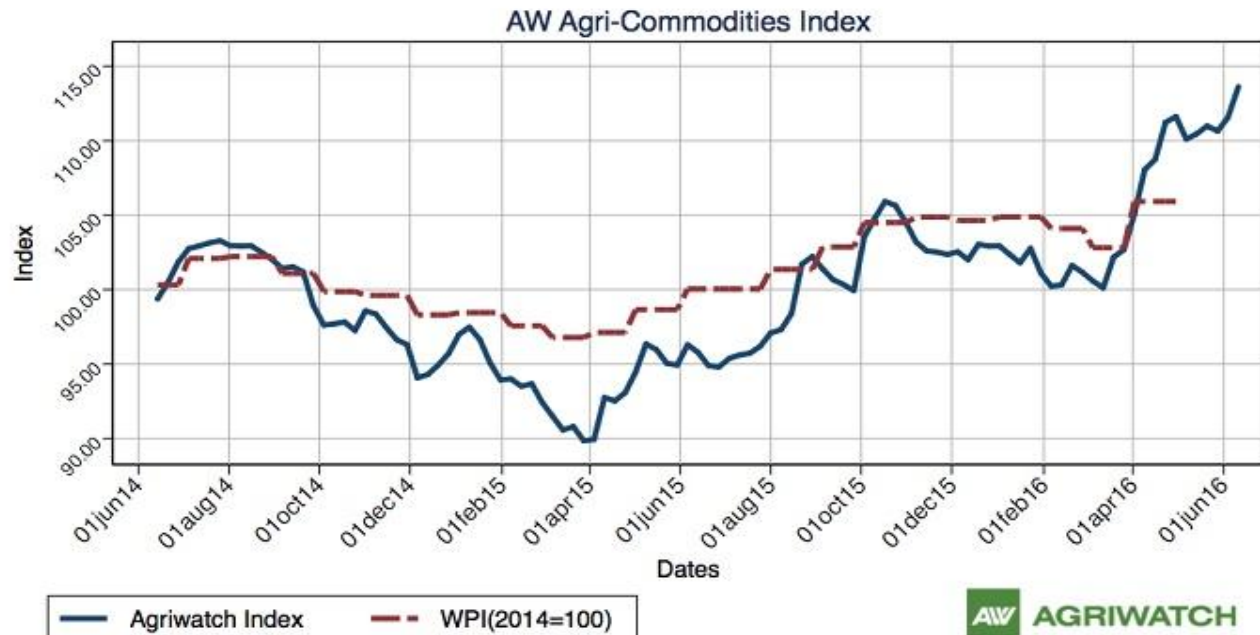


Guar Weekly Research Report

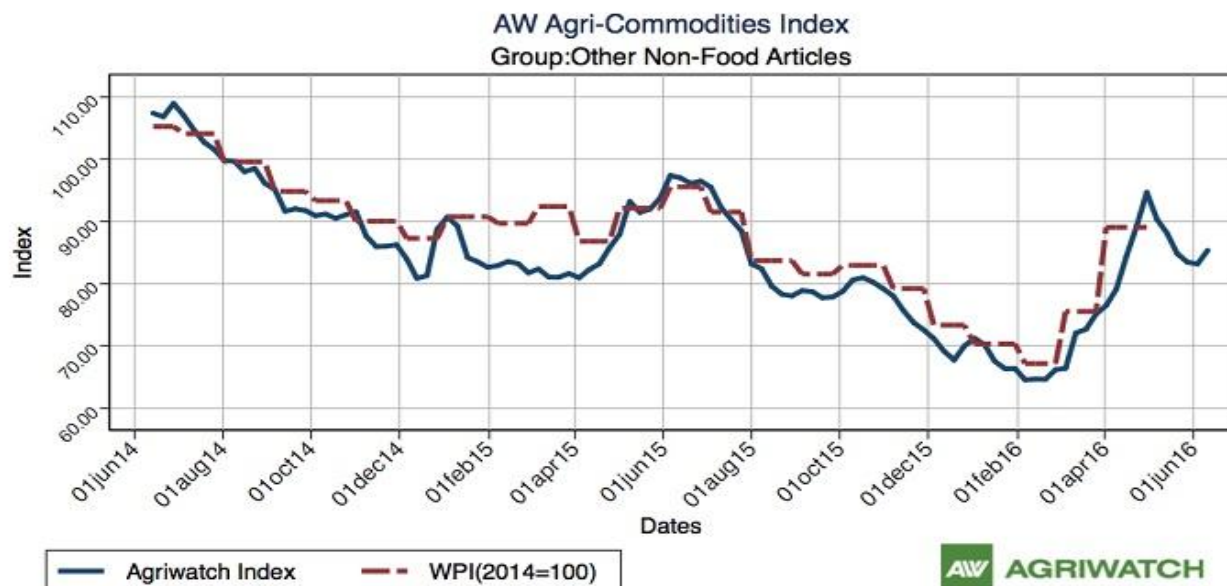
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Agriwatch Agri Commodity Index



The Agriwatch Agri Commodities Index hit a new 52-week high of 113.62 during the week ended June 11, 2016, up 1.84% from 111.57. The base for the Index and all sub-Indices is 2014 (= 100).



The Agriwatch Agri commodity other non-food articles Index increased by 2.63 % to 85.36 during the week ended June 11, 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 IBIS (provisional data) for first week of June, Export of all guar seed products i.e. powder, Split and meal has decreased as compared to last week. India has exported 3690 metric tonnes of guar gum powder, 1562 metric tonnes of guar split at an average fob of \$926.27/tonne and 1009 metric tonnes of guar meal at an average fob of \$498.08/tonne. The main countries to which guar seed products were exported are USA, Germany and china.

The number of rigs drilling for oil in US as on 3rd June'16 has increased by 4 to 408 and drilled uncompleted wells in US alone are around 4000. Therefore with increasing rig count in US accompanied with low area sowed and carry over stock of less than one million metric tonnes, prices of guar gum are expected to remain firm in the coming week as guar gum is used in hydraulic fracturing.

According to IBIS (provisional data) for May, Export of guar seed products i.e. powder, Split and meal has fallen by 1140.25 metric tonnes as compared to last month. India has exported 12815.2 metric tonnes of guar gum powder, 3811 metric tonnes of guar split and 5452.79 metric tonnes of guar meal in the month of May.

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 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 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 (4700 quintals) compared to previous week 4600 quintals.

As far as arrivals are concerned in Bikaner market, reported higher arrivals (4900 quintals) compared to previous week 2900 quintals

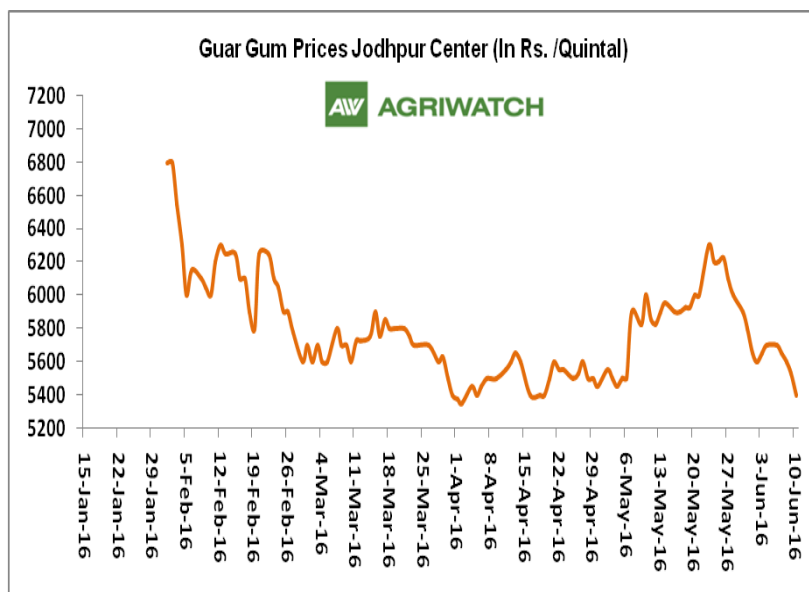
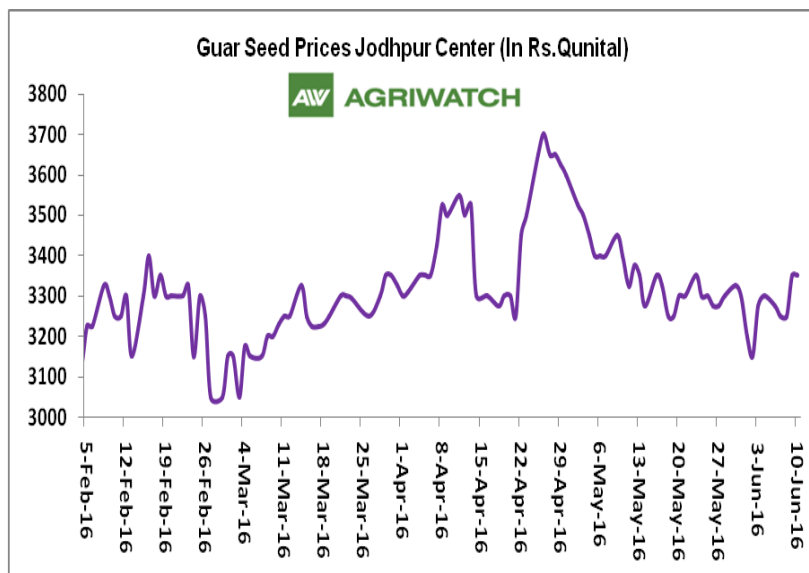
Recommendation:

Weekly Call - : Market participants are advised to BUY Guar seed at 3140 levels for a target of 3195 with a stop loss at 3107 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

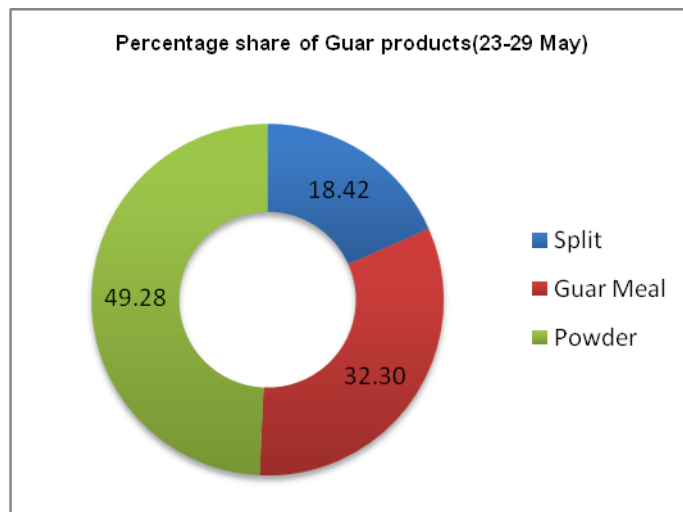
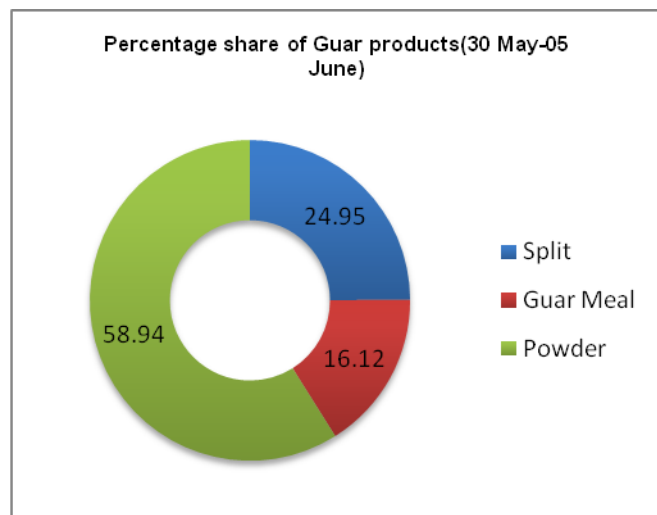
- In the second week of June 2016, Guar seed weekly average prices increased slightly during the week by Rs.37.5/-qtl compared to prior week and settled at Rs. 3295.83 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 150 /- qtl and settled at Rs. 5462.5 per quintal. This rise in guar gum prices is mainly due to increasing prices of crude oil.
- 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 2700-2900 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 (30th May to 05th June 2016)

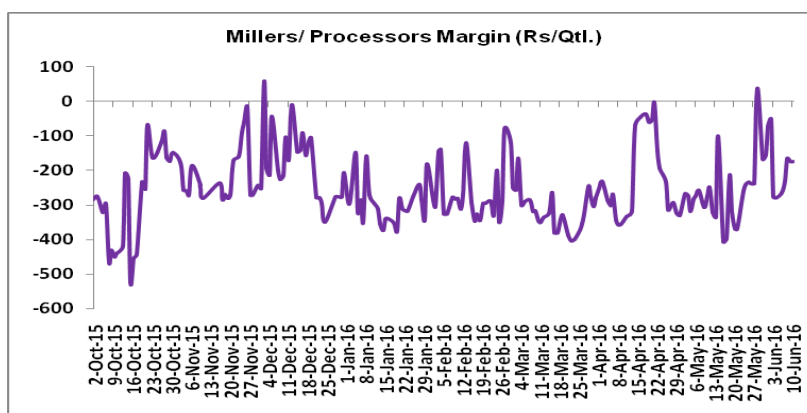
During this week 6261 tonnes of guar was exported out of which 3690 tonnes was guar gum powder, 1009 tonnes was guar meal and 1562 tonnes guar gum splits. As compared to last week, the export of guar gum splits, guar meal and guar gum have decreased.



Millers/Processors Margin

In the first week of June 2016, average crush margin is Rs. -215.15/Quintal, compared to last week's -114.2/ Quintal. Therefore crushing is not favorable for Millers/Processors

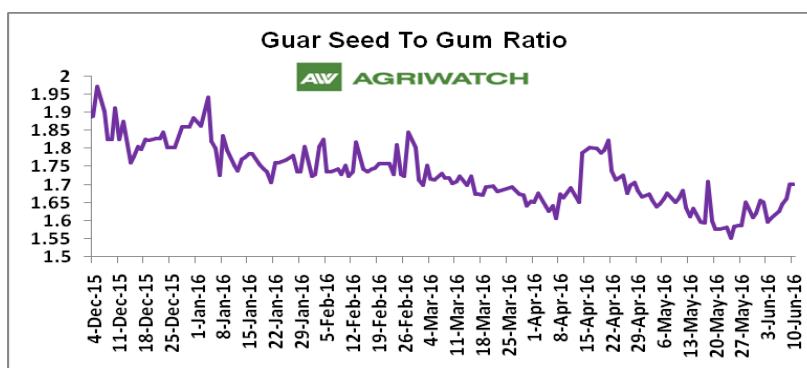
Higher degree of increase in guar gum prices compared to guar seed prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for second week is 1.66, which is higher as compared to last week's 1.63

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:

- Rise in prices, Volume and Open interest indicates long buildup
- Guar prices are moving range bound as chart depicts.
- Last candlestick depicts bullishness in market.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed 10MT	NCDEX	July	3070	3045	3159	3250	3273
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	July	Buy	Above 3140	3195	3225	3107



Commodity: Guar Gum
Contract: July

Exchange: NCDEX
Expiry: July 20, 2016

Guar Gum (July Weekly Chart)



Technical Commentary:

- Rise in prices, Volume and Open interest indicates long buildup
- Guar gum prices are moving from range bound to firm as chart depicts
- Last candlestick depicts bearishness in the market

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	July	5600	5565	5720	5810	5850
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	Buy	Above 5675	5735	5770	5639

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	04th to 10th June.16	28th May.16 to 03rd June.16	Change
Churi	Jodhpur	1525	1645	-120
Korma	Jodhpur	1896	1970	-74
Churi	Sri-Ganganagar	1583	1679	-96
Korma	Sri-Ganganagar	1967	2033	-67
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	04th to 10th June.16	28th May.16 to 03rd June.16	Change
Guargum Split		804	796	8
Guargum Powder	200 Mesh 5000 CPS	1103	1093	10
	200 Mesh 3500 CPS	1028	1019	9
Guargum Meal	40%	319	347	-28
	50%	423	421	2
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			04th to 10th June.16	28th May.16 to 03rd June.16	
Rajasthan	Jodhpur	Jodhpur (Loose)	3146	3083	63
		Jodhpur(Delivery)	3296	3258	38
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3008	3000	8
		Sri-Ganganagar (Delivery)	3142	3142	Unch
		Rawla (Loose)	2938	2973	-35
		Gharsana (Loose)	2948	2953	-6
		Raisinghnagar (Loose)	2987	3020	-33
	Bikaner	Bikaner (Loose)	2983	2999	-16
		Bikaner (Delivery)	3133	3149	-16
		Nokha(Loose)	3002	3013	-11
		Nokha (Delivery)	3110	3121	-11
		Khajuwala (Loose)	2956	3012	-56
		Khajuwala (Delivery)	3074	3132	-58
		Lunkaransar (Loose)	2958	2967	-8
		Hanumangarh (Loose)	2942	2902	40
	Hanumangarh	Hanumangarh	3092	3052	40

		(Delivery)			
		Nohar (Loose)	2972	3000	-28
		Pilibanga (Loose)	2898	2935	-37
	Nagaur	Nagaur (Loose)	3021	2908	113
	Churu	Churu (Delivery)	3113	3150	-38
	Alwar	Alwar (Loose)	2958	2983	-25
Haryana	Hisar	Adampur (Loose)	2985	2979	6
		Adampur (Delivery)	3135	3129	6
	Bhiwani	Bhiwani (Delivery)	3115	3171	-56
		Siwani (Loose)	3065	3101	-36
	Sirsa	Sirsa (Loose)	2979	2986	-7
		Dhabwali (Loose)	2935	2883	52
		Dhabwali (Delivery)	3085	3033	52
		Ellanabad (Loose)	2983	NA	-
	Fatehabad	Fatehabad (Loose)	2995	2941	54
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	-
	Patan	Patan (Loose)	2940	2935	5
	Rajkot	Rajkot (Loose)	2951	2979	-28
	Jamnagar	Dhrol (Loose)	2805	2796	9
Madhya pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	5463	5313	150
	Alwar	Alwar	5367	5300	67
	Hanumangarh	Nohar	5317	5275	42
Haryana	Bhiwani	Bhiwani	5305	5250	55
	Sirsa	Sirsa	5440	5325	115
		Dhabwali	5346	5242	104
		Ellanabad	5383	NA	-
	Fatehabad	Fatehabad	5483	5325	158

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			10-Jun-16	3-Jun-16	10-May-16	10-Jun-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3200	3125	3250	4800
		Jodhpur(Delivery)	3350	3275	3400	5000
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3100	2950	3150	4550
		Sri-Ganganagar (Delivery)	3250	3100	3250	4750
		Rawla (Loose)	2960	2950	3100	4529

		Gharsana (Loose)	2950	2890	2980	4550
		Raisinghnagar (Loose)	3050	2980	3070	NA
	Bikaner	Bikaner (Loose)	3000	2950	3050	4625
		Bikaner (Delivery)	3150	3100	3200	4800
		Nokha(Loose)	3000	2990	3070	4600
		Nokha (Delivery)	3108	3098	3181	4766
		Khajuwala (Loose)	2950	2960	3140	4600
		Khajuwala (Delivery)	3068	3078	3266	4784
		Lunkaransar (Loose)	3000	2900	3070	NA
	Hanumangarh	Hanumangarh (Loose)	2945	2950	2950	4500
		Hanumangarh (Delivery)	3095	3100	3100	4700
		Nohar (Loose)	3000	2950	3150	NA
		Pilibanga (Loose)	2900	2925	3050	4400
	Nagaur	Nagaur (Loose)	3100	2900	2900	4450
	Churu	Churu (Delivery)	3150	3100	3150	4700
	Alwar	Alwar (Loose)	3000	2950	3000	4450
Haryana	Hisar	Adampur (Loose)	3100	2950	3100	4640
		Adampur (Delivery)	3250	3100	3250	4840
	Bhiwani	Bhiwani (Delivery)	3150	3100	3250	4750
		Siwani (Loose)	3100	3070	3225	4650
	Sirsa	Sirsa (Loose)	3000	2950	3050	4525
		Dhabwali (Loose)	3000	2900	NA	4400
		Dhabwali (Delivery)	3150	3050	NA	4600
		Ellanabad (Loose)	3040	NA	3100	4550
	Fatehabad	Fatehabad (Loose)	3100	2950	NA	4450
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	NA	4435
	Patan	Patan (Loose)	2870	2895	3055	4625
	Rajkot	Rajkot (Loose)	3020	2855	3170	4450
	Jamnagar	Dhrol (Loose)	2810	2850	2960	NA
Madhya pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	5700	5225	5650	11200
	Alwar	Alwar	5600	5200	5500	11400
	Hanumangarh	Nohar	5400	5200	5800	NA
Haryana	Bhiwani	Bhiwani	5500	5200	5700	11800
	Sirsa	Sirsa	5650	5250	5450	11300
		Dhabwali	5550	5200	NA	11400
		Ellanabad	5550	NA	5500	11250
	Fatehabad	Fatehabad	5700	5450	NA	11200

Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
			04th to 10th June.16	28th May.16 to 03rd June.16	
Guar Seed					
Rajasthan	Jodhpur	Jodhpur	527	551	-24
	Sri-Ganganagar	Sri-Ganganagar	3000	2850	150
		Rawla	1550	2050	-500
		Gharsana	1175	1200	-25
		Raisinghnagar	4900	2850	2050
	Bikaner	Bikaner	4900	2900	2000
		Nokha	1150	1450	-300
		Khajuwala	4300	3600	700
		Lunkaransar	2250	2150	100
	Hanumangarh	Hanumangarh	811	255	556
		Nohar	4100	3800	300
		Pilibanga	1238	735	503
	Nagaur	Nagaur	1150	545	605
	Churu	Churu	3800	4200	-400
	Alwar	Alwar	2100	2100	Unch
Haryana	Hisar	Adampur	4700	4600	100
	Bhiwani	Bhiwani	25000	39000	-14000
		Siwani	4300	4800	-500
	Sirsa	Sirsa	2300	3200	-900
		Dhabwali	950	800	150
		Ellanabad	1600	NA	-
	Fatehabad	Fatehabad	60	125	-65
Gujarat	Banaskantha	Deesa	NA	NA	-
	Patan	Patan	377	342	35
	Rajkot	Rajkot	1780	1231	549
	Jamnagar	Dhrol	27	63	-36
Madhya pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			78045	85397	-7352

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