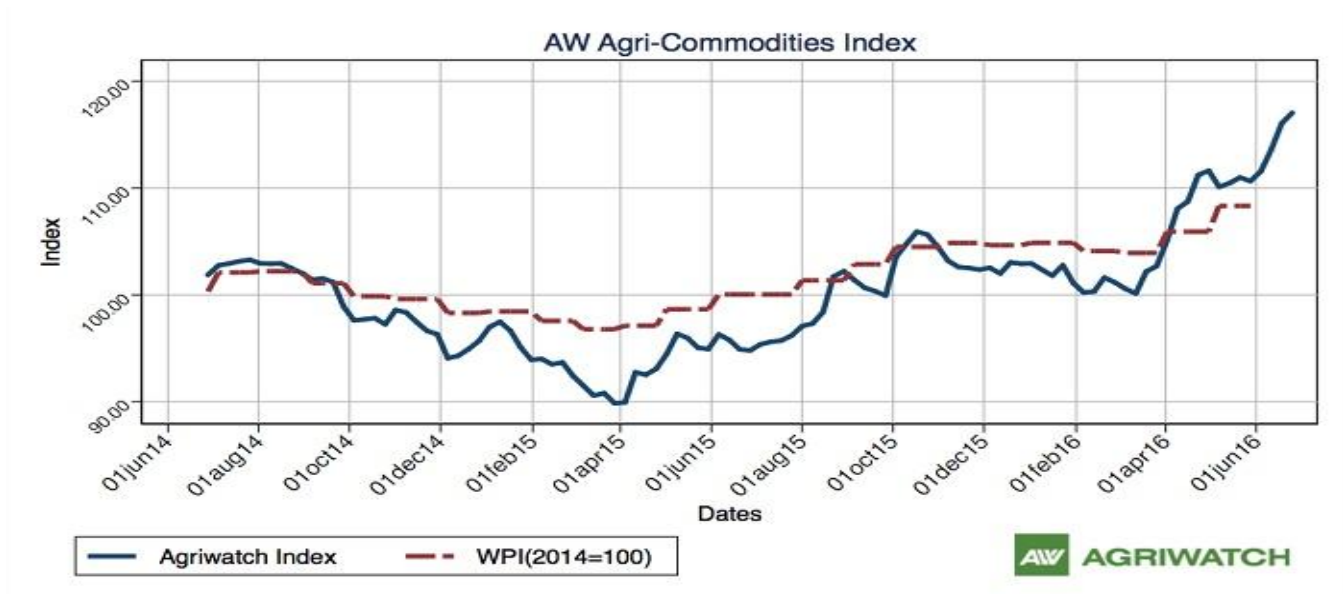


# Guar Weekly Research Report

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### Agriwatch Agri Commodity Index



The Agriwatch Agri Commodities Index gained 0.84% during the week ended June 25, 2016, lower than weekly gains of 2.15% and 1.84% in the preceding two weeks, but still closed at a new high of 117.04. The base for the Index and all sub-Indices is 2014 (= 100).



The Agriwatch Agri commodity other non-food articles Index increased by 0.40 % to 86.26 during the week ended June 25, 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**

According to IBIS (provisional data) for 13-19 June'16, Export of guar meal and guar gum powder has increased whereas guar split has decreased compared to last week. India has exported 5117 metric tonnes of guar gum powder at an average fob of \$1303/tonne, 940 metric tonnes of guar split at an average fob of \$819.87/tonne and 1704 metric tonnes of guar meal at an average fob of \$496.37/tonne.

Total guar seed products export from India for the week (13-19 June'16) was 7761 tonnes. Out of the total around 3540 tonnes was exported from Mundra Port, 1713 tonnes from Jodhpur concor ICD and 1477 tonnes from Jodhpur Thar ICD. Whereas last week (06-12 June'16) 3314 tonnes was exported from Mundra Port, 1069 tonnes from Jodhpur concor ICD and 857 tonnes from Jodhpur Thar ICD.

According to IBIS (provisional data), export of guar seed products (Guar Powder, Split and Meal) in the week (13-19 June) was around 7761 metric tonnes compared to 6219 in the week (06-12 June). The exports of guar meal and guar gum powder are up by 16.9% and 36% respectively, whereas exports of guar split are down by 6% as compared to last week.

Sowing of guar has been delayed by two weeks due to late monsoon. Furthermore sowing is yet to start in Gujarat and Rajasthan. According to forecast by IMD monsoon will arrive next week in Gujarat as well as Rajasthan, which will facilitate guar sowing. Crop shifting from guar as well as increase or decrease in area will depend upon rainfall in next ten days.

According to trade sources, overall guar acreage is expected to fall by 10 to 15% as farmers in Bikaner and Sri Ganganagar are likely to maintain their last year guar acreage with minor shifts to other crops. Whereas other States such as Haryana, Gujarat and Madhya Pradesh are seeing major shifts from guar to other remunerative crops such as Cotton, Moong and Moth. Thus decline in area and production of guar would support the price in cash and future markets.

The wholesale price index of guar seed has fallen marginally from 237.2 in April 2016 to 236.2 in May 2016. The WPI for May 2016 is down by 103.2 compared to corresponding month of last year and by 129.6 compared to May 2014.

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 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.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (4250 quintals) compared to previous week 5600 quintals.

As far as arrivals are concerned in Bikaner market, reported lower arrivals (3700 quintals) compared to previous week 6400 quintals

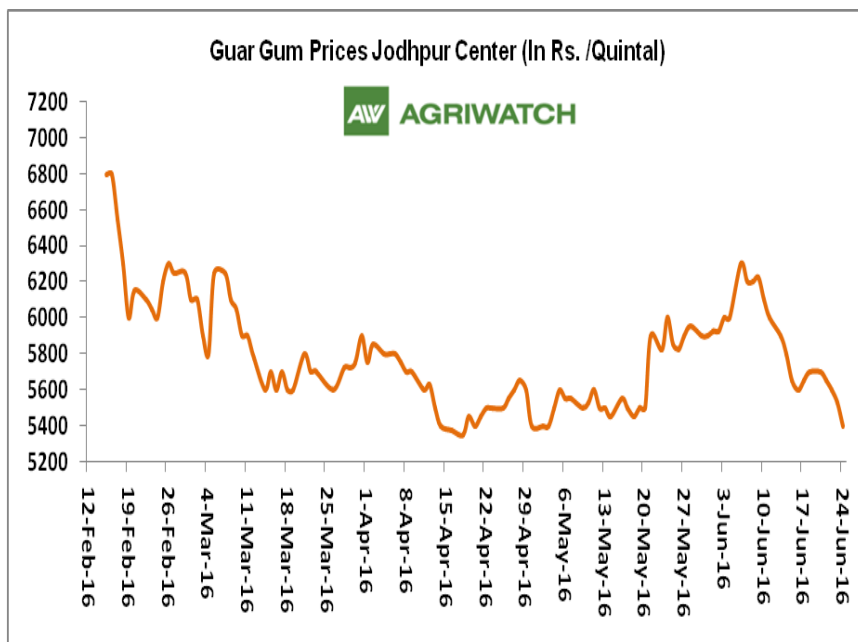
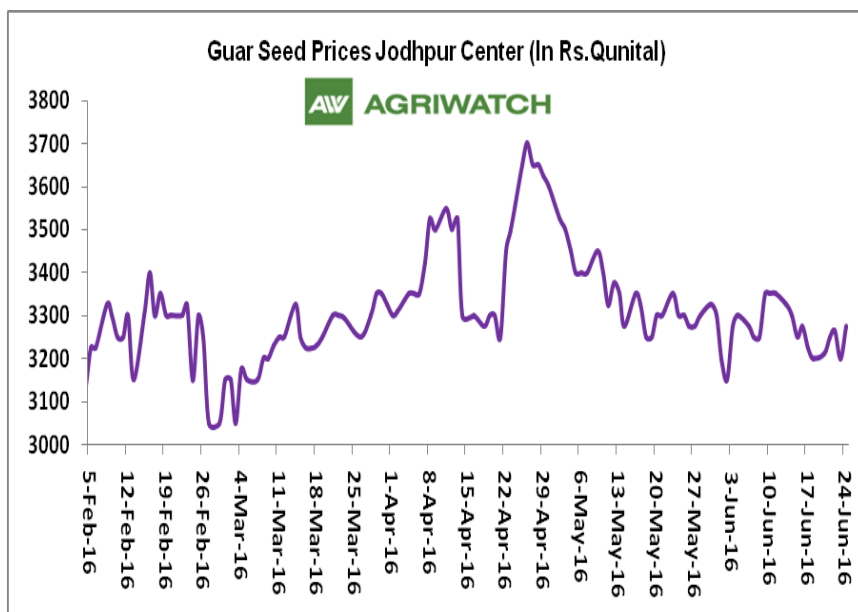
### **Recommendation:**

**Weekly Call - : Market participants are advised to BUY Guar seed at 3080 levels for a target of 3160 with a stop loss at 3032 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

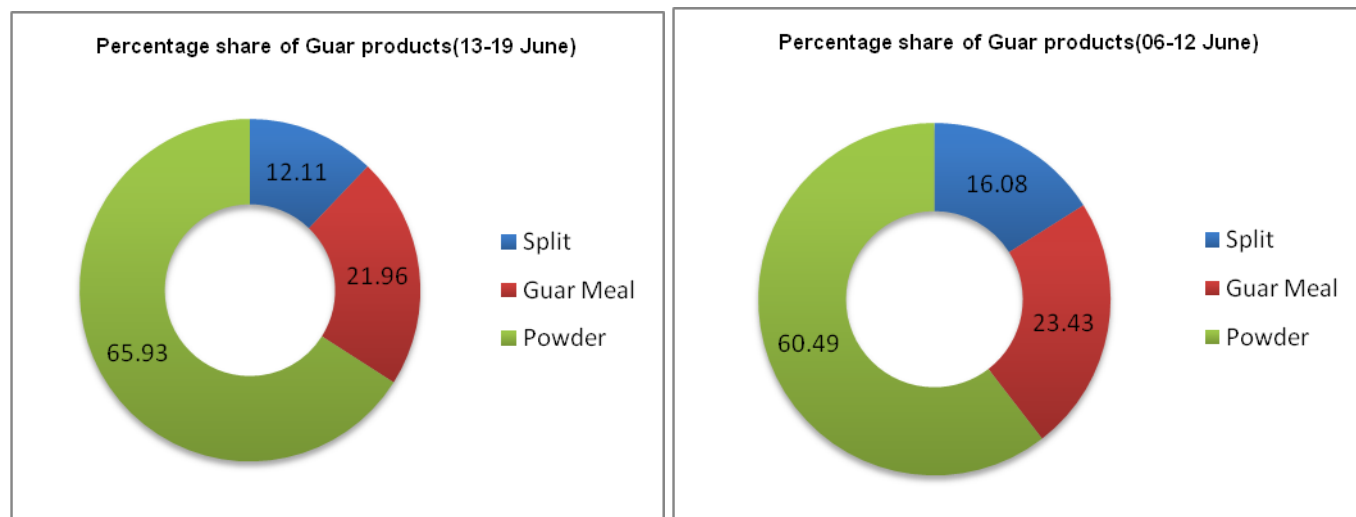
- In the week ended 25 June'16, Guar seed weekly average prices decreased by Rs54.17/- qtl during the week compared to prior week and settled at Rs. 3233.33 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 183.33/- qtl and settled at Rs. 5508.33 per quintal. Weak demand for guar gum and higher carry over stock led prices down this 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 2700-2900 per quintal in the coming days.
- Sources revealed that guar seed area in Rajasthan, Haryana and Gujarat might 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 (13<sup>th</sup> June to 19<sup>th</sup> June 2016)

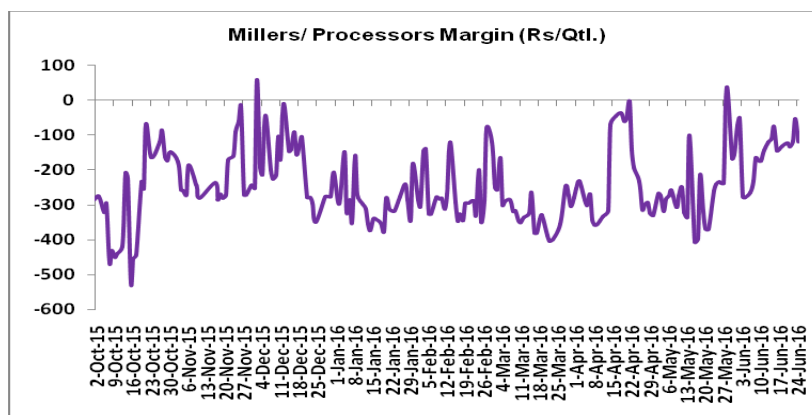
During this week 7761 tonnes of guar was exported out of which 5117 tonnes was guar gum powder, 1704 tonnes was guar meal and 940 tonnes guar gum splits. As compared to last week, the export of guar meal and guar gum powder has increased whereas exports of guar split have decreased.



## Millers/Processors Margin

In the week ended 25 June'16, average crush margin is Rs. -112.29/Quintal, compared to last week's -122.04/ Quintal. Therefore crushing is not favorable for Millers/Processors

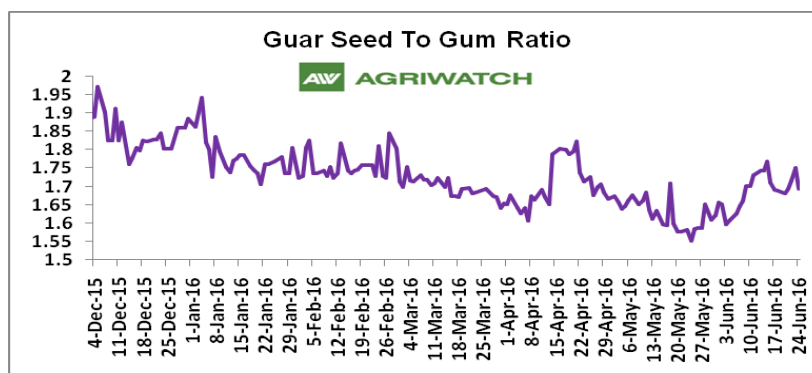
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



## Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 25 June'16 is 1.70, which is higher compared to last week's 1.73

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**



### Technical Commentary:

- Rise in prices and Fall in Volume and Open interest indicates weak market
- RSI is moving up in neutral region.
- Last candlestick depicts bullishness in market.

**Strategy: Buy**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed 10MT	NCDEX	July	2970	2915	3073	3260	3295
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	July	Buy	Above 3080	3160	3205	3032

### Technical Analysis (Guar Gum)

**Commodity: Guar Gum**
**Contract: July**
**Exchange: NCDEX**
**Expiry: July 20, 2016**

#### Guar Gum (July Weekly Chart)



#### Technical Commentary:

- Rise in prices and Fall in Volume and Open interest indicates weak market
- Guar gum prices are moving from range bound to firm as chart depicts
- Last candlestick depicts bullishness in the market

#### Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	July	5300	5255	5420	5725	5775
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	Buy	Above 5435	5560	5650	5360



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

<b>Guar by – Products Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Centre</b>	<b>18th to 24th June.16</b>	<b>11th to 17th June.16</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1508	1525	<b>-17</b>
<b>Korma</b>	Jodhpur	1992	1938	<b>54</b>
<b>Churi</b>	Sri-Ganganagar	1469	1479	<b>-10</b>
<b>Korma</b>	Sri-Ganganagar	1957	1913	<b>44</b>
<b>Prices in Rs/75kg</b>				

<b>Guar Export Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Variety</b>	<b>18th to 24th June.16</b>	<b>11th to 17th June.16</b>	<b>Change</b>
<b>Guargum Split</b>		835	857	<b>-22</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1131	1155	<b>-24</b>
	200 Mesh 3500 CPS	1050	1080	<b>-30</b>
<b>Guargum Meal</b>	40%	333	315	<b>18</b>
	50%	422	415	<b>7</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>18th to 24th June.16</b>	<b>11th to 17th June.16</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3083	3138	<b>-55</b>
		Jodhpur(Delivery)	3233	3288	<b>-55</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	2960	3033	<b>-73</b>
		Sri-Ganganagar (Delivery)	3117	3166	<b>-49</b>
		Rawla (Loose)	2942	2948	<b>-6</b>
		Gharsana (Loose)	2941	3016	<b>-75</b>
		Raisinghnagar (Loose)	2948	2996	<b>-49</b>
	<b>Bikaner</b>	Bikaner (Loose)	2958	2990	<b>-32</b>
		Bikaner (Delivery)	3108	3140	<b>-32</b>
		Nokha(Loose)	2953	2978	<b>-25</b>
		Nokha (Delivery)	3060	3085	<b>-25</b>
		Khajuwala (Loose)	2957	2956	<b>1</b>
		Khajuwala (Delivery)	3075	3075	<b>0</b>
		Lunkaransar (Loose)	2915	2965	<b>-50</b>
	<b>Hanumangarh</b>	Hanumangarh (Loose)	2905	2958	<b>-53</b>
		Hanumangarh (Delivery)	3055	3108	<b>-53</b>
		Nohar (Loose)	2942	2973	<b>-31</b>



		Pilibanga (Loose)	2905	2931	-26
	Nagaur	Nagaur (Loose)	2908	3008	-100
	Churu	Churu (Delivery)	3067	3133	-66
	Alwar	Alwar (Loose)	2908	2966	-58
Haryana	Hisar	Adampur (Loose)	2975	2980	-5
		Adampur (Delivery)	3125	3130	-5
	Bhiwani	Bhiwani (Delivery)	3092	3083	9
		Siwani (Loose)	3047	3065	-18
	Sirsa	Sirsa (Loose)	2935	2973	-38
		Dhabwali (Loose)	2898	2953	-55
		Dhabwali (Delivery)	3048	3103	-55
		Ellanabad (Loose)	2939	2991	-52
	Fatehabad	Fatehabad (Loose)	2967	2963	4
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	-
	Patan	Patan (Loose)	2887	2930	-43
	Rajkot	Rajkot (Loose)	2996	2975	21
	Jamnagar	Dhrol (Loose)	2870	2815	55
Madhya pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	5508	5692	-184
	Alwar	Alwar	5450	5633	-183
	Hanumangarh	Nohar	5467	5650	-183
Haryana	Bhiwani	Bhiwani	5358	5491	-133
	Sirsa	Sirsa	5442	5667	-225
		Dhabwali	5479	5595	-116
		Ellanabad	5442	5658	-216
	Fatehabad	Fatehabad	5550	5575	-25

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			24-Jun-16	17-Jun-16	24-May-16	24-Jun-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3125	3075	3150	4225
		Jodhpur(Delivery)	3275	3225	3300	4425
	Sri-Ganganagar	Sri-Ganganagar(Loose)	2925	2950	2850	4000
		Sri-Ganganagar (Delivery)	3100	3050	3000	4200
		Rawla (Loose)	2940	2935	2975	4086
		Gharsana (Loose)	2930	2960	2960	3930

		Raisinghnagar (Loose)	2950	2900	3000	4051
	<b>Bikaner</b>	Bikaner (Loose)	2990	2950	3000	4275
		Bikaner (Delivery)	3140	3100	3150	4475
		Nokha(Loose)	2940	2940	2980	4125
		Nokha (Delivery)	3046	3046	3087	4274
		Khajuwala (Loose)	2970	2870	3000	4050
		Khajuwala (Delivery)	3089	2985	3120	4212
		Lunkaransar (Loose)	2900	2940	2980	4095
	<b>Hanumangarh</b>	Hanumangarh (Loose)	2860	2950	2910	4100
		Hanumangarh (Delivery)	3010	3100	3060	4300
		Nohar (Loose)	2950	2950	3000	NA
		Pilibanga (Loose)	2925	2860	2913	4000
	<b>Nagaur</b>	Nagaur (Loose)	2850	3050	2800	3900
	<b>Churu</b>	Churu (Delivery)	3100	3050	3100	4200
	<b>Alwar</b>	Alwar (Loose)	2950	2900	2950	4000
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3000	2900	3020	4125
		Adampur (Delivery)	3150	3050	3170	4325
	<b>Bhiwani</b>	Bhiwani (Delivery)	3125	3000	3200	4200
		Siwani (Loose)	3070	3040	3110	4300
	<b>Sirsa</b>	Sirsa (Loose)	2980	2900	3000	4000
		Dhabwali (Loose)	2925	2900	2900	4000
		Dhabwali (Delivery)	3075	3050	3050	4200
		Ellanabad (Loose)	2935	2950	NA	4175
	<b>Fatehabad</b>	Fatehabad (Loose)	2950	3000	2850	4100
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	NA	NA	NA	4000
	<b>Patan</b>	Patan (Loose)	2945	2930	2935	4055
	<b>Rajkot</b>	Rajkot (Loose)	2945	3005	3010	NA
	<b>Jamnagar</b>	Dhrol (Loose)	NA	2740	2805	3905
<b>Madhya pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	5550	5450	5200	10100
	<b>Alwar</b>	Alwar	5500	5400	5200	10000
	<b>Hanumangarh</b>	Nohar	5500	5600	5225	NA
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	5350	5350	5200	10150
	<b>Sirsa</b>	Sirsa	5500	5400	5250	9900
		Dhabwali	5550	5450	5200	9900
		Ellanabad	5500	5550	NA	10150
	<b>Fatehabad</b>	Fatehabad	5500	5550	5500	10000

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			18th to 24th June.16	11th to 17th June.16	
Rajasthan	Jodhpur	Jodhpur	516	668	-152
	Sri-Ganganagar	Sri-Ganganagar	2600	3000	-400
		Rawla	1100	1250	-150
		Gharsana	1150	1750	-600
		Raisinghnagar	3200	4900	-1700
	Bikaner	Bikaner	3700	6400	-2700
		Nokha	1550	1650	-100
		Khajuwala	3800	3900	-100
		Lunkaransar	1745	843	902
	Hanumangarh	Hanumangarh	863	946	-83
		Nohar	3100	5500	-2400
		Pilibanga	780	590	190
	Nagaur	Nagaur	650	1000	-350
Haryana	Churu	Churu	4600	4300	300
	Alwar	Alwar	2400	2700	-300
	Hisar	Adampur	4250	5600	-1350
	Bhiwani	Bhiwani	10500	27000	-16500
		Siwani	4700	3900	800
	Sirsa	Sirsa	3300	2300	1000
		Dhabwali	710	850	-140
		Ellanabad	800	1000	-200
Gujarat	Fatehabad	Fatehabad	75	35	40
	Banaskantha	Deesa	NA	NA	-
	Patan	Patan	370	385	-15
	Rajkot	Rajkot	2200	1725	475
	Jamnagar	Dhrol	18	34	-16
Madhya pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			58677	82226	-23549

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