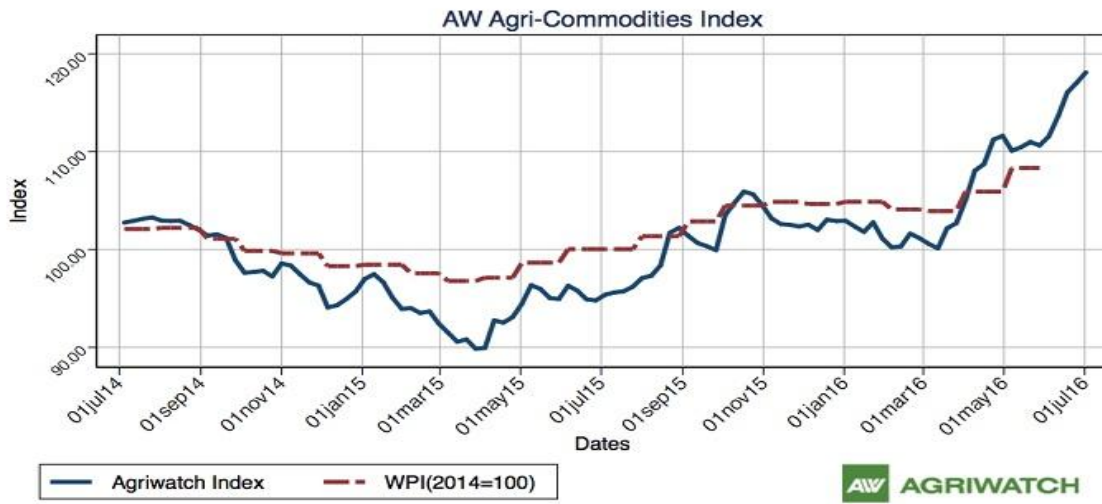


# Guar Weekly Research Report

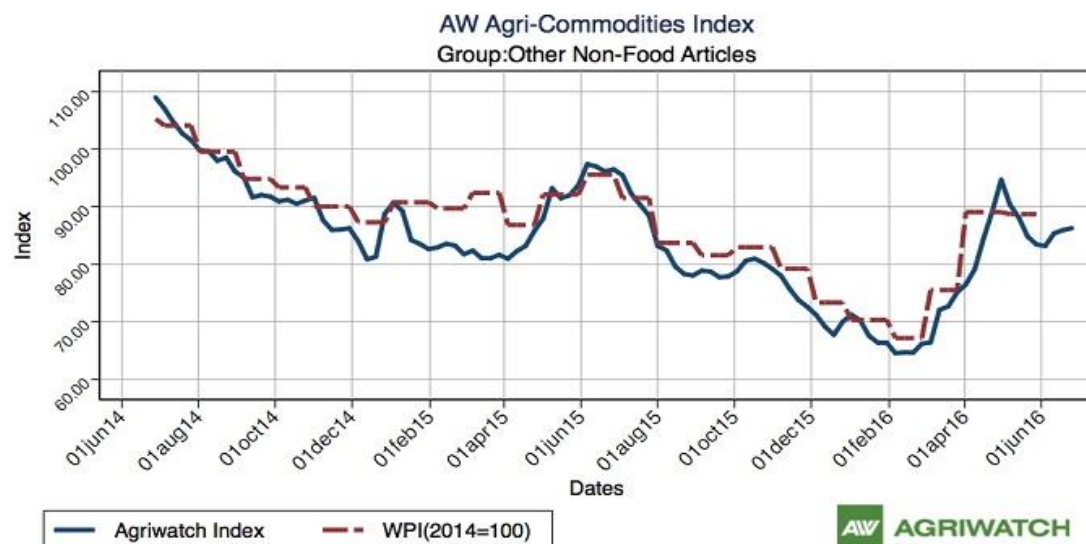
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### Agriwatch Agri Commodity Index



The Agriwatch Agri Commodities Index rose 0.91% to 118.11 during the week ended July 2, 2016, its 5<sup>th</sup> straight weekly gain, led by higher price of pulses. The base for the Index and all sub-Indices is 2014 (= 100).



The Agriwatch Agri commodity other non-food articles Index increased by 3.55 % to 89.32 during the week ended July 2, 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

*Farmers in Sri Ganganagar are shifting their guar area to other remunerative crops like Arhar, Moong as their cost of cultivation for guar in one acre is around Rs 5000, and they are able to get a return of around Rs 3000 only. Therefore, guar acreage is likely to fall by 50% compared to last year in Sri Ganganagar. Last year total area in Rajasthan was around 47.86 Lakh hectare and we expect that approx 43 lakh hectare will be sown under Guar in 2016-17.*

*According to IBIS (provisional data) for 20-26 June'16, Export of guar meal has increased whereas guar gum powder and guar split has decreased compared to last week. India has exported 4759 metric tonnes of guar gum powder at an average fob of \$1264/tonne, 900 metric tonnes of guar split at an average fob of \$851.27/tonne and 1722 metric tonnes of guar meal at an average fob of \$526.1/tonne.*

*According to IBIS (provisional data), export of guar seed products (Guar Powder, Split and Meal) in the week (20-26 June) was around 7381 metric tonnes compared to 7761 in the week(13-19 June). The exports of guar meal are up by 1.06%, whereas exports of guar split and guar gum powder are down by 4.26% and 7% respectively 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.*

*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. In the month of May, 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.*

*As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (5300 quintals) compared to previous week 4250 quintals.*

*As far as arrivals are concerned in Bikaner market, reported higher arrivals (4000 quintals) compared to previous week 3700 quintals*

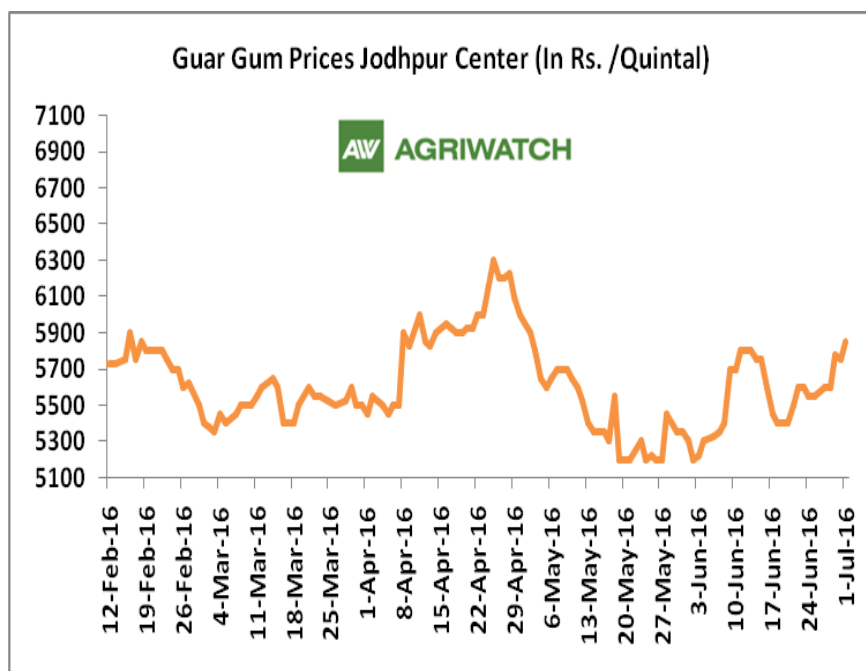
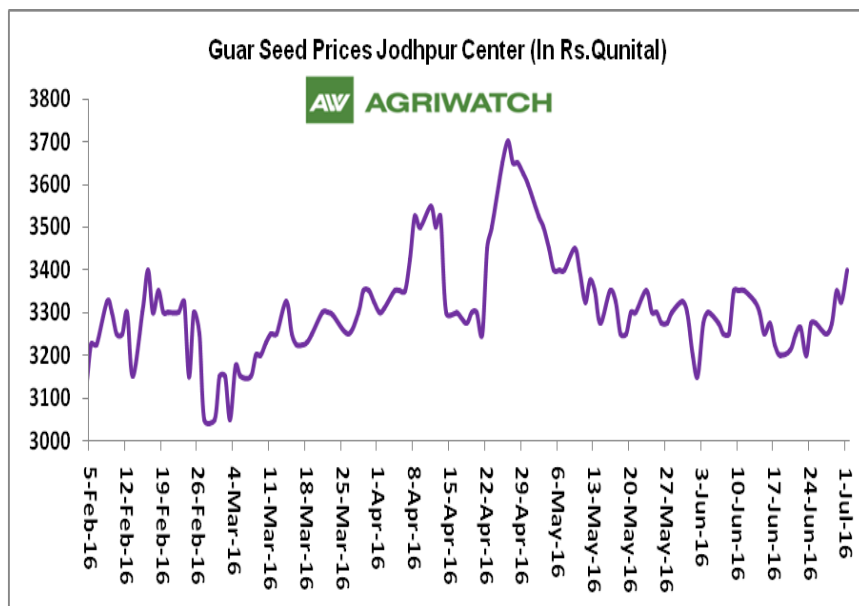
### Recommendation:

**Weekly Call - : Market participants are advised to BUY Guar seed at 3160 levels for a target of 3245 with a stop loss at 3109 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

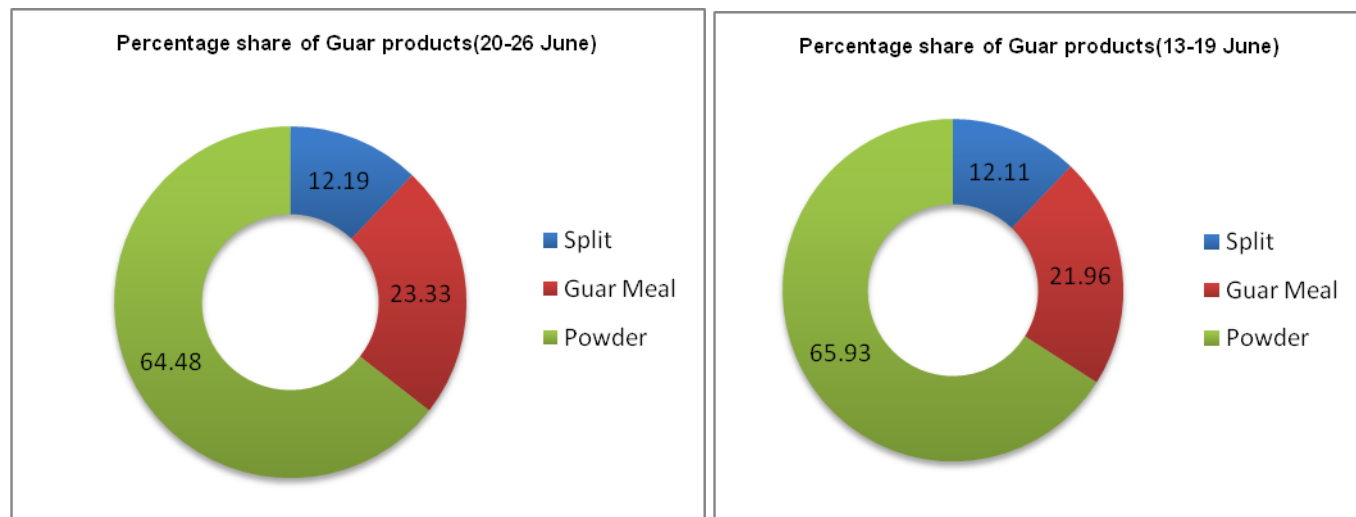
- In the week ended 1 July'16, Guar seed weekly average prices increased by Rs79.17/-qtl during the week compared to prior week and settled at Rs. 3312.5 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 179.17/- qtl and settled at Rs. 5687.5 per quintal. Firm demand for guar gum from domestic as well as overseas market led the prices up 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 2800-2950 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 (20<sup>th</sup> June to 26<sup>th</sup> June 2016)

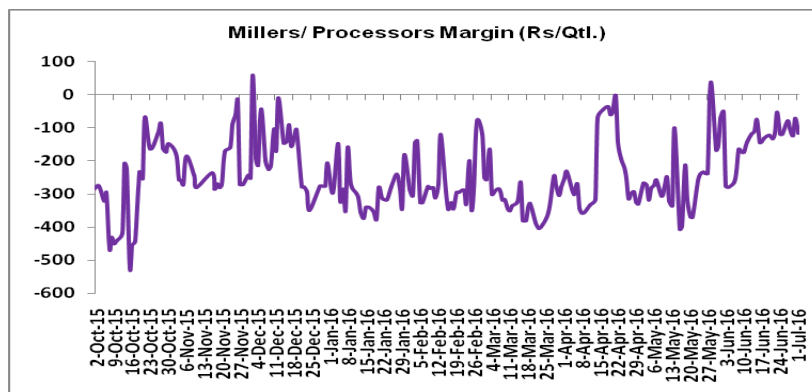
During this week 7381 tonnes of guar was exported out of which 4759 tonnes was guar gum powder, 1722 tonnes was guar meal and 900 tonnes guar gum splits. As compared to last week, the export of guar meal has increased whereas exports of guar split and guar gum powder have decreased.



## Millers/Processors Margin

In the week ended 1 July'16, average crush margin is Rs. -101.81/Quintal, compared to last week's -112.29/ Quintal. Therefore crushing is not favorable for Millers/Processors

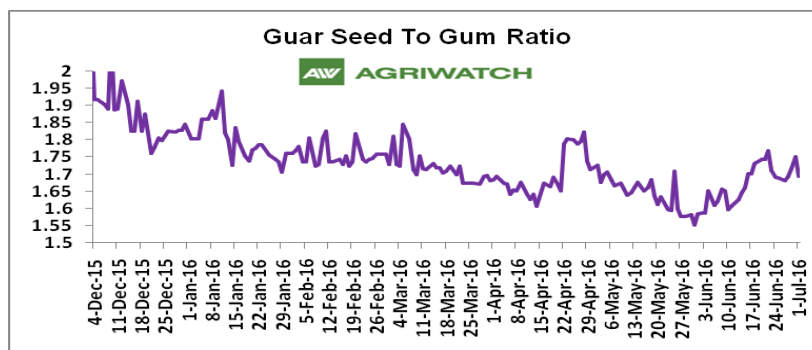
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



## Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 1 July'16 is 1.72, which is higher compared to last week's 1.70

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 Open interest indicates short covering.
- 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	3070	3040	3172	3340	3375
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	July	Buy	Above 3160	3245	3285	3109

### 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 Open interest indicates short covering.
- 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	5430	5365	5640	5925	5960
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	Buy	Above 5615	5750	5840	5534



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

<b>Guar by – Products Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Centre</b>	<b>25<sup>th</sup> June to 01<sup>st</sup> July.16</b>	<b>18<sup>th</sup> to 24<sup>th</sup> June.16</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1550	1508	<b>42</b>
<b>Korma</b>	Jodhpur	2033	1992	<b>42</b>
<b>Churi</b>	Sri-Ganganagar	1388	1469	<b>-81</b>
<b>Korma</b>	Sri-Ganganagar	1975	1957	<b>19</b>
<b>Prices in Rs/75kg</b>				

<b>Guar Export Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Variety</b>	<b>25<sup>th</sup> June to 01<sup>st</sup> July.16</b>	<b>18<sup>th</sup> to 24<sup>th</sup> June.16</b>	<b>Change</b>
<b>Guargum Split</b>		839	835	<b>4</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1134	1131	<b>3</b>
	200 Mesh 3500 CPS	1058	1050	<b>8</b>
<b>Guargum Meal</b>	40%	315	333	<b>-19</b>
	50%	416	422	<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>25<sup>th</sup> June to 01<sup>st</sup> July.16</b>	<b>18<sup>th</sup> to 24<sup>th</sup> June.16</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3163	3083	<b>79</b>
		Jodhpur(Delivery)	3313	3233	<b>79</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3002	2960	<b>42</b>
		Sri-Ganganagar (Delivery)	3158	3117	<b>42</b>
		Rawla (Loose)	2993	2942	<b>51</b>
		Gharsana (Loose)	2993	2941	<b>53</b>
		Raisinghnagar (Loose)	3030	2948	<b>83</b>
	<b>Bikaner</b>	Bikaner (Loose)	3008	2958	<b>50</b>
		Bikaner (Delivery)	3158	3108	<b>50</b>
		Nokha(Loose)	3003	2953	<b>50</b>
		Nokha (Delivery)	3111	3060	<b>52</b>
		Khajuwala (Loose)	3013	2957	<b>57</b>
		Khajuwala (Delivery)	3134	3075	<b>59</b>
		Lunkaransar (Loose)	2977	2915	<b>62</b>
	<b>Hanumangarh</b>	Hanumangarh (Loose)	2922	2905	<b>17</b>
		Hanumangarh (Delivery)	3064	3055	<b>9</b>



		Nohar (Loose)	3025	2942	83
		Pilibanga (Loose)	2982	2905	77
	Nagaur	Nagaur (Loose)	2917	2908	8
	Churu	Churu (Delivery)	3167	3067	100
	Alwar	Alwar (Loose)	3000	2908	92
Haryana	Hisar	Adampur (Loose)	3021	2975	46
		Adampur (Delivery)	3156	3125	31
	Bhiwani	Bhiwani (Delivery)	3183	3092	92
		Siwani (Loose)	3116	3047	69
	Sirsa	Sirsa (Loose)	2963	2935	28
		Dhabwali (Loose)	2988	2898	89
		Dhabwali (Delivery)	3129	3048	81
		Ellanabad (Loose)	2992	2939	53
	Fatehabad	Fatehabad (Loose)	2973	2967	6
Gujarat	Banaskantha	Deesa (Loose)	2838	NA	-
	Patan	Patan (Loose)	2973	2887	86
	Rajkot	Rajkot (Loose)	3004	2996	8
	Jamnagar	Dhrol (Loose)	2857	2870	-13
Madhya pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	5688	5508	179
	Alwar	Alwar	5650	5450	200
	Hanumangarh	Nohar	5617	5467	150
Haryana	Bhiwani	Bhiwani	5583	5358	225
	Sirsa	Sirsa	5658	5442	217
		Dhabwali	5650	5479	171
		Ellanabad	5625	5442	183
	Fatehabad	Fatehabad	5575	5550	25

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			1-Jul-16	24-Jun-16	1-Jun-16	1-Jul-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3250	3125	3050	4450
		Jodhpur(Delivery)	3400	3275	3200	4650
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3100	2925	3050	4450
		Sri-Ganganagar (Delivery)	3250	3100	3200	4650
		Rawla (Loose)	3050	2940	2950	3808
		Gharsana (Loose)	3080	2930	2980	4192

		Raisinghnagar (Loose)	3130	2950	3025	4241
	<b>Bikaner</b>	Bikaner (Loose)	3050	2990	3025	4200
		Bikaner (Delivery)	3200	3140	3175	4350
		Nokha(Loose)	3080	2940	3020	4200
		Nokha (Delivery)	3191	3046	3129	4351
		Khajuwala (Loose)	3100	2970	3020	4270
		Khajuwala (Delivery)	3224	3089	3141	4441
		Lunkaransar (Loose)	3060	2900	2950	4330
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3050	2860	2925	4300
		Hanumangarh (Delivery)	3200	3010	3075	4500
		Nohar (Loose)	3100	2950	3000	NA
		Pilibanga (Loose)	3050	2925	2950	4150
	<b>Nagaur</b>	Nagaur (Loose)	3050	2850	3000	4000
	<b>Churu</b>	Churu (Delivery)	3200	3100	3150	4400
	<b>Alwar</b>	Alwar (Loose)	3000	2950	3000	4200
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3100	3000	3000	4350
		Adampur (Delivery)	3250	3150	3150	4550
	<b>Bhiwani</b>	Bhiwani (Delivery)	3250	3125	3200	4450
		Siwani (Loose)	3160	3070	3125	4400
	<b>Sirsa</b>	Sirsa (Loose)	3000	2980	2990	4260
		Dhabwali (Loose)	3100	2925	3000	4350
		Dhabwali (Delivery)	3250	3075	3150	4550
		Ellanabad (Loose)	3070	2935	NA	4400
	<b>Fatehabad</b>	Fatehabad (Loose)	3000	2950	2970	4300
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	NA	NA	NA	NA
	<b>Patan</b>	Patan (Loose)	3030	2945	2950	NA
	<b>Rajkot</b>	Rajkot (Loose)	3115	2945	2945	4325
	<b>Jamnagar</b>	Dhrol (Loose)	3005	2990	2850	NA
<b>Madhya pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	5850	5550	5300	10500
	<b>Alwar</b>	Alwar	5700	5500	5300	10500
	<b>Hanumangarh</b>	Nohar	5800	5500	5250	NA
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	5750	5350	5300	10600
	<b>Sirsa</b>	Sirsa	5800	5500	5300	10500
		Dhabwali	5750	5550	5200	10600
		Ellanabad	5750	5500	NA	NA
	<b>Fatehabad</b>	Fatehabad	5700	5500	5300	10600

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			25 <sup>th</sup> June to 01 <sup>st</sup> July.16	18 <sup>th</sup> to 24 <sup>th</sup> June.16	
Rajasthan	Jodhpur	Jodhpur	586	516	70
	Sri-Ganganagar	Sri-Ganganagar	2700	2600	100
		Rawla	1500	1100	400
		Gharsana	1350	1150	200
		Raisinghnagar	3600	3200	400
	Bikaner	Bikaner	4000	3700	300
		Nokha	1550	1550	Unch
		Khajuwala	3500	3800	-300
		Lunkaransar	3650	1745	1905
	Hanumangarh	Hanumangarh	736	863	-127
		Nohar	4700	3100	1600
		Pilibanga	785	780	5
	Nagaur	Nagaur	600	650	-50
	Churu	Churu	6000	4600	1400
	Alwar	Alwar	2950	2400	550
Haryana	Hisar	Adampur	5300	4250	1050
	Bhiwani	Bhiwani	17000	10500	6500
		Siwani	5700	4700	1000
	Sirsa	Sirsa	2600	3300	-700
		Dhabwali	1050	710	340
		Ellanabad	850	800	50
	Fatehabad	Fatehabad	40	75	-35
Gujarat	Banaskantha	Deesa	25	NA	-
	Patan	Patan	292	370	-78
	Rajkot	Rajkot	2075	2200	-125
	Jamnagar	Dhrol	15	18	-3
Madhya pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			73154	58677	14477

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