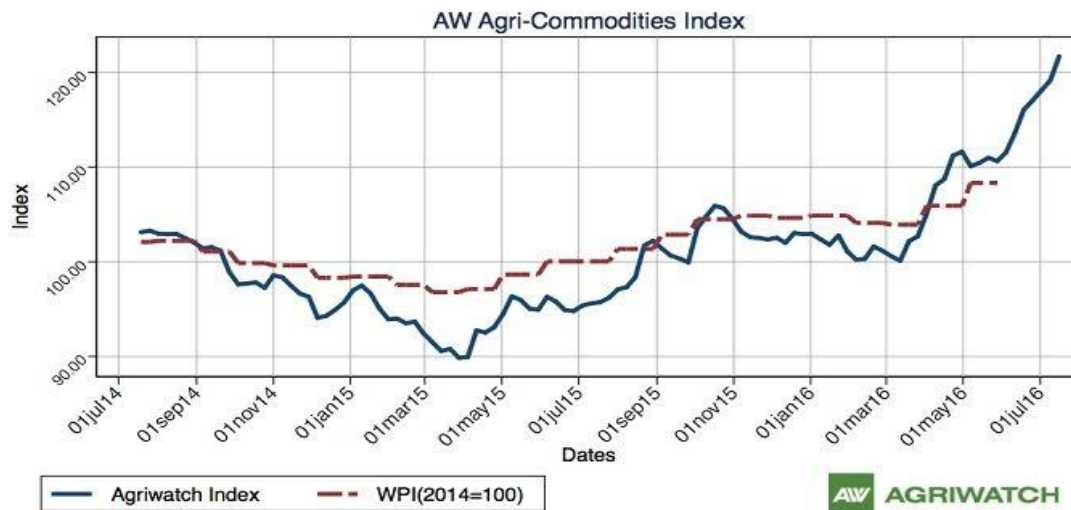


# Guar Weekly Research Report

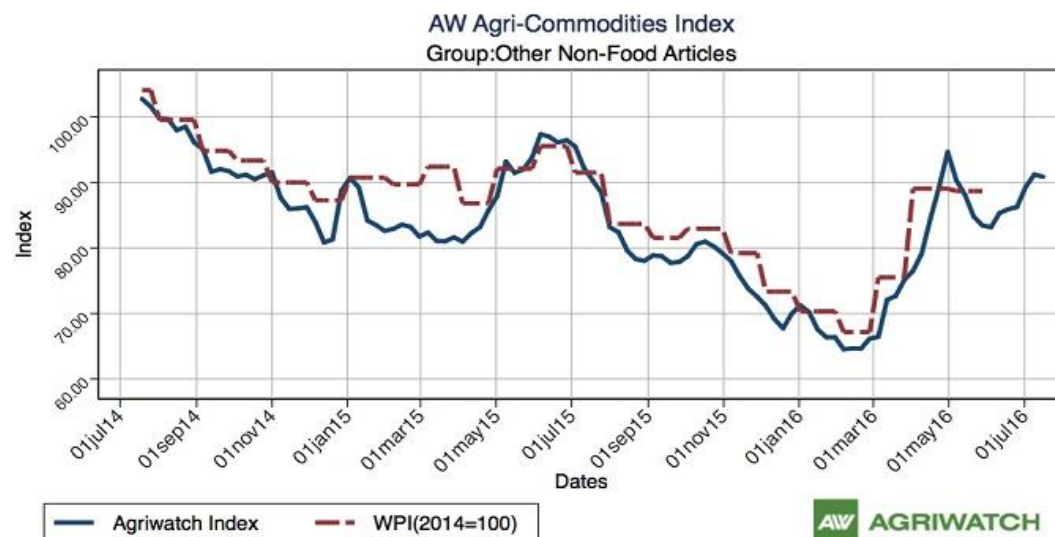
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### Agriwatch Agri Commodity Index



The Agriwatch Agri Commodities Index jumped 2.13% to 121.71 during the week ended July 16, 2016 from 119.17 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 decreased by 0.35 % to 90.89 during the week ended July 16, 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

*As per latest update, area sowed in Rajasthan for guar until 30th June'16 is 1.8 lakh hectares compared to 4.88 lakh hectares sown during the corresponding period of last year. This fall in acreage is mainly due to guar being less profitable for farmers in comparison to other crops. Guar prices are expected to be firm in coming days due to lower sowing and steady demand.*

*According to latest update, area sown for guar seed in Gujarat until 11 July'16 is 4400 hectares which is about 7.5% of the total area sowed in last kharif season. Area of guar is expected to be lower this kharif season as farmers are shifting to more remunerative crops like pulses and Cotton. The last three year average normal area for guar seed in Gujarat has been 378800 hectares.*

*The wholesale price index of guar seed has fallen from 236.3 in May 2016 to 231.6 in June 2016. The WPI for June 2016 is down by 107.8 compared to last year for the same month and by 135.8 compared to June 2014.*

*According to IBIS (provisional data), export of guar seed products (Guar Powder, Split and Meal) in the week (04-10 July) was around 5613 metric tonnes compared to 6148 in the week (27 June-03 July). The exports of guar meal and guar split are up by 50% and 30.83% respectively, whereas exports of guar gum powder are down by 22.48%.*

*According to IBIS (provisional data) for 04-10 July'16, Export of guar meal and guar split has increased whereas export of guar gum powder has decreased compared to last week. India has exported 3590 metric tonnes of guar gum powder at an average fob of \$1239.61/tonne, 300 metric tonnes of guar split at an average fob of \$832.96/tonne and 1723 metric tonnes of guar meal at an average fob of \$508.68/tonne.*

*Total guar seed products export from India for the week (04-10 July'16) was 5613 tonnes. Out of the total around 2916.28 tonnes was exported from Mundra Port, 1374.53 tonnes from Jodhpur concor ICD and 1034.04 tonnes from Jodhpur Thar ICD. Whereas last week (27-03 June'16) 2712.03 tonnes was exported from Mundra Port, 1447.76 tonnes from Jodhpur concor ICD and 1108.8 tonnes from Jodhpur Thar ICD.*

*According to IBIS (provisional data) for the month of June, Export of guar seed products i.e. powder, Split and meal has increased by 8085.91 metric tonnes as compared to last month. India exported 18999.38 metric tonnes of guar gum powder, 4500 metric tonnes of guar split and 6665.54 metric tonnes of guar meal in the month of June.*

*As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (6700 quintals) compared to previous week 4700 quintals.*

*As far as arrivals are concerned Bikaner market, reported higher arrivals (3000 quintals) compared to previous week 2700 quintals*

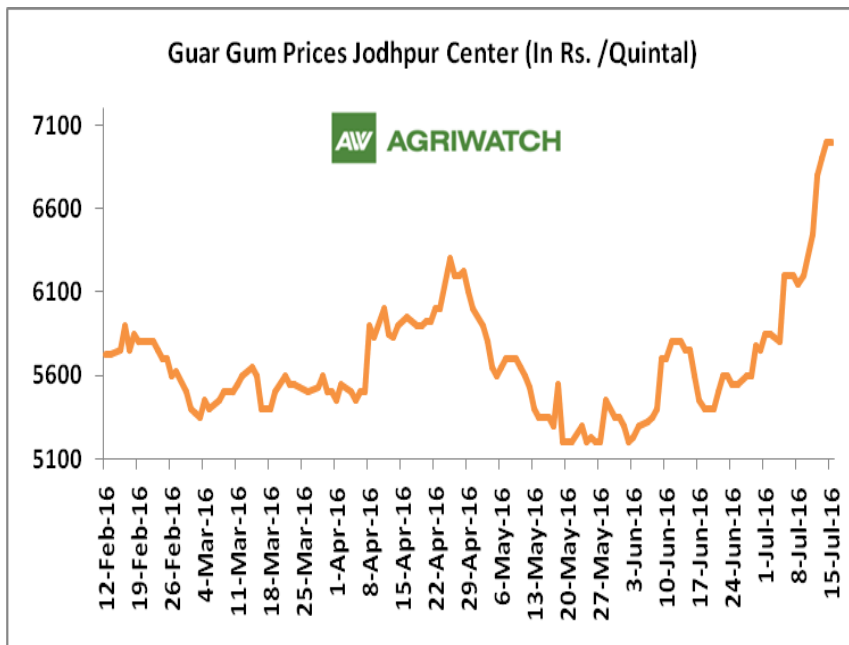
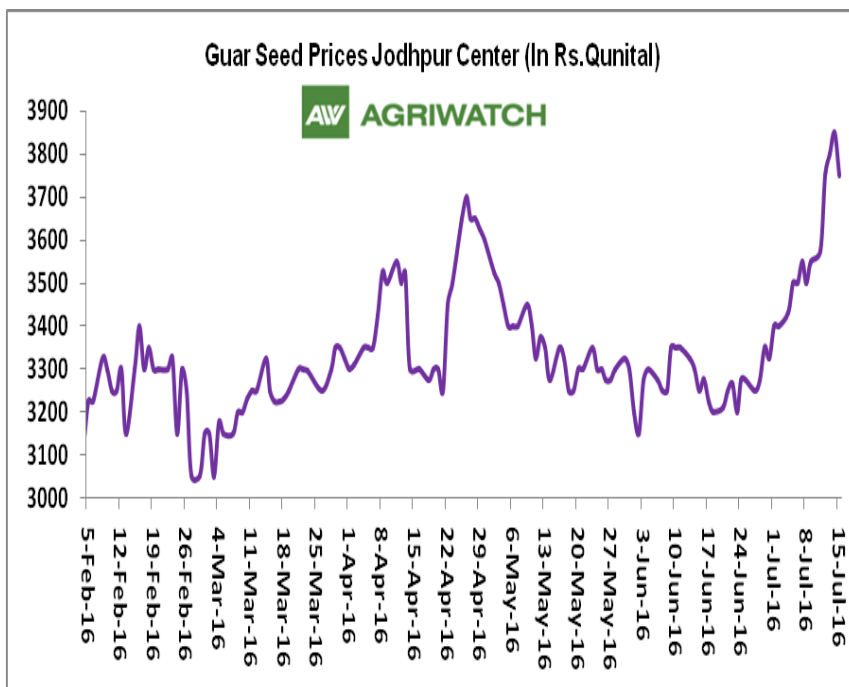
### Recommendation:

**Weekly Call - : Market participants are advised to BUY Guar seed at 3805 levels for a target of 3895 with a stop loss at 3751 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

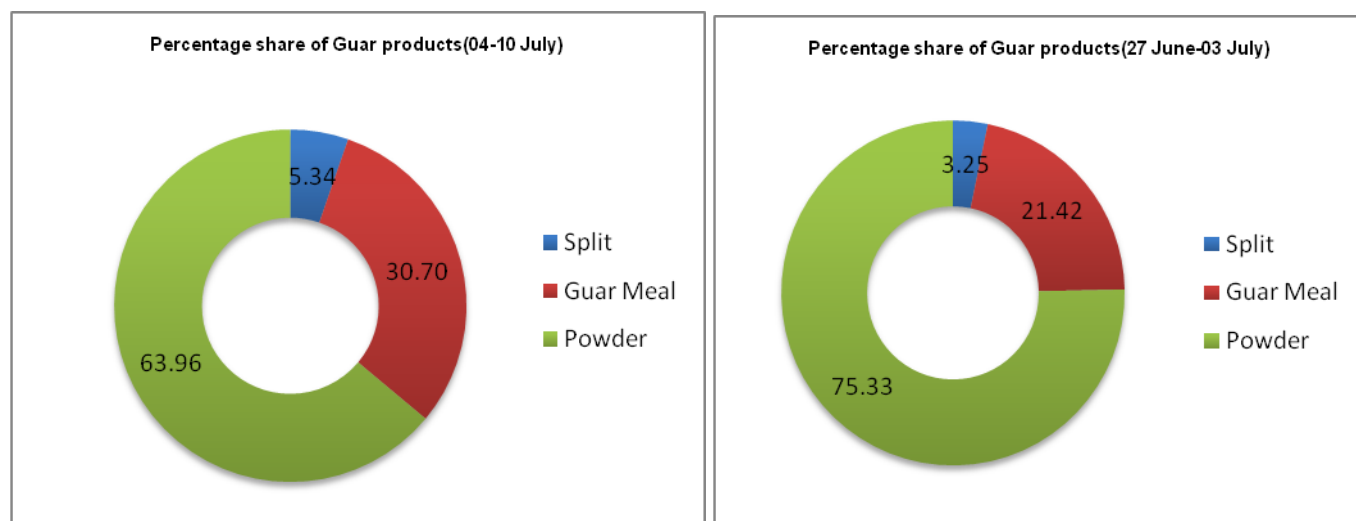
- In the week ended 15 July'16, Guar seed weekly average prices increased by Rs 232.5/-qtl during the week compared to previous week and settled at Rs 3712.5 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 658.33/- qtl and settled at Rs. 6725 per quintal. Firm demand for guar gum from domestic as well as overseas market led the prices up this week.
- Sources revealed that guar seed area in Rajasthan, Haryana and Gujarat might decrease approximately by 30 – 35% as other crops like pulses and cotton are more remunerative. Guar prices are likely to move from range bound to firm on cues of lower production and steady demand.
- According to fourth 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 (04<sup>th</sup> to 10<sup>th</sup> July 2016)**

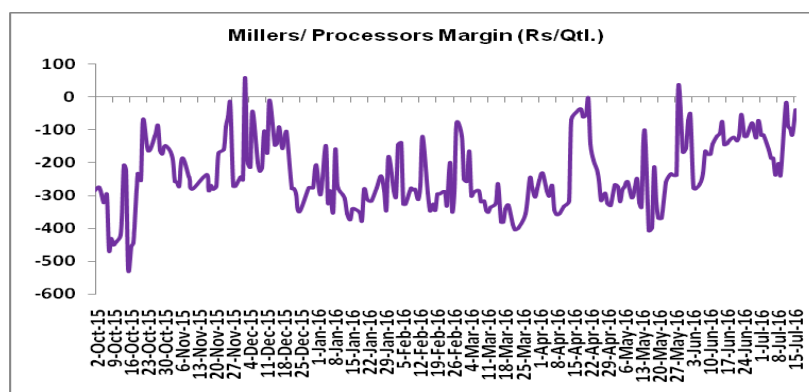
During this week 5613 tonnes of guar was exported out of which 3590 tonnes was guar gum powder, 1723 tonnes was guar meal and 300 tonnes guar gum splits. As compared to last week, the export of guar meal and guar split has increased whereas export of guar gum powder has decreased.



## Millers/Processors Margin

In the week ended 15 July'16, average crush margin is Rs. -98.65/Quintal, compared to last week's -181.67/ Quintal. Therefore crushing is not favorable for Millers/Processors

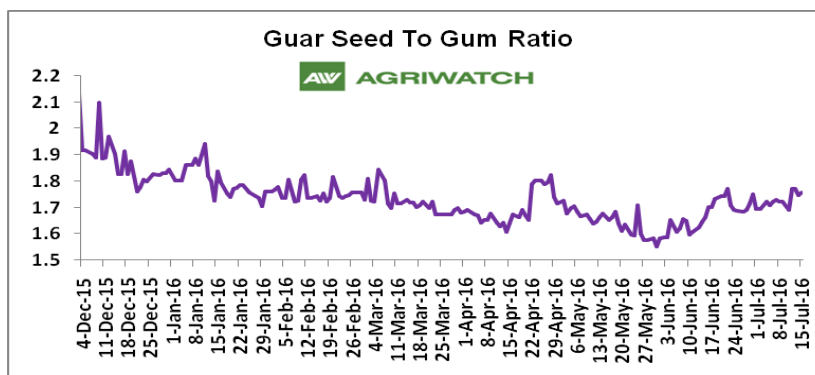
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



## Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 15 July'16 is 1.81, higher compared to last week's 1.74

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:** October

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



#### Technical Commentary:

- Rise in prices, volume and Open interest indicates long buildup.
- RSI is moving up near overbought region.
- Last candlestick depicts bullishness in market.

#### Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed 10MT	NCDEX	October	3673	3628	3776	4035	4085
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	October	Buy	Above 3805	3895	3960	3751

### Technical Analysis (Guar Gum)

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


#### Technical Commentary:

- Rise in prices, volume and Open interest indicates long buildup.
- Guar gum prices are moving firm as chart depicts.
- Last candlestick depicts bullishness in the market.
- RSI is moving in overbought region indicating caution to bulls.

#### Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	October	6995	6918	7050	7585	7640
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Buy	Above 7200	7370	7490	7098



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

<b>Guar by – Products Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Centre</b>	<b>9th July to 15th July.16</b>	<b>02nd July to 08th July.16</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1632	1517	<b>115</b>
<b>Korma</b>	Jodhpur	2165	2000	<b>165</b>
<b>Churi</b>	Sri-Ganganagar	1577	1463	<b>114</b>
<b>Korma</b>	Sri-Ganganagar	2173	2013	<b>160</b>
<b>Prices in Rs/75kg</b>				

<b>Guar Export Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Variety</b>	<b>9th July to 15th July.16</b>	<b>02nd July to 08th July.16</b>	<b>Change</b>
<b>Guargum Split</b>		994	896	<b>98</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1267	1168	<b>99</b>
	200 Mesh 3500 CPS	1242	1143	<b>99</b>
<b>Guargum Meal</b>	40%	333	327	<b>6</b>
	50%	432	421	<b>12</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>9th July to 15th July.16</b>	<b>02nd July to 08th July.16</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3563	3330	<b>233</b>
		Jodhpur(Delivery)	3713	3480	<b>233</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3328	3067	<b>261</b>
		Sri-Ganganagar (Delivery)	3479	3233	<b>246</b>
		Rawla (Loose)	3318	3103	<b>216</b>
		Gharsana (Loose)	3406	3148	<b>258</b>
		Raisinghnagar (Loose)	3498	3183	<b>316</b>
	<b>Bikaner</b>	Bikaner (Loose)	3519	3148	<b>371</b>
		Bikaner (Delivery)	3569	3298	<b>271</b>
		Nokha(Loose)	3390	3212	<b>178</b>
		Nokha (Delivery)	3512	3328	<b>184</b>
		Khajuwala (Loose)	3414	3132	<b>283</b>
		Khajuwala (Delivery)	3551	3257	<b>294</b>



		Lunkaransar (Loose)	3403	3126	277
	Hanumangarh	Hanumangarh (Loose)	NA	3053	-
		Hanumangarh (Delivery)	NA	3203	-
		Nohar (Loose)	3492	3160	332
		Pilibanga (Loose)	3312	3013	298
	Nagaur	Nagaur (Loose)	3292	3040	252
	Churu	Churu (Delivery)	3520	3275	245
	Alwar	Alwar (Loose)	3350	3083	267
Haryana	Hisar	Adampur (Loose)	3513	3169	343
		Adampur (Delivery)	3663	3319	343
	Bhiwani	Bhiwani (Delivery)	3692	3258	434
		Siwani (Loose)	3498	3210	288
	Sirsa	Sirsa (Loose)	3573	3115	458
		Dhabwali (Loose)	3392	3112	280
		Dhabwali (Delivery)	3542	3262	280
		Ellanabad (Loose)	3475	3138	338
	Fatehabad	Fatehabad (Loose)	3237	3108	128
Gujarat	Banaskantha	Deesa (Loose)	3190	NA	-
	Patan	Patan (Loose)	3354	3050	304
	Rajkot	Rajkot (Loose)	3524	3220	304
	Jamnagar	Dhrol (Loose)	3020	3005	15
Madhya pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6725	6067	658
	Alwar	Alwar	6560	6000	560
	Hanumangarh	Nohar	6717	6080	637
Haryana	Bhiwani	Bhiwani	6775	5917	858
	Sirsa	Sirsa	6700	6040	660
		Dhabwali	6675	6060	615
		Ellanabad	6783	6033	750
	Fatehabad	Fatehabad	6467	5867	600

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			15-Jul-16	9-Jul-16	15-Jun-16	15-Jul-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3600	3400	3100	4100
		Jodhpur(Delivery)	3750	3550	3250	4300
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3450	3150	3100	4125
		Sri-Ganganagar (Delivery)	3625	3350	3250	4325
		Rawla (Loose)	3500	3160	2940	4009
		Gharsana (Loose)	3540	3160	3050	4060
		Raisinghnagar (Loose)	3650	3250	3000	4081
	Bikaner	Bikaner (Loose)	3600	3350	3000	4175
		Bikaner (Delivery)	3750	3500	3150	4375
		Nokha(Loose)	3480	3350	3000	4120
		Nokha (Delivery)	3605	3471	3108	4268
		Khajuwala (Loose)	3530	3220	2960	4100
		Khajuwala (Delivery)	3671	3349	3078	4264
		Lunkaransar (Loose)	3550	3190	2970	4040
	Hanumangarh	Hanumangarh (Loose)	NA	NA	2975	4005
		Hanumangarh (Delivery)	NA	NA	3125	4205
		Nohar (Loose)	3750	3300	2950	NA
		Pilibanga (Loose)	3500	3020	2930	4030
	Nagaur	Nagaur (Loose)	3400	3100	2900	4000
	Churu	Churu (Delivery)	Closed	3400	3150	4200
	Alwar	Alwar (Loose)	Closed	3200	2950	4000
Haryana	Hisar	Adampur (Loose)	3650	3225	2960	4100
		Adampur (Delivery)	3800	3375	3110	4300
	Bhiwani	Bhiwani (Delivery)	3900	3350	3050	4200
		Siwani (Loose)	3600	3300	3050	4200
	Sirsa	Sirsa (Loose)	3830	3150	2950	4025
		Dhabwali (Loose)	3570	3150	2900	4095
		Dhabwali (Delivery)	3720	3300	3050	4395
		Ellanabad (Loose)	3650	3150	3000	4100
	Fatehabad	Fatehabad (Loose)	3600	3100	2900	4000
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	NA	4100
	Patan	Patan (Loose)	3625	3165	2880	3935
	Rajkot	Rajkot (Loose)	3600	3200	2985	4100
	Jamnagar	Dhrol (Loose)	NA	NA	2835	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	7000	6200	5750	9800
	<b>Alwar</b>	Alwar	Closed	6200	5700	9700
	<b>Hanumangarh</b>	Nohar	7000	6400	5600	NA
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	7100	5950	5450	9800
	<b>Sirsa</b>	Sirsa	7100	6150	5650	9700
		Dhabwali	7125	6175	5650	9750
		Ellanabad	7000	6200	5650	9750
	<b>Fatehabad</b>	Fatehabad	7000	5800	5550	9750

<b>Guar Cumulative Arrivals in Key Centers:</b>					
<b>Commodity</b>	<b>District</b>	<b>Centre</b>	<b>Weekly Arrivals (Quintals)</b>		<b>Change</b>
<b>Guar Seed</b>			<b>9th July to 15th July.16</b>	<b>02nd July to 08th July.16</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	594	505	89
	<b>Sri-Ganganagar</b>	Sri-Ganganagar	1950	3200	-1250
		Rawla	1100	1850	-750
		Gharsana	1250	1900	-650
		Raisinghnagar	3000	2450	550
	<b>Bikaner</b>	Bikaner	3000	2700	300
		Nokha	1550	1400	150
		Khajuwala	3300	3200	100
		Lunkaransar	2095	5300	-3205
	<b>Hanumangarh</b>	Hanumangarh	NA	598	-
		Nohar	2700	2300	400
		Pilibanga	700	350	350
	<b>Nagaur</b>	Nagaur	900	500	400
<b>Haryana</b>	<b>Churu</b>	Churu	4800	6600	-1800
	<b>Alwar</b>	Alwar	2300	3250	-950
	<b>Hisar</b>	Adampur	6700	4700	2000
	<b>Bhiwani</b>	Bhiwani	18000	25000	-7000
		Siwani	8700	7800	900
	<b>Sirsa</b>	Sirsa	2750	1300	1450
		Dhabwali	1935	5670	-3735
		Ellanabad	1050	800	250
	<b>Fatehabad</b>	Fatehabad	35	50	-15



<b>Gujarat</b>	<b>Banaskantha</b>	Deesa	77	NA	-
	<b>Patan</b>	Patan	1258	321	937
	<b>Rajkot</b>	Rajkot	3080	1125	1955
	<b>Jamnagar</b>	Dhrol	2	14	-12
<b>Madhya pradesh</b>	<b>Gwalior</b>	Dabra	NA	NA	-
<b>Total Arrivals/Above Markets</b>			<b>72826</b>	<b>82883</b>	<b>-10057</b>

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