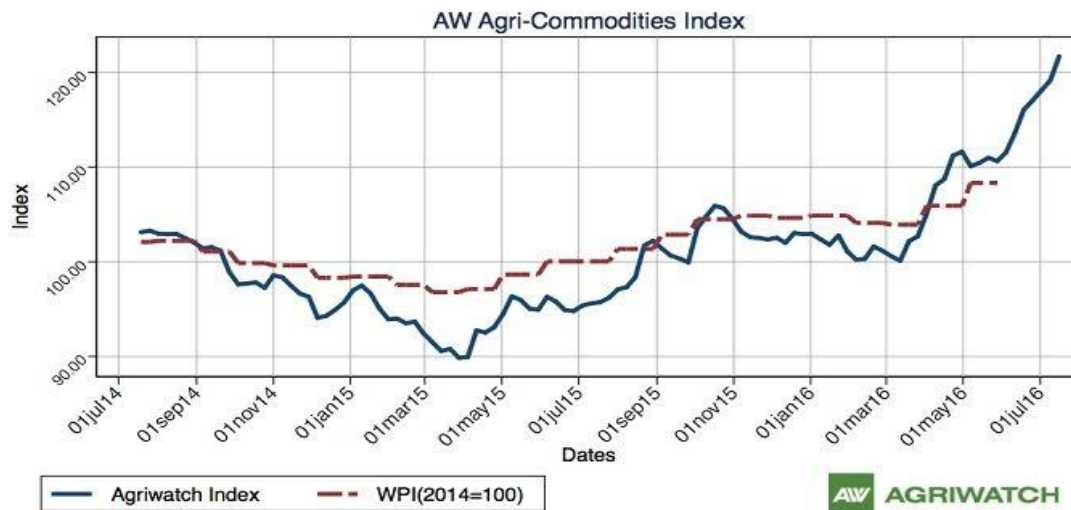


Guar Weekly Research Report

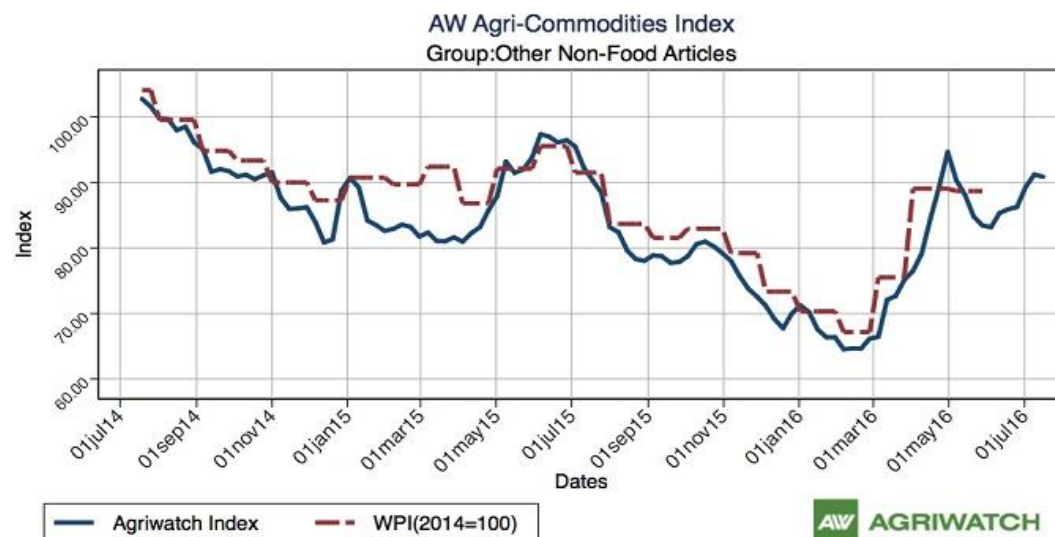
Contents

- ❖ 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 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. The daily indices are available on subscription. Please contact for more details.

Executive Summary

Domestic Guar Seed Market Summary

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 (11-17 July) was around 7782 metric tonnes compared to 5163 in the week (04-10 July). The exports of guar meal, guar split and guar gum powder are up by 16.95%, 133.33% and 41.14% respectively

According to IBIS (provisional data) for 11-17 July'16, Export of guar meal, guar split and guar gum powder has increased compared to last week. India has exported 5067 metric tonnes of guar gum powder at an average fob of \$1266.35/tonne, 700 metric tonnes of guar split at an average fob of \$858.64/tonne and 2015 metric tonnes of guar meal at an average fob of \$546.52/tonne.

Total guar seed products export from India for the week (11-17 July'16) was 7782 tonnes. Out of the total around 986.39 tonnes was exported from Mundra Port, 1220.38 tonnes from Jodhpur concor ICD and 1613.64 tonnes from Ahmedabad ICD. Whereas last week (04-10 June'16) 2916.28 tonnes was exported from Mundra Port, 1374.53 tonnes from Jodhpur concor ICD and 1718.44 tonnes from Ahmedabad ICD.

According to trade sources, Hanumangarh is expecting below 20% sowing this kharif season. Stock of 1 Lakh quintals to 1.1 Lakh quintals is available in the region. Traders are expecting better prices this year due to lower area sown in MY 2016-17, likely Agriwatch expects that price would move range bound with northward direction in near to midterm.

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 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 lower arrivals (5400 quintals) compared to previous week 6700 quintals.

As far as arrivals are concerned Bikaner market, reported higher arrivals (3200 quintals) compared to previous week 3000 quintals

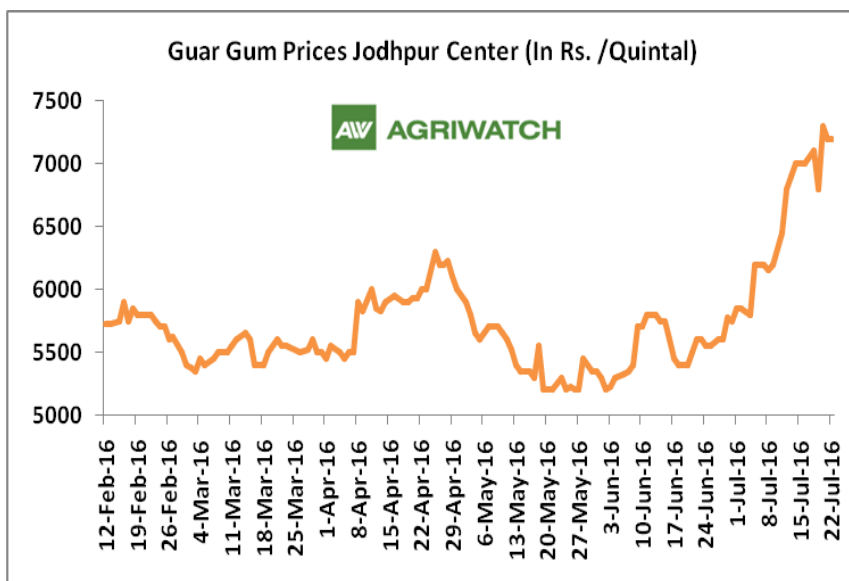
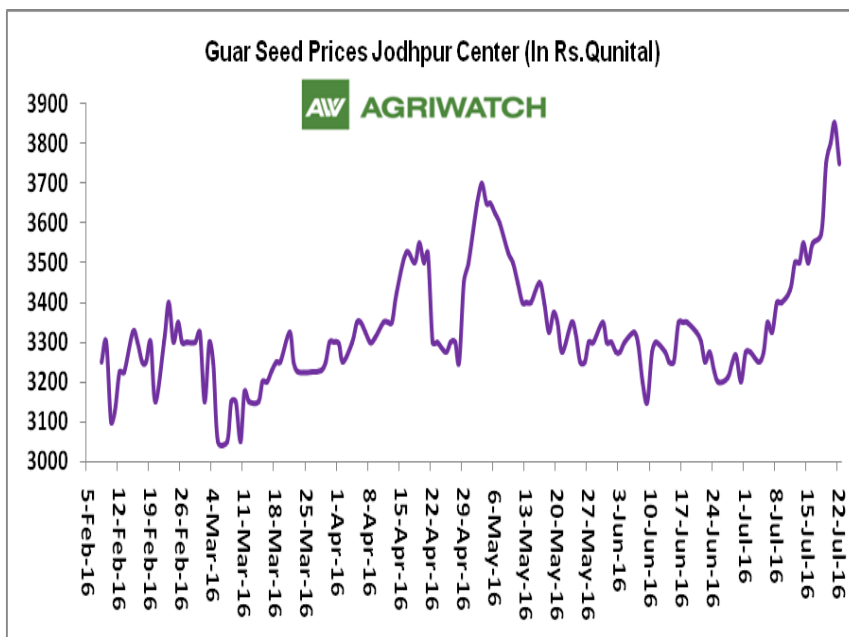
Recommendation:

Weekly Call - : Market participants are advised to BUY Guar seed at 3875 levels for a target of 3970 with a stop loss at 3818 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

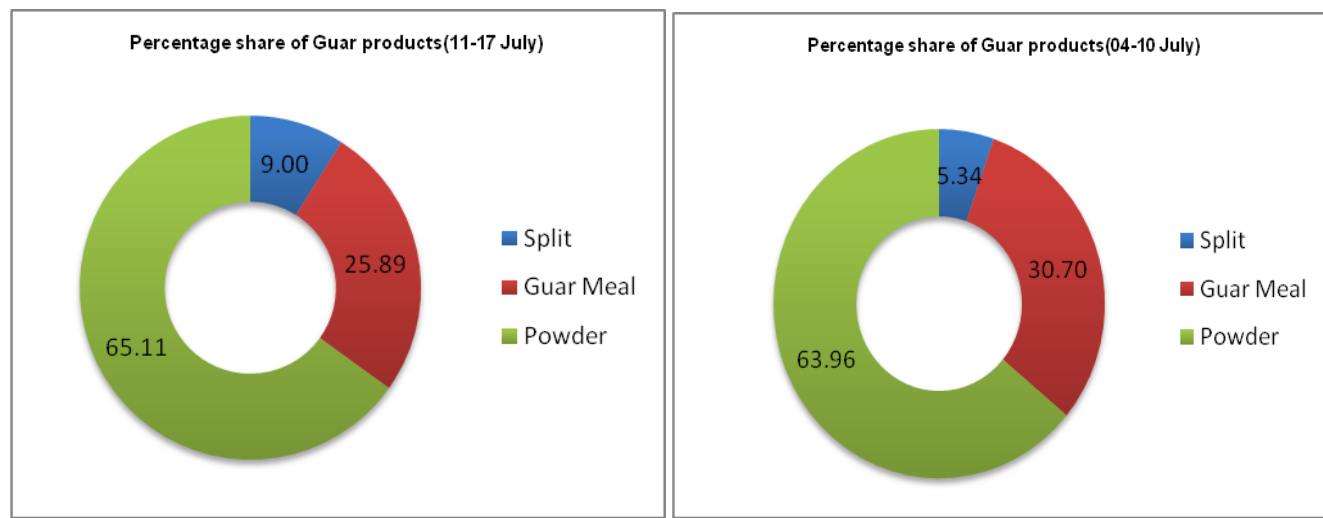
- In the week ended 22 July'16, Guar seed weekly average prices increased by Rs 162.5/-qtl during the week compared to previous week and settled at Rs 3875 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 375/- qtl and settled at Rs. 7100 per quintal. Firm demand for guar gum 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 (11th to 17th July 2016)

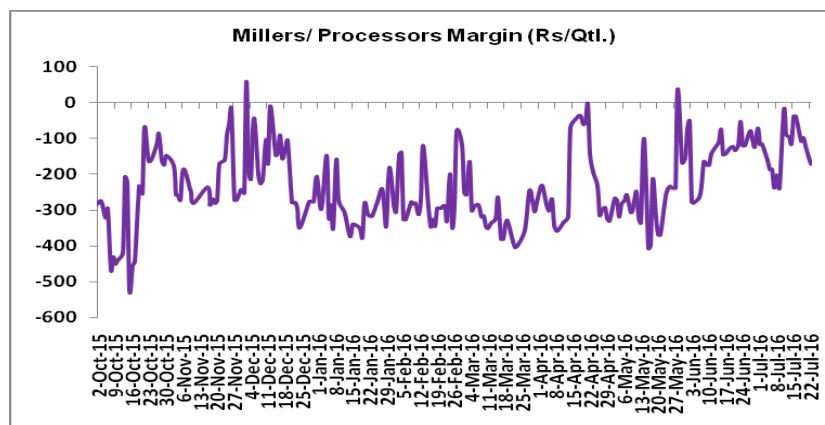
During this week 7782 tonnes of guar was exported out of which 5067 tonnes was guar gum powder, 2015 tonnes was guar meal and 700 tonnes guar gum splits. As compared to last week, the export of guar meal, guar split and guar gum powder has increased.



Millers/Processors Margin

In the week ended 22 July'16, average crush margin is Rs. -114.98/Quintal, compared to last week's -98.65/ Quintal. Therefore crushing is not favorable for Millers/Processors

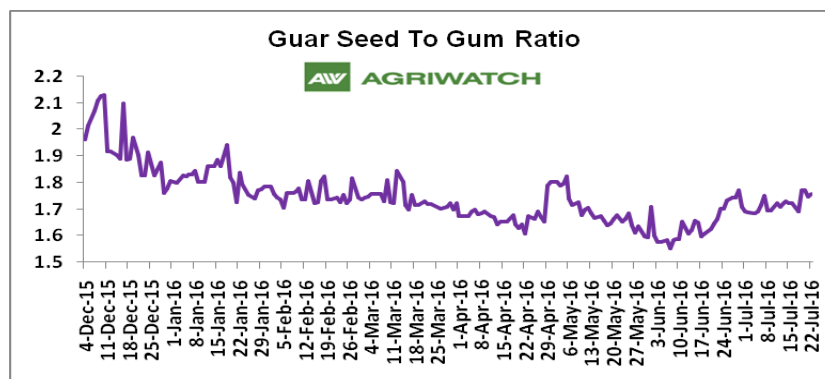
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 22 July'16 is 1.83, higher compared to last week's 1.81

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 and fall Open interest indicates short covering.
- RSI is moving in overbought region indicating caution to bulls.
- Last candlestick depicts bullishness in market.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed 10MT	NCDEX	October	3725	3660	3933	4105	4150
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	October	Buy	Above 3875	3970	4045	3818

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: October

Exchange: NCDEX
Expiry: Oct 20, 2016

Guar Gum (October Weekly Chart)



Technical Commentary:

- Rise in prices 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	6975	6898	7350	7575	7650
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Buy	Above 7180	7350	7470	7078

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	16th July to 22th July.16	9th July to 15th July.16	Change
Churi	Jodhpur	1649	1632	17
Korma	Jodhpur	2230	2165	65
Churi	Sri-Ganganagar	1557	1577	-20
Korma	Sri-Ganganagar	2213	2173	41
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	16th July to 22th July.16	9th July to 15th July.16	Change
Guargum Split		1072	994	78
Guargum Powder	200 Mesh 5000 CPS	1370	1267	103
	200 Mesh 3500 CPS	1296	1242	54
Guargum Meal	40%	318	333	-15
	50%	439	432	7
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			16th July to 22th July.16	9th July to 15th July.16	
Rajasthan	Jodhpur	Jodhpur (Loose)	3725	3563	163
		Jodhpur(Delivery)	3875	3713	163
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3604	3328	277
		Sri-Ganganagar (Delivery)	3764	3479	285
		Rawla (Loose)	3545	3318	227
		Gharsana (Loose)	3550	3406	144
		Raisinghnagar (Loose)	3655	3498	157
	Bikaner	Bikaner (Loose)	3625	3519	106
		Bikaner (Delivery)	3775	3569	206
		Nokha(Loose)	3549	3390	159
		Nokha (Delivery)	3677	3512	165
		Khajuwala (Loose)	3600	3414	186
		Khajuwala (Delivery)	3744	3551	193
		Lunkaransar (Loose)	3604	3403	202
	Hanumangar	Hanumangarh (Loose)	3525	NA	-

	h	Hanumangarh (Delivery)	3675	NA	-
		Nohar (Loose)	3616	3492	124
		Pilibanga (Loose)	3519	3312	207
	Nagaur	Nagaur (Loose)	3558	3292	266
	Churu	Churu (Delivery)	3816	3520	296
	Alwar	Alwar (Loose)	3616	3350	266
Haryana	Hisar	Adampur (Loose)	3655	3513	143
		Adampur (Delivery)	3855	3663	193
	Bhiwani	Bhiwani (Delivery)	3700	3692	8
		Siwani (Loose)	3643	3498	145
	Sirsa	Sirsa (Loose)	3619	3573	46
		Dhabwali (Loose)	3563	3392	171
		Dhabwali (Delivery)	3713	3542	171
		Ellanabad (Loose)	3596	3475	121
	Fatehabad	Fatehabad (Loose)	3625	3237	388
Gujarat	Banaskantha	Deesa (Loose)	3351	3190	161
	Patan	Patan (Loose)	3536	3354	182
	Rajkot	Rajkot (Loose)	3772	3524	248
	Jamnagar	Dhrol (Loose)	3645	3020	625
Madhya pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7100	6725	375
	Alwar	Alwar	7167	6560	607
	Hanumangar h	Nohar	7033	6717	316
Haryana	Bhiwani	Bhiwani	7338	6775	563
	Sirsa	Sirsa	7100	6700	400
		Dhabwali	7108	6675	433
		Ellanabad	7083	6783	300
	Fatehabad	Fatehabad	6966	6467	499

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			22-Jul-16	16-Jul-16	22-Jun-16	22-Jul-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3850	3600	3115	3700
		Jodhpur(Delivery)	4000	3750	3265	3900
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3600	3500	2950	3825
		Sri-Ganganagar (Delivery)	3810	3650	3100	3900

		Rawla (Loose)	3660	3460	2925	3913
		Gharsana (Loose)	3650	3500	2940	3924
		Raisinghnagar (Loose)	3800	3550	2930	3800
	Bikaner	Bikaner (Loose)	3700	3550	2975	3750
		Bikaner (Delivery)	3850	3700	3125	3900
		Nokha(Loose)	3650	3425	2990	3775
		Nokha (Delivery)	3781	3548	3098	3911
		Khajuwala (Loose)	3720	3510	2975	3650
		Khajuwala (Delivery)	3869	3650	3094	3796
		Lunkaransar (Loose)	3800	3450	2950	3900
	Hanumangarh	Hanumangarh (Loose)	3621	3400	2895	3825
		Hanumangarh (Delivery)	3771	3550	3045	4025
		Nohar (Loose)	3750	3600	3050	NA
		Pilibanga (Loose)	NR	Closed	2900	3650
	Nagaur	Nagaur (Loose)	3550	3450	2900	3650
	Churu	Churu (Delivery)	3900	3700	3100	NA
	Alwar	Alwar (Loose)	3700	3500	2950	NA
Haryana	Hisar	Adampur (Loose)	3750	Closed	3000	3890
		Adampur (Delivery)	3900	Closed	3150	4050
	Bhiwani	Bhiwani (Delivery)	3800	3625	3150	3900
		Siwani (Loose)	3775	3500	3075	3900
	Sirsa	Sirsa (Loose)	3700	3550	2930	3840
		Dhabwali (Loose)	3600	3500	2900	3700
		Dhabwali (Delivery)	3750	3650	3050	4000
		Ellanabad (Loose)	3650	3550	2950	3700
	Fatehabad	Fatehabad (Loose)	3750	3500	3000	3750
Gujarat	Banaskantha	Deesa (Loose)	3500	3325	NA	3925
	Patan	Patan (Loose)	3600	3455	2880	3740
	Rajkot	Rajkot (Loose)	3805	3585	3005	3965
	Jamnagar	Dhrol (Loose)	3760	NA	2815	3875
Madhya pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7200	7000	5600	9000
	Alwar	Alwar	7400	6800	5500	NA
	Hanumangarh	Nohar	7300	6800	5600	NA
Haryana	Bhiwani	Bhiwani	7750	7150	5450	8700
	Sirsa	Sirsa	7300	6850	5600	8500
		Dhabwali	7250	6800	5550	8800
		Ellanabad	7200	6850	5500	8500

	Fatehabad	Fatehabad	7000	6800	5600	8700
Guar Cumulative Arrivals in Key Centers:						
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change	
Guar Seed			16th July to 22th July.16	9th July to 15th July.16		
Rajasthan	Jodhpur	Jodhpur	658	594	64	
	Sri-Ganganagar	Sri-Ganganagar	2050	1950	100	
		Rawla	1450	1100	350	
		Gharsana	1200	1250	-50	
		Raisinghnagar	2175	3000	-825	
	Bikaner	Bikaner	3200	3000	200	
		Nokha	1350	1550	-200	
		Khajuwala	2600	3300	-700	
		Lunkaransar	4900	2095	2805	
	Hanumangarh	Hanumangarh	351	NA	-	
		Nohar	2150	2700	-550	
		Pilibanga	550	700	-150	
	Nagaur	Nagaur	910	900	10	
	Churu	Churu	6300	4800	1500	
	Alwar	Alwar	3400	2300	1100	
Haryana	Hisar	Adampur	5400	6700	-1300	
	Bhiwani	Bhiwani	31000	18000	13000	
		Siwani	4700	8700	-4000	
	Sirsa	Sirsa	1500	2750	-1250	
		Dhabwali	500	1935	-1435	
		Ellanabad	550	1050	-500	
	Fatehabad	Fatehabad	22	35	-13	
Gujarat	Banaskantha	Deesa	62	77	-15	
	Patan	Patan	1268	1258	10	
	Rajkot	Rajkot	4570	3080	1490	
	Jamnagar	Dhrol	19	2	18	
Madhya pradesh	Gwalior	Dabra	NA	NA	-	
Total Arrivals/Above Markets			82835	72826	10010	

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php>
 © 2016 Indian Agribusiness Systems Pvt Ltd.