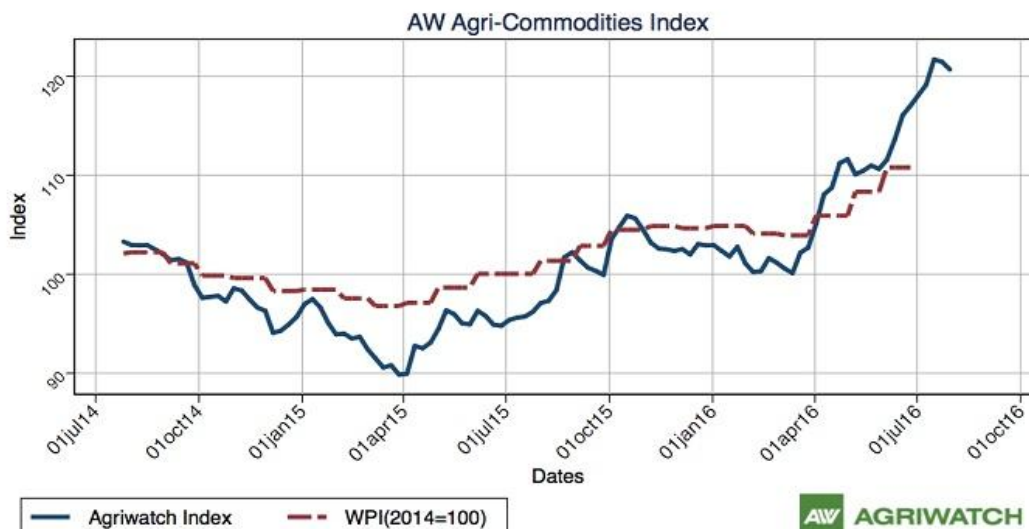


# Guar Weekly Research Report

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### Agriwatch Agri Commodity Index



The Agriwatch Agri Commodities Index dipped 0.64% to 120.70 during the week ended July 30, 2016 from 121.47 during the previous week, led by easing in prices of pulses, cereals and cotton. The base for the Index and all sub-Indices is 2014 (= 100).



The Agriwatch Agri commodity other non-food articles Index decreased by 0.95 % to 123.63 during the week ended July 30, 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

*Fall in overseas demand and low returns have led to a fall in acreage of guar seed. In Rajasthan, the area has fallen to 14.27 lakh hectares in MY 2016-17 from 28 lakh hectares in the same period last year whereas in Haryana, the area has fallen to 91000 hectares until date. Rajasthan and Haryana account for 80% of India's guar seed production. The area of guar seed is going to other crops like Moong, Moth, Cotton and Bajra as Guar has a 90-day cycle fetching less return compared to say Moong that has a 60-day cycle fetching greater returns.*

*Total guar seed products export from India for the week (18-24 July'16) was 7029 tonnes. Out of the total around 3324.4 tonnes was exported from Mundra Port, 1454.72 tonnes from Jodhpur concor ICD and 580 tonnes from Ahmedabad ICD. Whereas last week (11-17 June'16) 3790 tonnes was exported from Mundra Port, 1910.7 tonnes from Jodhpur concor ICD and 402.04 tonnes from Ahmedabad ICD.*

*According to IBIS (provisional data), export of guar seed products (Guar Powder, Split and Meal) in the week (18-24 July) was around 7029 metric tonnes compared to 7782 in the week (11-17 July). The export of guar meal and guar gum powder are down by 11.46% and 12.28% respectively whereas export of guar split have increased by 14.29%*

*According to IBIS (provisional data) for 18-24 July'16, the average \$FOB/Tonne has decreased for guar meal and powder compared to last week. India has exported 4445 metric tonnes of guar gum powder at an average fob of \$1224.97 /tonne, 800 metric tonnes of guar split at an average fob of \$859.82/tonne and 1784 metric tonnes of guar meal at an average fob of \$522.36/tonne.*

*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.*

*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 (3700 quintals) compared to previous week 5400 quintals.*

*As far as arrivals are concerned Bikaner market, reported lower arrivals (2150 quintals) compared to previous week 3200 quintals*

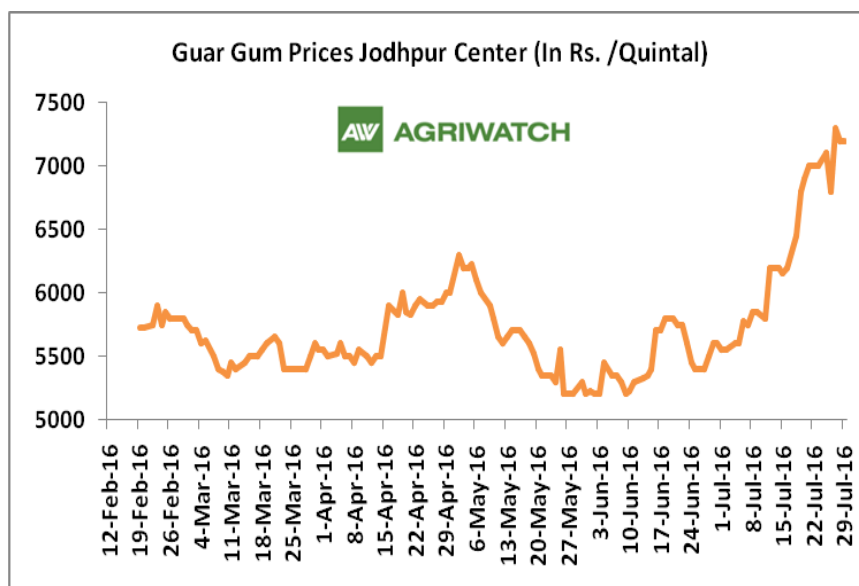
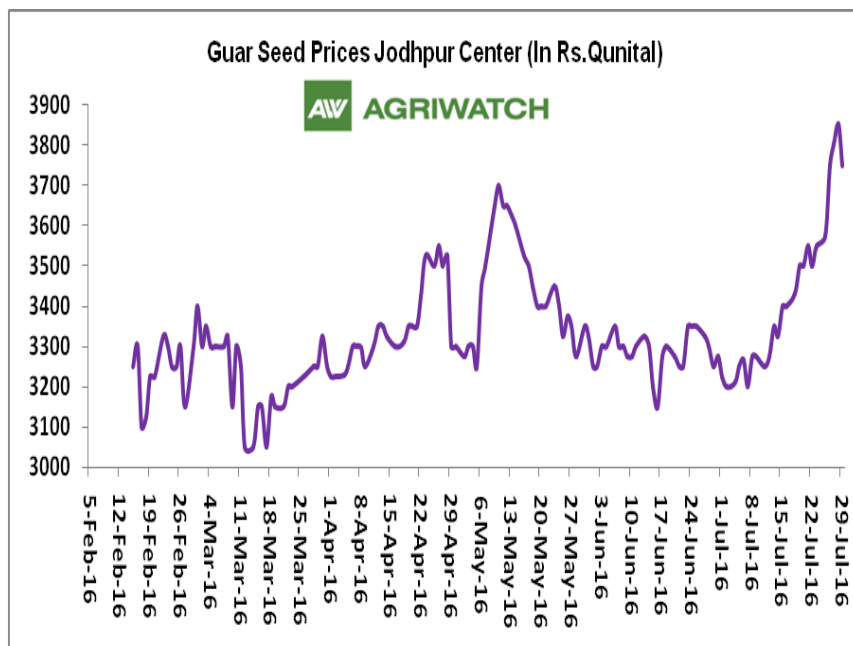
### Recommendation:

**Weekly Call - : Market participants are advised to BUY Guar seed at 3670 levels for a target of 3795 with a stop loss at 3595 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

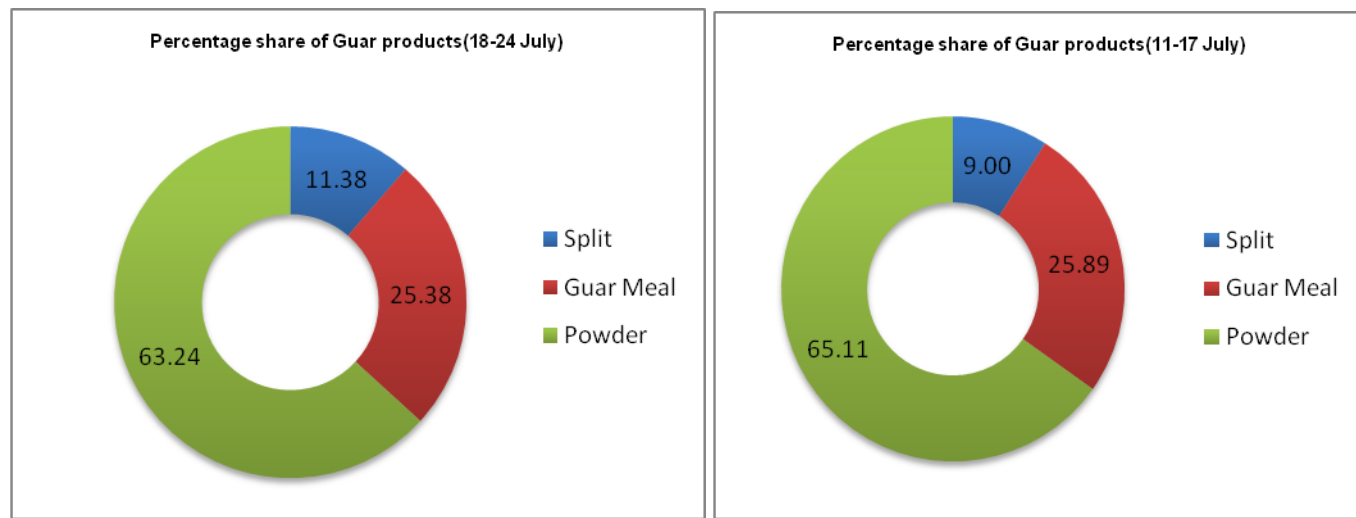
- In the week ended 29 July'16, Guar seed weekly average prices decreased by Rs 65.8/- qtl during the week compared to previous week and settled at Rs 3809.2 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 320.8/- qtl and settled at Rs. 6779.2 per quintal. Weak demand for guar gum from domestic as well as overseas market led the prices down 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 (18<sup>th</sup> to 24<sup>th</sup> July 2016)

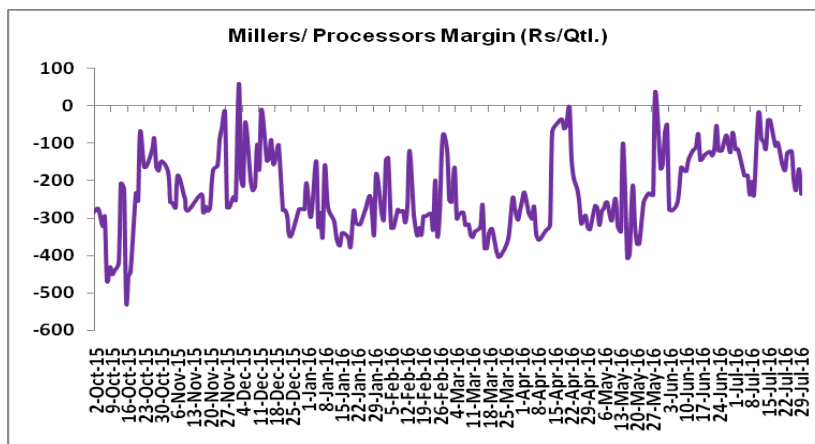
During this week 7029 tonnes of guar was exported out of which 4445 tonnes was guar gum powder, 1784 tonnes was guar meal and 800 tonnes guar gum splits. As compared to last week, the export of guar split has increased whereas the export of guar meal and guar gum powder has decreased.



## Millers/Processors Margin

In the week ended 29 July'16, average crush margin is Rs. -179.52/Quintal, compared to last week's -114.98/ Quintal. Therefore crushing is not favorable for Millers/Processors

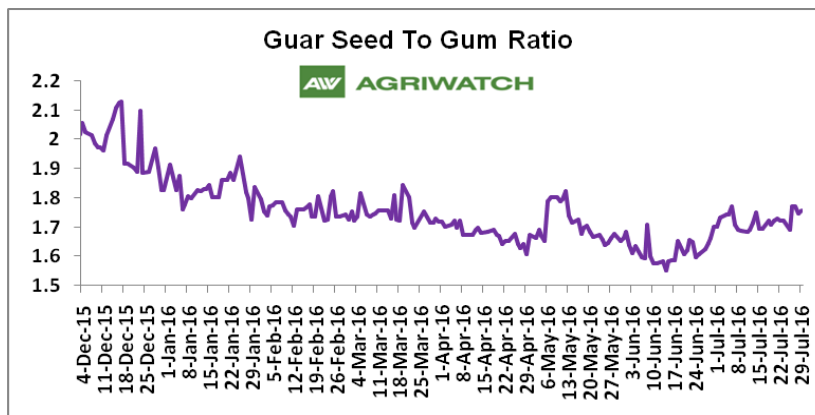
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



## Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 29 July'16 is 1.78, lower compared to last week's 1.83

Overall, weak demand of gum from overseas and good demand of seed from millers has decreased the overall ratio.





### Technical Analysis (Guar Seed)

Commodity: Guar Seed 10MT  
Contract: October

Exchange: NCDEX  
Expiry: Oct 20, 2016



#### Technical Commentary:

- Fall in price, volume and Open interest indicates consolidation.
- RSI is moving in neutral region.
- Last candlestick depicts bearishness in market.

#### Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed 10MT	NCDEX	October	3505	3440	3673	3985	4050
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	October	Buy	Above 3670	3795	3890	3595

### Technical Analysis (Guar Gum)

**Commodity: Guar Gum**  
**Contract: October**

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



#### Technical Commentary:

- Fall in price, volume and Open interest indicates consolidation.
- Guar gum prices are moving firm as chart depicts.
- Last candlestick depicts bearishness in the market.
- RSI is moving near oversold region.

#### Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	October	6275	6195	6600	7295	7395
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Buy	Above 6580	6895	7130	6391



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

<b>Guar by – Products Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Centre</b>	<b>23th July to 29th July.16</b>	<b>16th July to 22nd July.16</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1654	1649	5
<b>Korma</b>	Jodhpur	2133	2230	-97
<b>Churi</b>	Sri-Ganganagar	1663	1557	107
<b>Korma</b>	Sri-Ganganagar	2288	2213	74
<b>Prices in Rs/75kg</b>				
<b>Guar Export Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Variety</b>	<b>23th July to 29th July.16</b>	<b>16th July to 22nd July.16</b>	<b>Change</b>
<b>Guargum Split</b>		1020	1072	-53
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1317	1370	-53
	200 Mesh 3500 CPS	1243	1296	-53
<b>Guargum Meal</b>	40%	352	318	35
	50%	464	439	25
<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>23th July to 29th July.16</b>	<b>16th July to 22nd July.16</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3659	3725	-66
		Jodhpur(Delivery)	3809	3875	-66
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3596	3604	-8
		Sri-Ganganagar (Delivery)	3741	3764	-23
		Rawla (Loose)	3503	3545	-42
		Gharsana (Loose)	3557	3550	7
		Raisinghnagar (Loose)	3608	3655	-47
	<b>Bikaner</b>	Bikaner (Loose)	3542	3625	-83
		Bikaner (Delivery)	3693	3775	-82
		Nokha(Loose)	3513	3549	-36
		Nokha (Delivery)	3640	3677	-37
		Khajuwala (Loose)	3610	3600	10
		Khajuwala (Delivery)	3754	3744	10
		Lunkaransar (Loose)	3554	3604	-50
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3579	3525	54
		Hanumangarh	3729	3675	54



		(Delivery)			
		Nohar (Loose)	3625	3617	8
		Pilibanga (Loose)	3593	3519	74
	<b>Nagaur</b>	Nagaur (Loose)	3492	3558	-67
	<b>Churu</b>	Churu (Delivery)	3708	3817	-108
	<b>Alwar</b>	Alwar (Loose)	3492	3617	-125
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3617	3655	-38
		Adampur (Delivery)	3767	3855	-88
	<b>Bhiwani</b>	Bhiwani (Delivery)	3640	3700	-60
		Siwani (Loose)	3649	3643	6
	<b>Sirsa</b>	Sirsa (Loose)	3558	3619	-61
		Dhabwali (Loose)	3528	3563	-34
		Dhabwali (Delivery)	3678	3713	-34
		Ellanabad (Loose)	3600	3596	4
	<b>Fatehabad</b>	Fatehabad (Loose)	3688	3625	63
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	3538	3352	187
	<b>Patan</b>	Patan (Loose)	3567	3536	31
	<b>Rajkot</b>	Rajkot (Loose)	3690	3741	-51
	<b>Jamnagar</b>	Dhrol (Loose)	3586	3645	-59
<b>Madhya pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	3650	NA	-
<b>Guar Gum</b>					
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	6779	7100	-321
	<b>Alwar</b>	Alwar	6908	7167	-258
	<b>Hanumangarh</b>	Nohar	6867	7033	-167
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	6929	7338	-409
	<b>Sirsa</b>	Sirsa	6775	7100	-325
		Dhabwali	6817	7108	-292
		Ellanabad	6729	7083	-354
	<b>Fatehabad</b>	Fatehabad	7000	6967	33

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			29-Jul-16	22-Jul-16	29-Jun-16	29-Jul-15
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3600	3850	3200	3700
		Jodhpur(Delivery)	3750	4000	3350	3900
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3482	3600	3000	3500
		Sri-Ganganagar (Delivery)	3632	3810	3150	3700
		Rawla (Loose)	3400	3660	3000	3536

		Gharsana (Loose)	3450	3650	3000	3560
		Raisinghnagar (Loose)	3500	3800	3050	3565
	<b>Bikaner</b>	Bikaner (Loose)	3450	3700	3025	3550
		Bikaner (Delivery)	3600	3850	3175	3700
		Nokha(Loose)	3380	3650	3030	3600
		Nokha (Delivery)	3502	3781	3139	3730
		Khajuwala (Loose)	Closed	3720	3050	3600
		Khajuwala (Delivery)	Closed	3869	3172	3744
		Lunkaransar (Loose)	3400	3800	3000	3555
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3550	3621	2895	3450
		Hanumangarh (Delivery)	3700	3771	3045	3650
		Nohar (Loose)	3500	3750	3050	NA
		Pilibanga (Loose)	NR	NR	3000	3570
	<b>Nagaur</b>	Nagaur (Loose)	3400	3550	2950	3500
	<b>Churu</b>	Churu (Delivery)	3600	3900	3200	NA
	<b>Alwar</b>	Alwar (Loose)	3400	3700	3050	NA
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3500	3750	3025	3700
		Adampur (Delivery)	3650	3900	3175	3800
	<b>Bhiwani</b>	Bhiwani (Delivery)	3550	3800	3200	3725
		Siwani (Loose)	3550	3775	3150	3725
	<b>Sirsa</b>	Sirsa (Loose)	3400	3700	3000	3600
		Dhabwali (Loose)	3500	3600	3000	3470
		Dhabwali (Delivery)	3650	3750	3150	3670
		Ellanabad (Loose)	3500	3650	2985	3550
	<b>Fatehabad</b>	Fatehabad (Loose)	NR	3750	2950	3600
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	NA	3500	NA	NA
	<b>Patan</b>	Patan (Loose)	3435	3600	3000	NA
	<b>Rajkot</b>	Rajkot (Loose)	3555	3805	3000	NA
	<b>Jamnagar</b>	Dhrol (Loose)	NR	3760	2765	3795
<b>Madhya pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	Closed	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	6450	7200	5775	8100
	<b>Alwar</b>	Alwar	6500	7400	5700	NA
	<b>Hanumangarh</b>	Nohar	6400	7300	5700	NA
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	6625	7750	5600	8250
	<b>Sirsa</b>	Sirsa	6450	7300	5750	8100
		Dhabwali	6500	7250	5700	8200
		Ellanabad	6500	7200	5700	8000
	<b>Fatehabad</b>	Fatehabad	NR	7000	5550	8000

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			23th July to 29th July.16	16th July to 22nd July.16	
Rajasthan	Jodhpur	Jodhpur	650	658	-8
	Sri-Ganganagar	Sri-Ganganagar	1200	2050	-850
		Rawla	800	1450	-650
		Gharsana	1100	1200	-100
		Raisinghnagar	750	2175	-1425
	Bikaner	Bikaner	2150	3200	-1050
		Nokha	1200	1350	-150
		Khajuwala	1900	2600	-700
		Lunkaransar	2500	4900	-2400
	Hanumangarh	Hanumangarh	203	351	-148
		Nohar	2200	2150	50
		Pilibanga	200	550	-350
	Nagaur	Nagaur	620	910	-290
	Churu	Churu	3900	6300	-2400
	Alwar	Alwar	4800	3400	1400
Haryana	Hisar	Adampur	3700	5400	-1700
	Bhiwani	Bhiwani	19000	34000	-15000
		Siwani	3700	5700	-2000
	Sirsa	Sirsa	750	1900	-1150
		Dhabwali	500	550	-50
		Ellanabad	550	800	-250
	Fatehabad	Fatehabad	17	22	-5
Gujarat	Banaskantha	Deesa	65	73	-8
	Patan	Patan	1053	1499	-446
	Rajkot	Rajkot	3155	5420	-2265
	Jamnagar	Dhrol	8	19	-11
Madhya pradesh	Gwalior	Dabra	725	NA	-
Total Arrivals/Above Markets			57396	88627	-31231

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