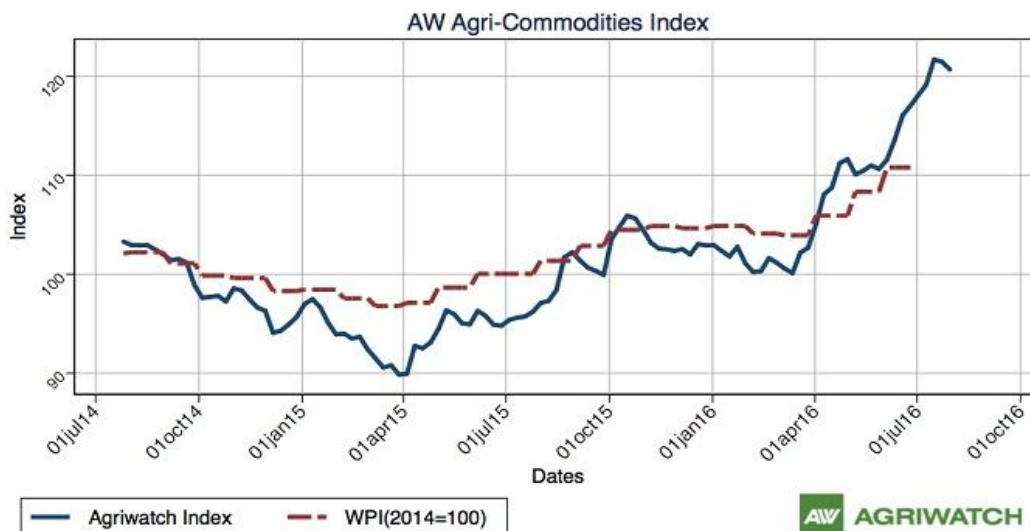


Guar Weekly Research Report

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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. 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 July'16, the average \$FOB/Tonne has increased for guar split and powder compared to last week. India has exported 17905.36 metric tonnes of guar gum powder at an average fob of \$1279.27 /tonne, 2021 metric tonnes of guar split at an average fob of \$921.1/tonne and 6807.48 metric tonnes of guar meal at an average fob of \$517.45/tonne.

Guar acreage in Rajasthan is expected to be down by around 52%. This fall in acreage can be attributed to both lower prices of guar as well as delayed monsoon showers in some areas. Acreage of pulses has increased in Rajasthan by 21% as farmers find it more lucrative compared to guar. Around 46 lakh hectares of guar was sown in Rajasthan last year. Traders in Rajasthan are expecting firm prices this year on account of lower acreage and steady demand.

According to latest update, area sown in Gujarat until 01 August'16 is 88400 hectares compared to 86300 hectares in the previous kharif season. Area of guar is expected to be lower this season as farmers are shifting to other crops like cotton and pulses as these crops are fetching more returns. The last three year average normal area for guar seed in Gujarat is 378800 hectares.

According to IBIS (provisional data), export of guar seed products (Guar Powder, Split and Meal) have decreased compared to last week. In the week (25-31 July) the exports were around 4664 metric tonnes compared to 7029 in the week (18-24 July). The export of guar meal, guar split and guar gum powder are down by 41.59%, 72.5% and 23.46% respectively.

According to IBIS (provisional data) for 25-31 July'16, the average \$FOB/Tonne has increased for guar meal, split and powder compared to last week. India has exported 3402 metric tonnes of guar gum powder at an average fob of \$1278.2 /tonne, 220 metric tonnes of guar split at an average fob of \$1075.18/tonne and 1042 metric tonnes of guar meal at an average fob of \$531.19/tonne.

Total guar seed products export from India for the week (25-31 July'16) was 4664 tonnes. Out of the total around 1989.6 tonnes was exported from Mundra Port, 1676.3 tonnes from Jodhpur concor ICD and 368 tonnes from Ahmedabad ICD. Whereas last week (18-24 June'16) 3324.4 tonnes was exported from Mundra Port, 1454.72 tonnes from Jodhpur concor ICD and 580 tonnes from Ahmedabad ICD.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (4500 quintals) compared to previous week 3700 quintals.

As far as arrivals are concerned Bikaner market, reported higher arrivals (2200 quintals) compared to previous week 2150 quintals

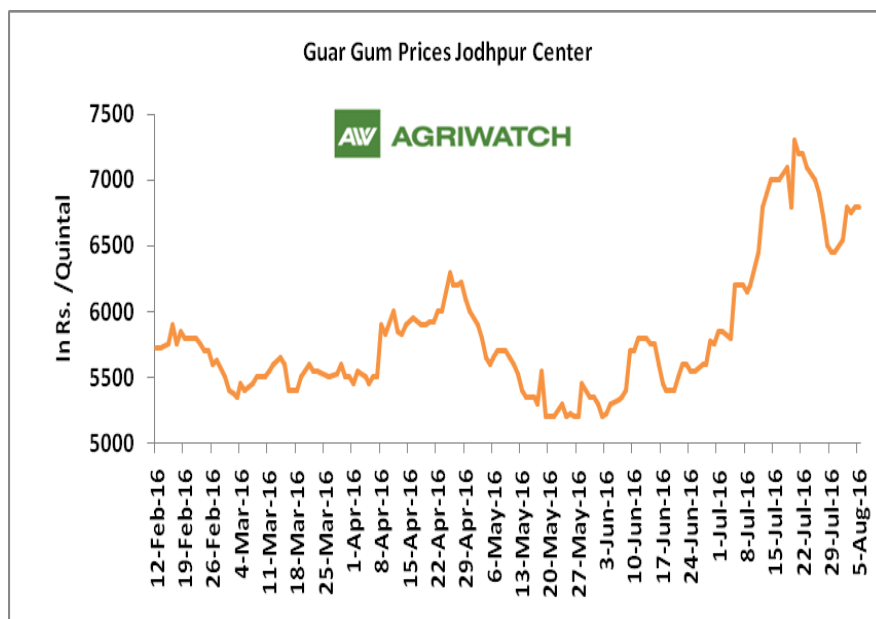
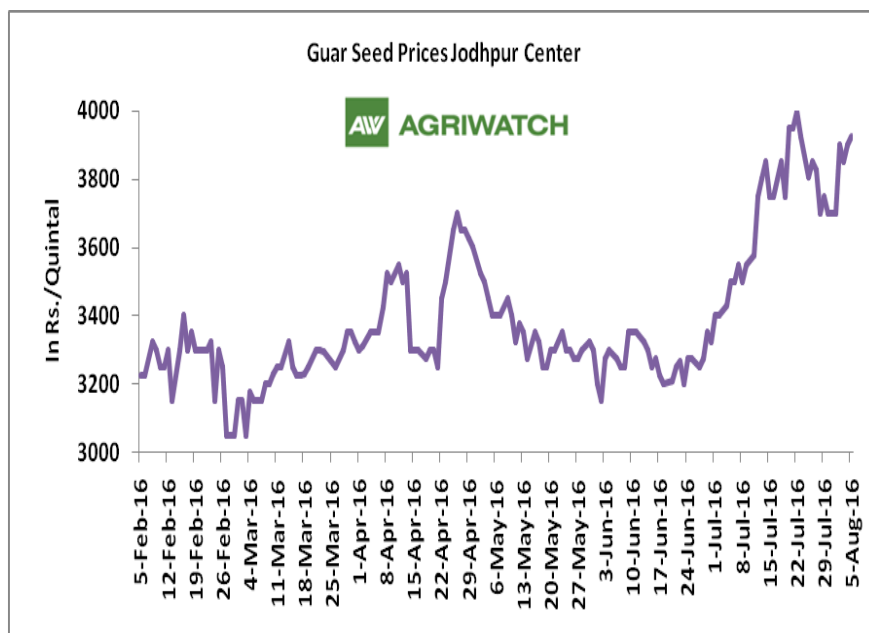
Recommendation:

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

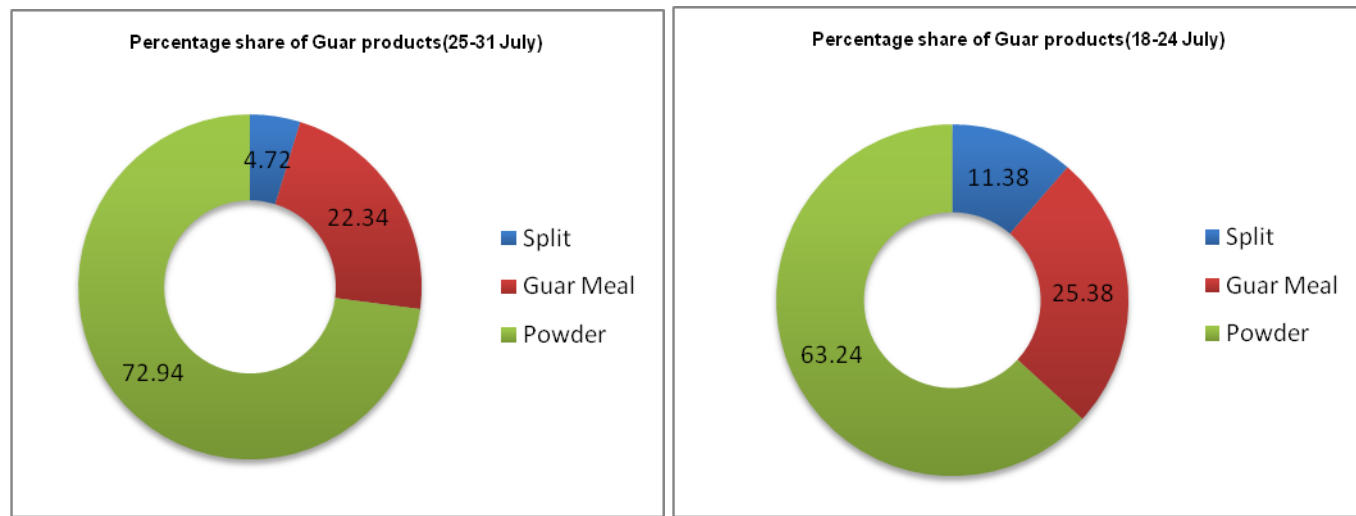
- In the week ended 05 August'16, Guar seed weekly average prices increased by Rs 20/- qtl during the week compared to previous week and settled at Rs 3829.17 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 79.17/- qtl and settled at Rs. 6700 per quintal. Weak demand for guar 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 35 – 40% 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 (25th to 31st July 2016)

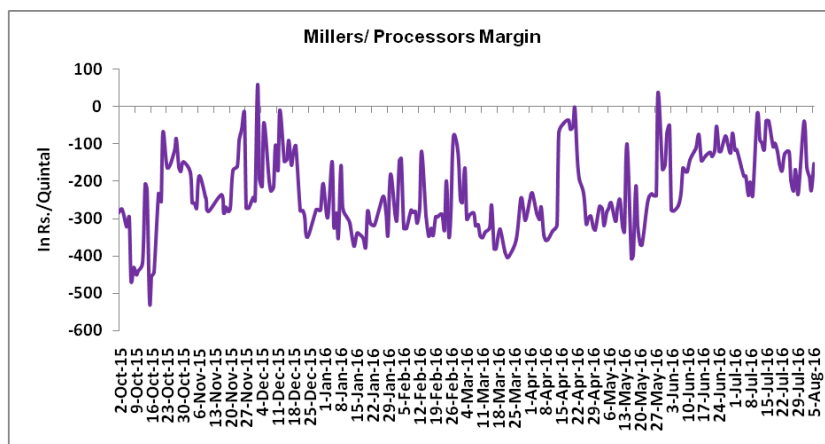
During this week 4664 tonnes of guar was exported out of which 3402 tonnes was guar gum powder, 1042 tonnes was guar meal and 220 tonnes guar gum splits. As compared to last week, the export of guar split, guar meal and guar gum powder has decreased.



Millers/Processors Margin

In the week ended 05 August'16, average crush margin is Rs. -158.47/Quintal, compared to last week's -179.52/ Quintal. Therefore crushing is not favorable for Millers/Processors

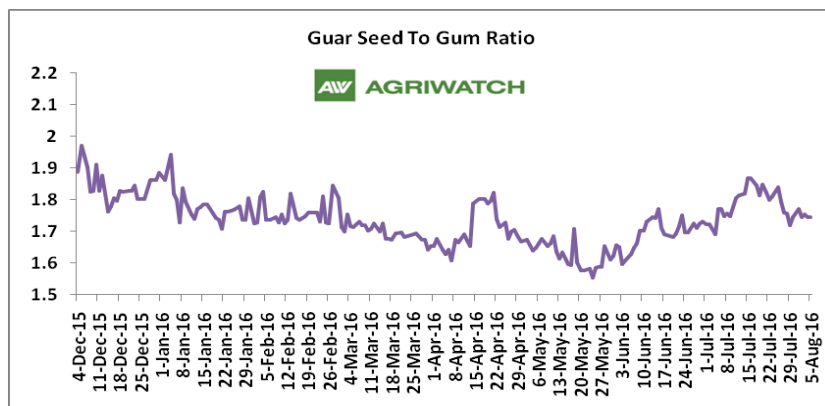
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 05 August'16 is 1.75, lower compared to last week's 1.78

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:

- Rise in price and Open interest indicates long buildup
- RSI is moving in neutral region.
- Last candlestick depicts bullishness in market.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed 10MT	NCDEX	October	3505	3440	3823	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:

- Rise in price and fall in Open interest indicates short covering.
- Last candlestick depicts bullishness in the market.
- RSI is moving in neutral region.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	October	6235	6155	6830	7255	7350
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Buy	Above 6540	6855	7090	6351

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	30th July to 05th Aug.16	23th July to 29th July.16	Change
Churi	Jodhpur	1725	1654	71
Korma	Jodhpur	2220	2133	87
Churi	Sri-Ganganagar	1613	1663	-51
Korma	Sri-Ganganagar	2237	2288	-51
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	30th July to 05th Aug.16	23th July to 29th July.16	Change
Guargum Split		973	1020	-47
Guargum Powder	200 Mesh 5000 CPS	1272	1317	-45
	200 Mesh 3500 CPS	1197	1243	-46
Guargum Meal	40%	344	352	-8
	50%	464	464	0
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			30th July to 05th Aug.16	23th July to 29th July.16	
Rajasthan	Jodhpur	Jodhpur (Loose)	3679	3659	20
		Jodhpur(Delivery)	3829	3809	20
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3592	3596	-4
		Sri-Ganganagar (Delivery)	3742	3741	1
		Rawla (Loose)	3522	3503	18
		Gharsana (Loose)	3570	3557	13
		Raisinghnagar (Loose)	3592	3608	-17
	Bikaner	Bikaner (Loose)	3579	3542	38
		Bikaner (Delivery)	3729	3693	36
		Nokha(Loose)	3530	3513	17
		Nokha (Delivery)	3657	3640	17
		Khajuwala (Loose)	3573	3610	-37
		Khajuwala (Delivery)	3716	3754	-38
		Lunkaransar (Loose)	3520	3554	-34

	Hanumangarh	Hanumangarh (Loose)	3478	3579	-101
		Hanumangarh (Delivery)	3628	3729	-101
		Nohar (Loose)	3558	3625	-67
		Pilibanga (Loose)	3400	3593	-193
	Nagaur	Nagaur (Loose)	3400	3492	-92
	Churu	Churu (Delivery)	3733	3708	25
	Alwar	Alwar (Loose)	3517	3492	25
Haryana	Hisar	Adampur (Loose)	3613	3617	-4
		Adampur (Delivery)	3763	3767	-4
	Bhiwani	Bhiwani (Delivery)	3725	3640	85
		Siwani (Loose)	3671	3649	22
	Sirsa	Sirsa (Loose)	3538	3558	-21
		Dhabwali (Loose)	3569	3528	41
		Dhabwali (Delivery)	3685	3678	7
		Ellanabad (Loose)	3579	3600	-21
	Fatehabad	Fatehabad (Loose)	3583	3688	-104
Gujarat	Banaskantha	Deesa (Loose)	3388	3538	-151
	Patan	Patan (Loose)	3477	3567	-90
	Rajkot	Rajkot (Loose)	3621	3690	-69
	Jamnagar	Dhrol (Loose)	3463	3586	-124
Madhya pradesh	Gwalior	Dabra (Loose)	3667	3650	17
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6700	6779	-79
	Alwar	Alwar	6692	6908	-217
	Hanumangarh	Nohar	6583	6867	-283
Haryana	Bhiwani	Bhiwani	6842	6929	-88
	Sirsa	Sirsa	6683	6775	-92
		Dhabwali	6717	6817	-100
		Ellanabad	6692	6729	-38
	Fatehabad	Fatehabad	6850	7000	-150

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			5-Aug-16	29-Jul-16	5-Jul-16	5-Aug-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3775	3600	3350	3650
		Jodhpur(Delivery)	3925	3750	3500	3850
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3660	3482	3100	3500

		Sri-Ganganagar (Delivery)	3810	3632	3250	3700
		Rawla (Loose)	3580	3400	3140	3415
		Gharsana (Loose)	3610	3450	3178	3400
		Raisinghnagar (Loose)	3650	3500	3200	3436
	Bikaner	Bikaner (Loose)	3675	3450	3160	3575
		Bikaner (Delivery)	3825	3600	3310	3640
		Nokha(Loose)	3600	3380	3350	3575
		Nokha (Delivery)	3730	3502	3471	3704
		Khajuwala (Loose)	3680	3500	3070	3500
		Khajuwala (Delivery)	3827	3640	3193	3640
		Lunkaransar (Loose)	3650	3400	3150	3485
	Hanumangarh	Hanumangarh (Loose)	3551	3550	3071	3400
		Hanumangarh (Delivery)	3701	3700	3221	3600
		Nohar (Loose)	3600	3500	3200	NA
		Pilibanga (Loose)	3400	3535	3020	NA
	Nagaur	Nagaur (Loose)	3450	3400	3100	3300
	Churu	Churu (Delivery)	3800	3600	3300	3700
	Alwar	Alwar (Loose)	3600	3400	3100	3500
Haryana	Hisar	Adampur (Loose)	3675	3500	3160	3550
		Adampur (Delivery)	3825	3650	3310	3750
	Bhiwani	Bhiwani (Delivery)	3800	3550	3250	3650
		Siwani (Loose)	3750	3550	3250	3700
	Sirsa	Sirsa (Loose)	3625	3400	3100	3500
		Dhabwali (Loose)	3615	3500	3070	3485
		Dhabwali (Delivery)	3765	3650	3220	3685
		Ellanabad (Loose)	3600	3500	3150	3575
	Fatehabad	Fatehabad (Loose)	3550	3700	3000	3600
Gujarat	Banaskantha	Deesa (Loose)	NA	3400	NA	3525
	Patan	Patan (Loose)	3530	3435	3015	3655
	Rajkot	Rajkot (Loose)	3685	3555	3150	3765
	Jamnagar	Dhrol (Loose)	NR	3615	2940	3750
Madhya pradesh	Gwalior	Dabra (Loose)	3700	3600	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6850	6450	6200	8000
	Alwar	Alwar	6900	6500	6100	8000
	Hanumangarh	Nohar	6700	6400	6100	NA
Haryana	Bhiwani	Bhiwani	7050	6625	5900	7950
	Sirsa	Sirsa	6850	6450	6000	7800
		Dhabwali	6900	6500	6000	8000

		Ellanabad	6850	6500	6100	8000
	Fatehabad	Fatehabad	6900	7000	5500	8100

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			30th July to 05th Aug.16	23th July to 29th July.16	
Rajasthan	Jodhpur	Jodhpur	563	650	-87
	Sri-Ganganagar	Sri-Ganganagar	1170	1200	-30
		Rawla	995	800	195
		Gharsana	1250	1100	150
		Raisinghnagar	1080	750	330
	Bikaner	Bikaner	2200	2150	50
		Nokha	1500	1200	300
		Khajuwala	2000	1900	100
		Lunkaransar	2400	2500	-100
	Hanumangarh	Hanumangarh	214	203	11
		Nohar	2600	2200	400
		Pilibanga	460	200	260
	Nagaur	Nagaur	670	620	50
	Churu	Churu	4600	3900	700
	Alwar	Alwar	1400	4800	-3400
Haryana	Hisar	Adampur	4500	3700	800
	Bhiwani	Bhiwani	8100	19000	-10900
		Siwani	2900	3700	-800
	Sirsa	Sirsa	780	750	30
		Dhabwali	440	500	-60
		Ellanabad	1100	550	550
	Fatehabad	Fatehabad	65	17	48
Gujarat	Banaskantha	Deesa	40	65	-25
	Patan	Patan	767	1053	-286
	Rajkot	Rajkot	2850	3155	-305
	Jamnagar	Dhrol	8	8	Unch
Madhya pradesh	Gwalior	Dabra	800	725	75
Total Arrivals/Above Markets			45452	57396	-11944

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