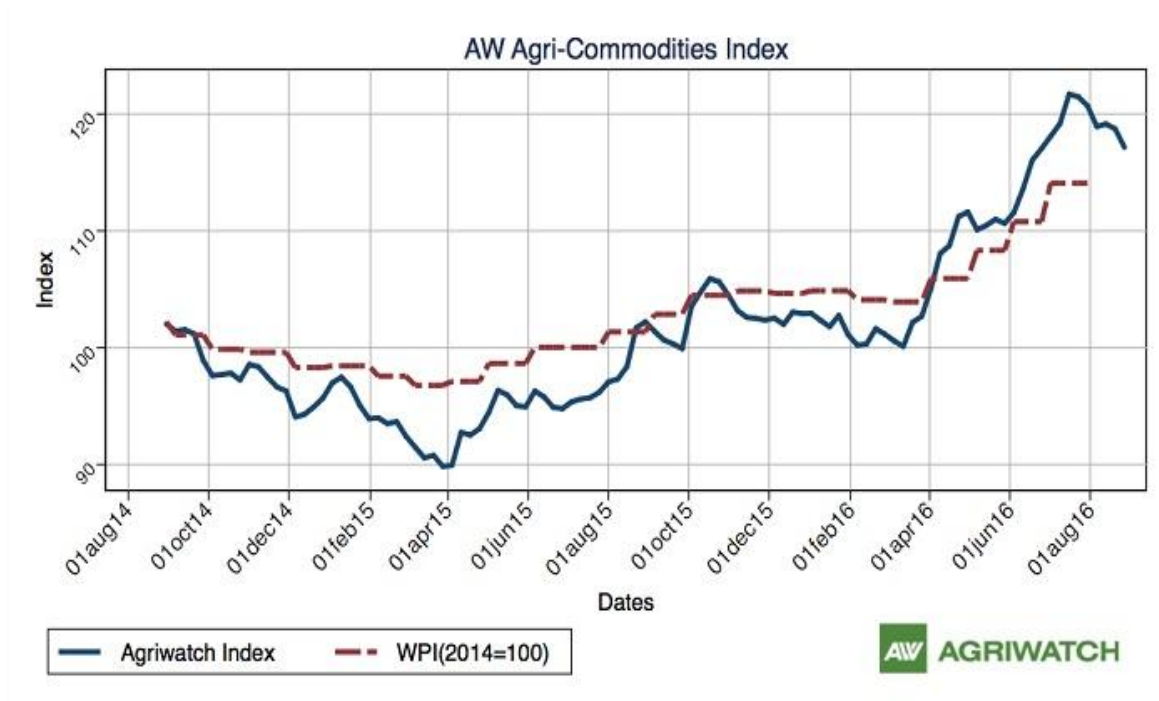


Guar Weekly Research Report

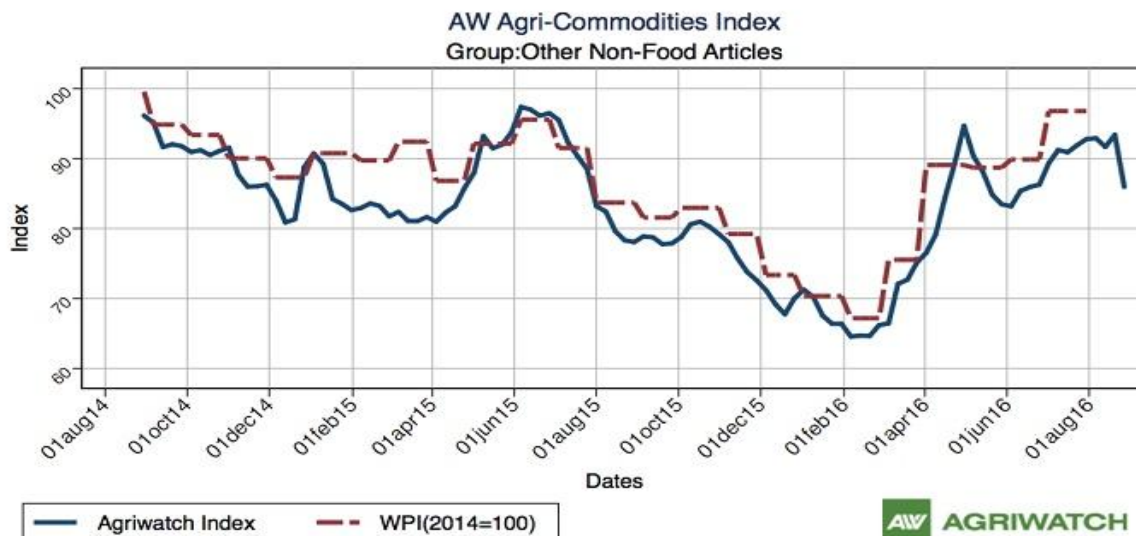
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Agriwatch Agri Commodity Index



The Agriwatch Agri Commodities Index fell 1.33% to 117.15 during the week ended August 27, 2016 from 118.73 during the previous week, led by sharply lower pulses prices. The base for the Index and all sub-Indices is 2014 (= 100).



The Agriwatch Agri commodity other non-food articles Index decreased by 7.95% to 85.95 during the week ended August 27, 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 latest update, area sown in Gujarat until 22 August'16 is 171500 hectares compared to 263800 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 increased compared to last week. In the week (15-21 August) the exports were around 6925 metric tonnes compared to 4589 metric tonnes in the week (07-14 August). The export of guar powder and guar split are up by 34.15% and 0.17% respectively.

According to IBIS (provisional data) for 15-21 August'16, the average \$FOB/tonne has increased for guar split and powder compared to last week. India has exported 4506 metric tonnes of guar gum powder at an average fob of \$1292.12 /tonne, 601 metric tonnes of guar split at an average fob of \$969.3/tonne and 1818 metric tonnes of guar meal at an average fob of \$506.59/tonne.

Total guar seed products export from India for the week (15-21 August'16) was 6925 tonnes. Out of the total around 2453.61 tonnes was exported from Mundra Port, 1463.59 tonnes from Jodhpur concor ICD and 804.54 tonnes from Ahmedabad ICD. Whereas last week (07-14 August'16) 1927.11 tonnes was exported from Mundra Port, 1174.23 tonnes from Jodhpur concor ICD and 439.18 tonnes from Ahmedabad ICD.

The wholesale price index of guar seed has increased from 231.6 in June 2016 to 253.9 in July 2016. The WPI for July 2016 is down by 50.5 compared to last year for the same month and by 139.8 compared to July 2014.

As per latest update, guar acreage in main producing states i.e. Gujarat, Rajasthan and Haryana is lower compared to last year. This is mainly due to farmers shift to more remunerative crops like Pulses and cotton. Acreage in Rajasthan and Gujarat until August'08, is down by 45% and 20.5% respectively compared to last year. Whereas in Haryana area sown until July'18 is only 91000 hectares compared to 3.39 lakh hectares last year as on July'20.

Guar seed prices have increased by around 21 percent since February because of lower sowing as farmers have shifted to crops fetching higher returns such as pulses and kapas. This year production is expected to be around 8 Lakh tonnes; therefore, traders are expecting firm prices on account of steady demand and lower production.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (3100 quintals) compared to previous week 2200 quintals.

As far as arrivals are concerned Bikaner market, reported higher arrivals (1600 quintals) compared to previous week 1450 quintals

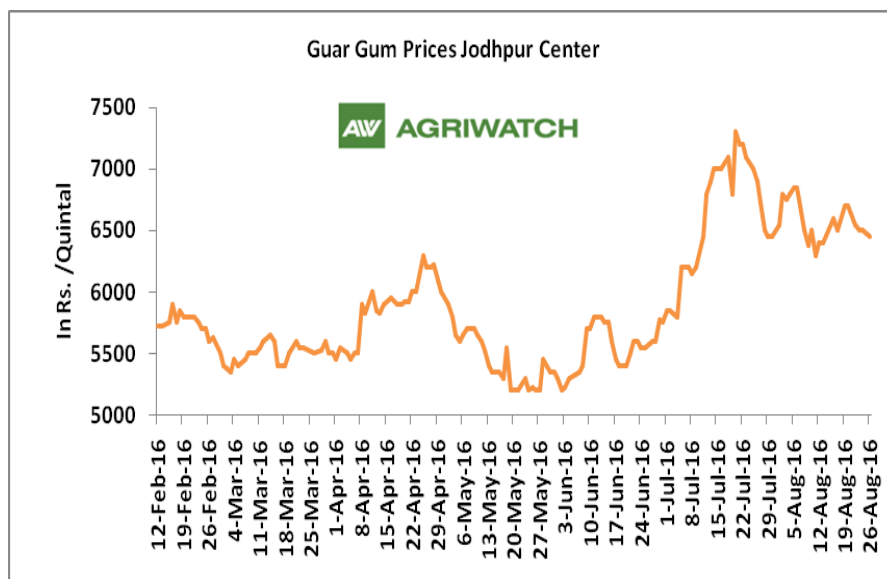
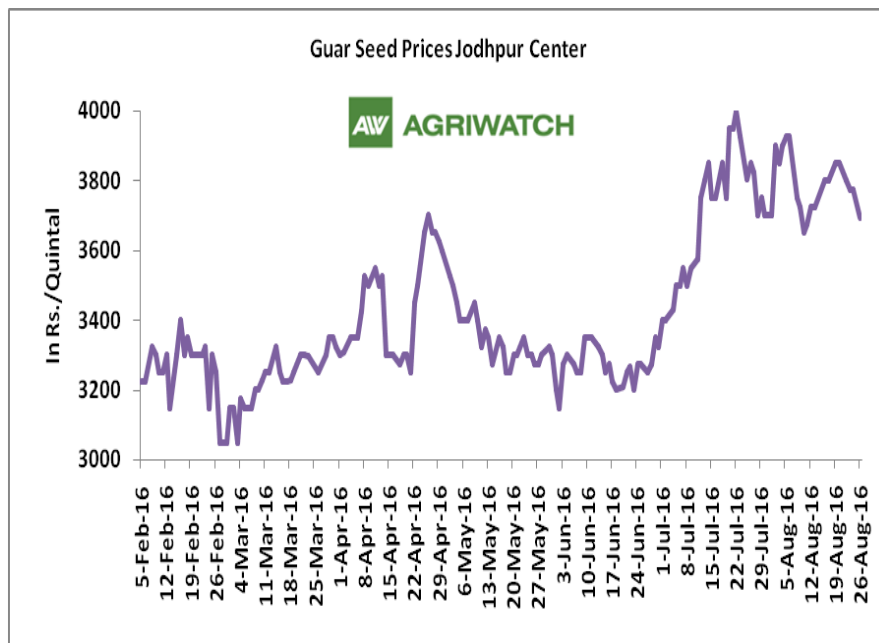
Recommendation:

Weekly Call - : Market participants are advised to SELL Guar seed at 3495 levels for a target of 3390 with a stop loss at 3558 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

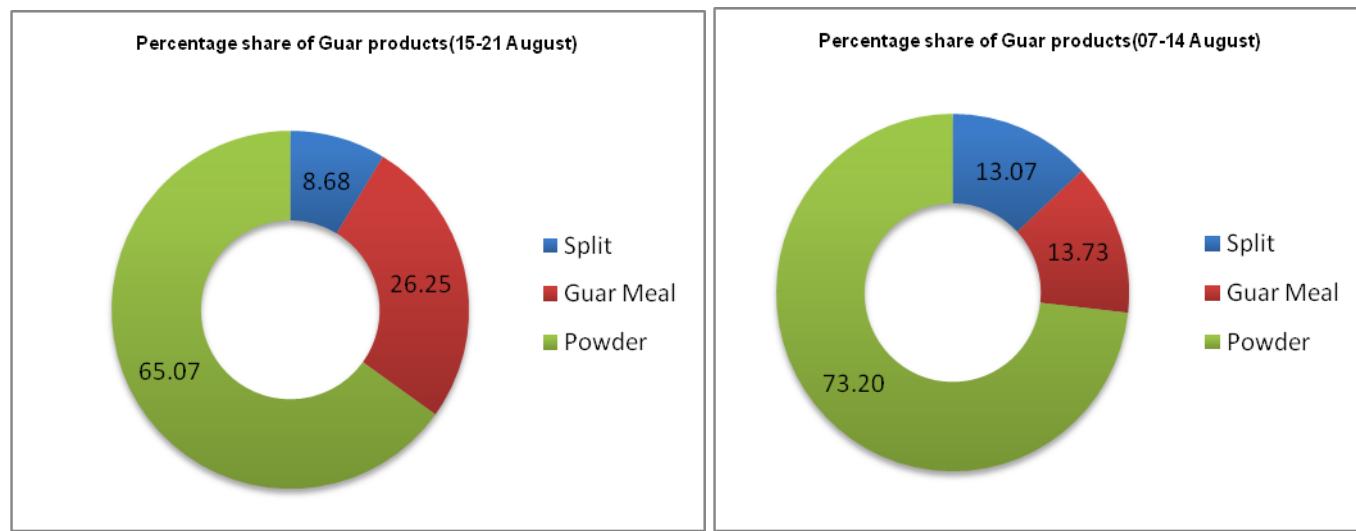
- In the week ended 26 August'16, Guar seed weekly average prices decreased by Rs 14.75 /- qtl during the week compared to previous week and settled at Rs 3779 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 10/- qtl and settled at Rs. 6540 per quintal. Weak demand for guar 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 (15th to 21st August 2016)

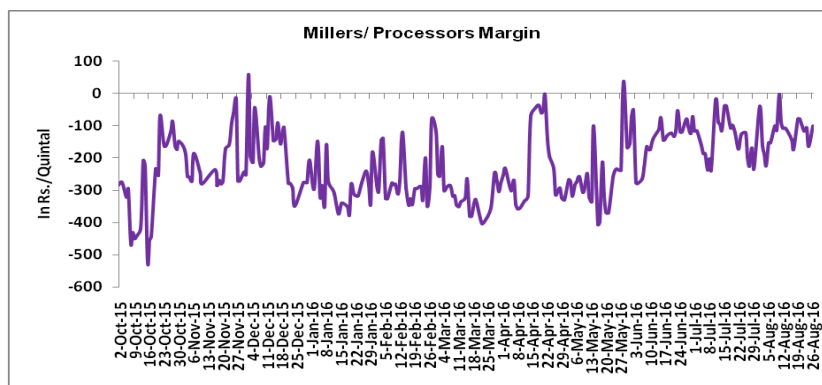
During this week 6925 tonnes of guar was exported out of which 4506 tonnes was guar gum powder, 1818 tonnes was guar meal and 601 tonnes guar gum splits. As compared to last week, the export of guar split, guar gum powder and guar meal has increased.



Millers/Processors Margin

In the week ended 26 August'16, average crush margin is Rs. -112.94 /Quintal, compared to last week's -125.75 / Quintal. Therefore crushing is not favorable for Millers/Processors.

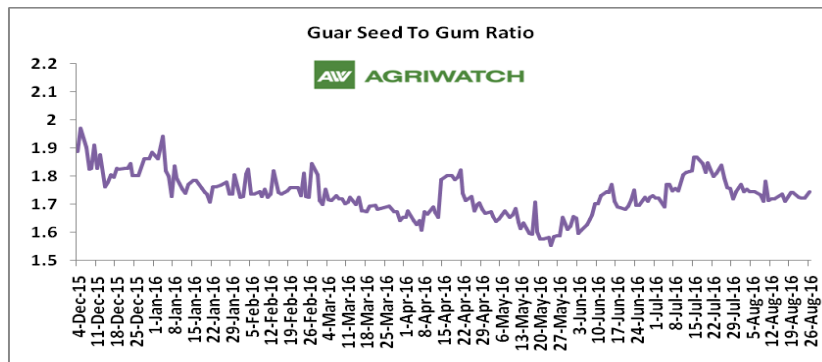
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 26 August'16 is 1.73, higher compared to last week's 1.72

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:

- Fall in price and open interest indicates long liquidation.
- RSI is moving in neutral region.
- Last candlestick depicts bearishness in market.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed 10MT	NCDEX	October	3210	3155	3520	3635	3705
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	October	Sell	Below 3495	3390	3295	3558

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: October

Exchange: NCDEX
Expiry: Oct 20, 2016



Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- Last candlestick depicts bearishness in the market.
- RSI is moving in neutral region.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	October	5895	5805	6380	6450	6545
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Sell	Below 6260	6120	6005	6344

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	20th to 26th Aug.16	13th to 19th Aug.16	Change
Churi	Jodhpur	1772	1731	41
Korma	Jodhpur	2280	2331	-51
Churi	Sri-Ganganagar	1672	1644	28
Korma	Sri-Ganganagar	2280	2263	18
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	20th to 26th Aug.16	13th to 19th Aug.16	Change
Guargum Split		980	979	1
Guargum Powder	200 Mesh 5000 CPS	1279	1278	1
	200 Mesh 3500 CPS	1204	1203	1
Guargum Meal	40%	358	359	-1
	50%	465	478	-13
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			20th to 26th Aug.16	13th to 19th Aug.16	
Rajasthan	Jodhpur	Jodhpur (Loose)	3629	3644	-15
		Jodhpur(Delivery)	3779	3794	-15
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3410	3506	-96
		Sri-Ganganagar (Delivery)	3570	3656	-86
		Rawla (Loose)	3407	3439	-32
		Gharsana (Loose)	3373	3470	-97
		Raisinghnagar (Loose)	3426	3529	-103
	Bikaner	Bikaner (Loose)	3470	3539	-69
		Bikaner (Delivery)	3620	3689	-69
		Nokha(Loose)	3452	3450	2
		Nokha (Delivery)	3576	3574	2
		Khajuwala (Loose)	3460	3513	-53
		Khajuwala (Delivery)	3598	3653	-55

		Lunkaransar (Loose)	3465	3538	-73
	Hanumangarh	Hanumangarh (Loose)	3418	3413	6
		Hanumangarh (Delivery)	3568	3563	6
		Nohar (Loose)	3459	3544	-85
		Pilibanga (Loose)	3367	3449	-82
	Nagaur	Nagaur (Loose)	3250	3225	25
	Churu	Churu (Delivery)	3683	3675	8
	Alwar	Alwar (Loose)	3500	3488	13
Haryana	Hisar	Adampur (Loose)	3469	3511	-42
		Adampur (Delivery)	3619	3661	-42
	Bhiwani	Bhiwani (Delivery)	3600	3641	-41
		Siwani (Loose)	3567	3619	-52
	Sirsa	Sirsa (Loose)	3426	3506	-80
		Dhabwali (Loose)	3438	3465	-27
		Dhabwali (Delivery)	3588	3603	-15
		Ellanabad (Loose)	3433	3475	-42
	Fatehabad	Fatehabad (Loose)	3440	3550	-110
Gujarat	Banaskantha	Deesa (Loose)	3325	3430	-105
	Patan	Patan (Loose)	3388	3454	-66
	Rajkot	Rajkot (Loose)	3515	3494	21
	Jamnagar	Dhrol (Loose)	3475	3348	127
Madhya pradesh	Gwalior	Dabra (Loose)	3400	3400	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6540	6550	-10
	Alwar	Alwar	6666	6575	91
	Hanumangarh	Nohar	6560	6575	-15
Haryana	Bhiwani	Bhiwani	6580	6573	8
	Sirsa	Sirsa	6410	6500	-90
		Dhabwali	6488	6500	-12
		Ellanabad	6480	6538	-58
	Fatehabad	Fatehabad	6480	6513	-33

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			26-Aug-16	19-Aug-16	26-Jul-16	26-Aug-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3545	3700	3700	4100
		Jodhpur(Delivery)	3695	3850	3850	4300
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3350	3525	3650	3800
		Sri-Ganganagar (Delivery)	3550	3675	3800	4000
		Rawla (Loose)	3360	3450	3530	3850
		Gharsana (Loose)	3325	3470	3570	3915
		Raisinghnagar (Loose)	3400	3540	3600	3875
	Bikaner	Bikaner (Loose)	3400	3580	3550	3875
		Bikaner (Delivery)	3550	3730	3700	4000
		Nokha(Loose)	3430	3520	3580	3900
		Nokha (Delivery)	3553	3647	3709	4040
		Khajuwala (Loose)	3400	3530	3600	3940
		Khajuwala (Delivery)	3536	3671	3744	4098
		Lunkaransar (Loose)	3400	3500	3600	3740
	Hanumangarh	Hanumangarh (Loose)	3345	3400	3620	3900
		Hanumangarh (Delivery)	3495	3550	3770	4000
		Nohar (Loose)	3400	3600	3700	NA
		Pilibanga (Loose)	NA	3535	3535	3900
	Nagaur	Nagaur (Loose)	3300	3200	3550	3700
	Churu	Churu (Delivery)	3650	3700	3800	4000
	Alwar	Alwar (Loose)	3500	3500	3600	3850
Haryana	Hisar	Adampur (Loose)	3410	3575	3600	3900
		Adampur (Delivery)	3560	3725	3750	4050
	Bhiwani	Bhiwani (Delivery)	3500	3700	3670	4100
		Siwani (Loose)	3520	3675	3650	4025
	Sirsa	Sirsa (Loose)	3400	3510	3650	3800
		Dhabwali (Loose)	3350	3500	3540	3750
		Dhabwali (Delivery)	3500	3650	3690	3900
		Ellanabad (Loose)	3350	3500	3650	3850
	Fatehabad	Fatehabad (Loose)	3400	3600	3650	3800
Gujarat	Banaskantha	Deesa (Loose)	3350	3430	3575	NA

	Patan	Patan (Loose)	3275	3445	3625	NA
	Rajkot	Rajkot (Loose)	Closed	3535	3670	NA
	Jamnagar	Dhrol (Loose)	Closed	3485	3560	NA
Madhya pradesh	Gwalior	Dabra (Loose)	NA	3400	3700	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6450	6700	6900	8900
	Alwar	Alwar	6500	6750	7000	9000
	Hanumangarh	Nohar	6450	6600	7000	NA
Haryana	Bhiwani	Bhiwani	6400	6700	7000	8950
	Sirsa	Sirsa	6300	6600	6800	9000
		Dhabwali	6400	6600	6900	8750
		Ellanabad	6350	6650	6800	8750
	Fatehabad	Fatehabad	6400	6600	7000	8800

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			20th to 26th Aug.16	13th to 19th Aug.16	
Rajasthan	Jodhpur	Jodhpur	323	490	-167
	Sri-Ganganagar	Sri-Ganganagar	1100	900	200
		Rawla	750	550	200
		Gharsana	1000	850	150
		Raisinghnagar	1250	1400	-150
	Bikaner	Bikaner	1600	1450	150
		Nokha	750	700	50
		Khajuwala	1900	1600	300
		Lunkaransar	1300	925	375
	Hanumangarh	Hanumangarh	416	180	236
		Nohar	2100	1700	400
		Pilibanga	230	210	20
	Nagaur	Nagaur	390	450	-60
Haryana	Churu	Churu	2200	2600	-400
	Alwar	Alwar	600	700	-100
	Hisar	Adampur	3100	2200	900
		Bhiwani	5500	4500	1000
	Bhiwani	Siwani	2700	2600	100
		Sirsa	2900	2150	750
	Sirsa	Dhabwali	500	650	-150



		Ellanabad	500	560	-60
	Fatehabad	Fatehabad	35	40	-5
Gujarat	Banaskantha	Deesa	105	23	82
	Patan	Patan	246	394	-148
	Rajkot	Rajkot	417	2546	-2129
	Jamnagar	Dhrol	1	31	-30
Madhya Pradesh	Gwalior	Dabra	60	240	-180
Total Arrivals/Above Markets			31973	30639	1334

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