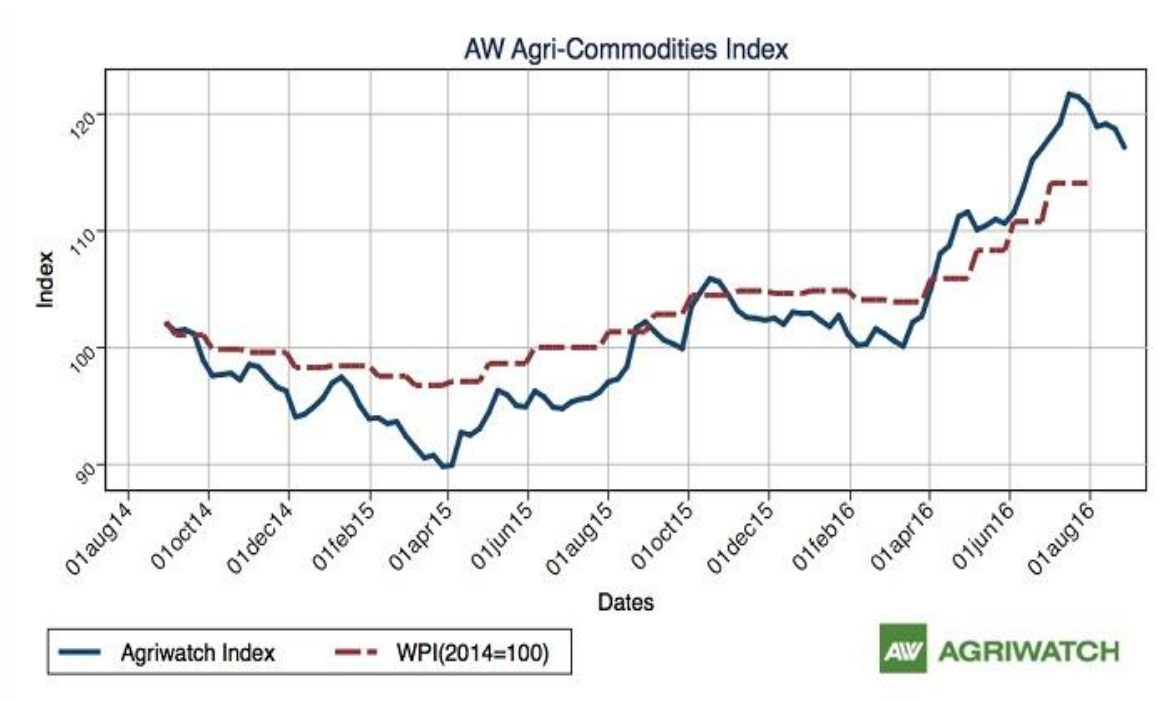


# Guar Weekly Research Report

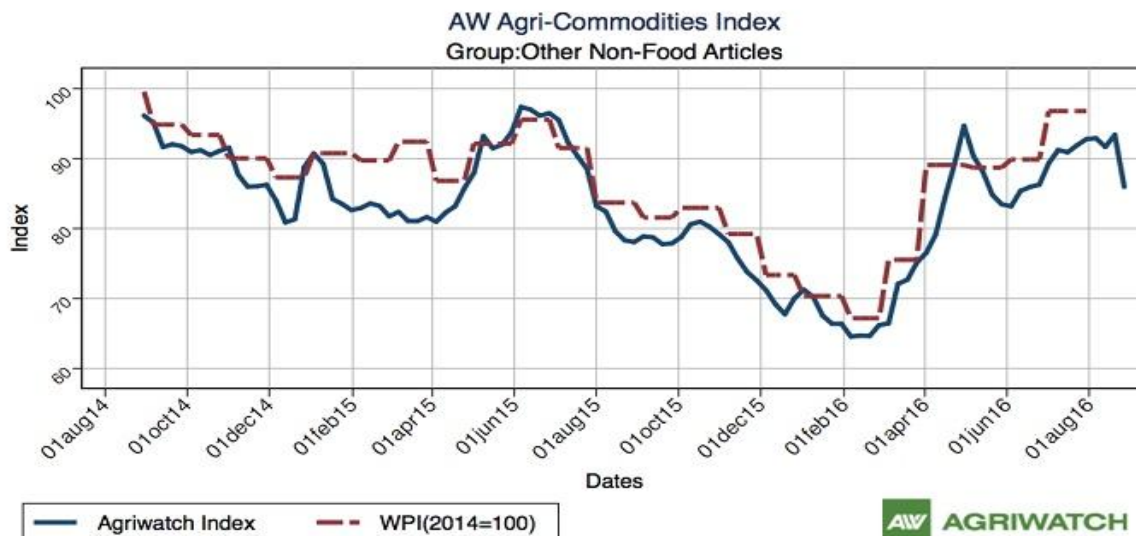
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### Agriwatch Agri Commodity Index



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](http://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), export of guar seed products (Guar Powder, Split and Meal) have decreased compared to last week. In the week (29 August -04 September) the exports were around 6048 metric tonnes compared to 6152 metric tonnes in the week (22-28 August). The export of guar split and guar gum powder are down by 38.89% and 10.05% respectively.

According to IBIS (provisional data) for 29 August -04 September'16, the average \$FOB/Tonne has decreased for guar split, meal and powder compared to last week. India has exported 4097 metric tonnes of guar gum powder at an average fob of \$1301.61 /tonne, 220 metric tonnes of guar split at an average fob of \$973.39/tonne and 1731 metric tonnes of guar meal at an average fob of \$515.9/tonne.

Total guar seed products export from India for the week (29 August -04 September) was 6048 tonnes. Out of the total around 2272.94 tonnes was exported from Mundra Port, 1691.88 tonnes from Jodhpur concor ICD and 403.56 tonnes from Ahmedabad ICD. Whereas last week (22-28 August'16) 1683.02 tonnes was exported from Mundra Port, 1737.02 tonnes from Jodhpur concor ICD and 877.56 tonnes from Ahmedabad ICD.

According to IBIS (provisional data) for the month of August, Export of guar seed products i.e. powder, Split and meal has decreased by 786 metric tonnes compared to last month. India has exported 17669.73 metric tonnes of guar gum powder, 2141 metric tonnes of guar split and 6137.12 metric tonnes of guar meal in the month of August.

According to latest update, area sown in Gujarat until 29 August'16 is 192800 hectares compared to 293600 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 latest update, area sown in Gujarat until 06 September'16 is 209500 hectares compared to 316600 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.

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 far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (6800 quintals) compared to previous week 3800 quintals.

As far as arrivals are concerned Bikaner market, reported lower arrivals (1350 quintals) compared to previous week 1900 quintals.

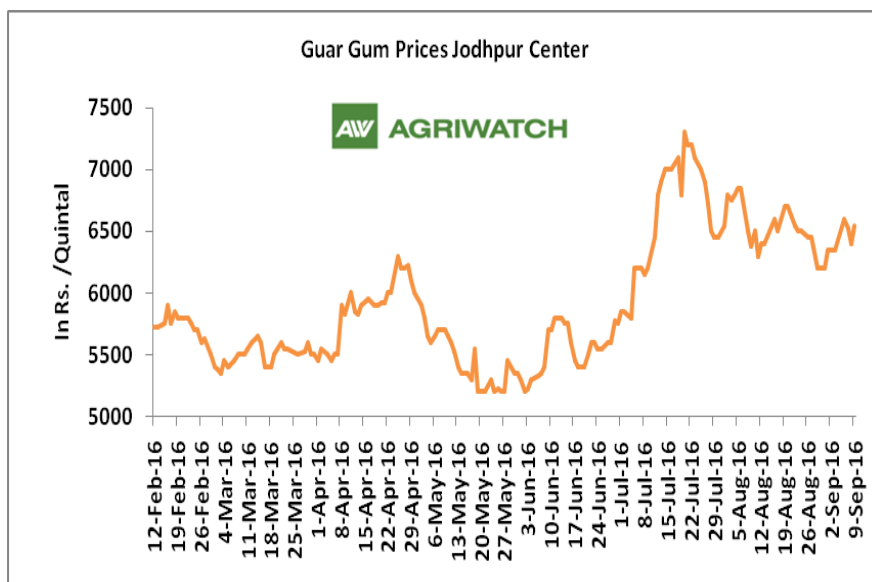
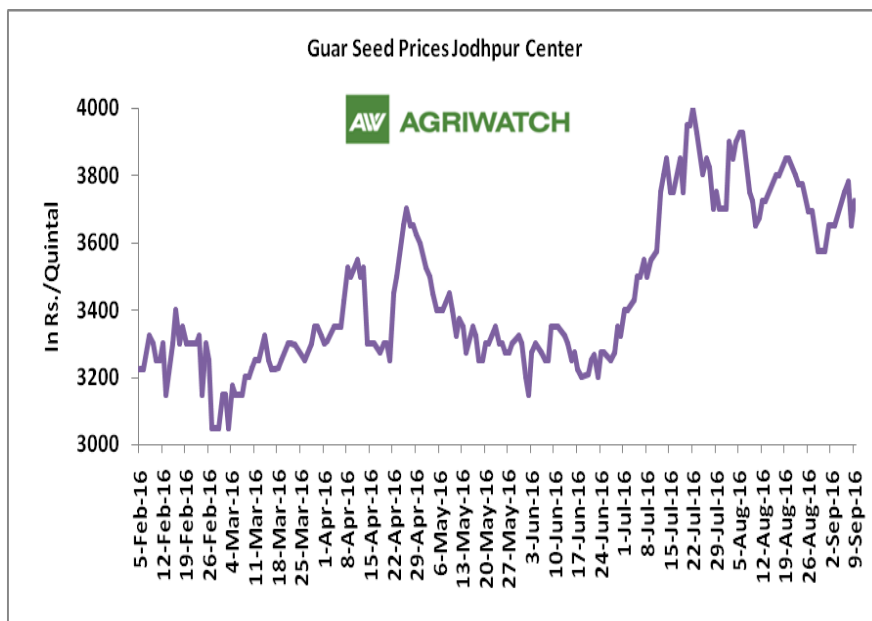
### Recommendation:

**Weekly Call - : Market participants are advised to BUY Guar seed at 3560 levels for a target of 3650 with a stop loss at 3506 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

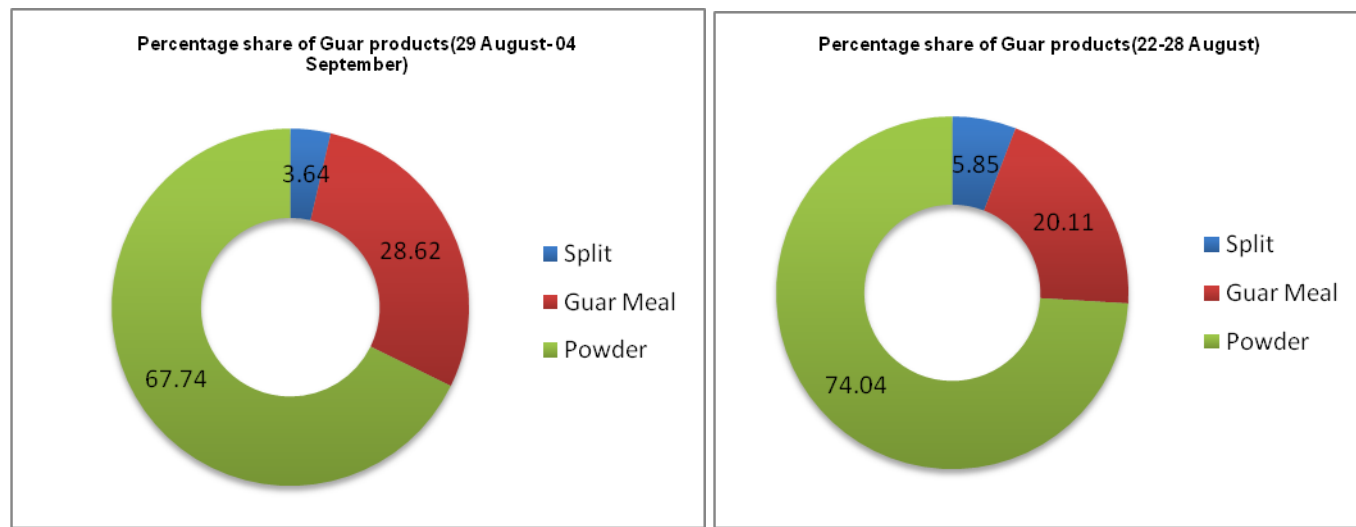
- In the week ended 9 September'16, Guar seed weekly average prices increased by Rs 91 /- qtl during the week compared to previous week and settled at Rs 3711 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 193/- qtl and settled at Rs. 6485 per quintal. Firm demand for guar 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 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 first advance estimate for 2016-17 issued by Rajasthan's Department of Agriculture for Guar seed the area, production and yield are 2223474 hectares, 1962424 tonnes and 549 kg/hectare respectively. As compared to fourth advance estimate for 2015-16, the area, production and yield have decreased by 1209842 hectares, 261050 tonnes and 84kg/hectare respectively.



## Export Scenario

### Export Scenario (29<sup>th</sup> August to 04<sup>th</sup> September 2016)

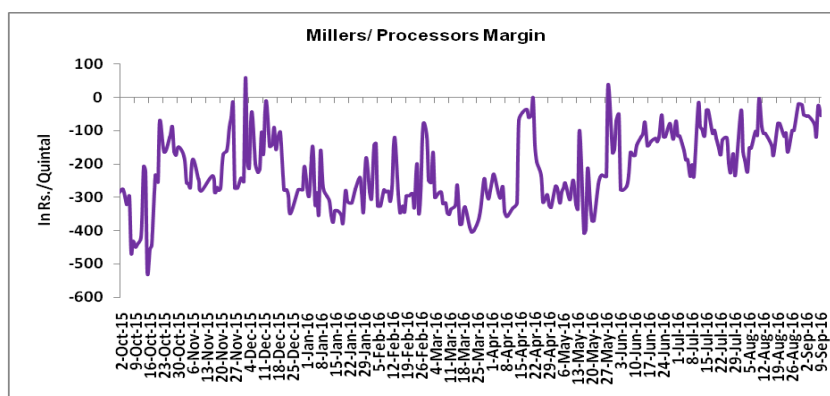
During this week 6048 tonnes of guar was exported out of which 4097 tonnes was guar gum powder, 1731 tonnes was guar meal and 220 tonnes guar gum splits. As compared to last week, the export of guar split and guar powder has decreased whereas export of guar meal has increased.



## Millers/Processors Margin

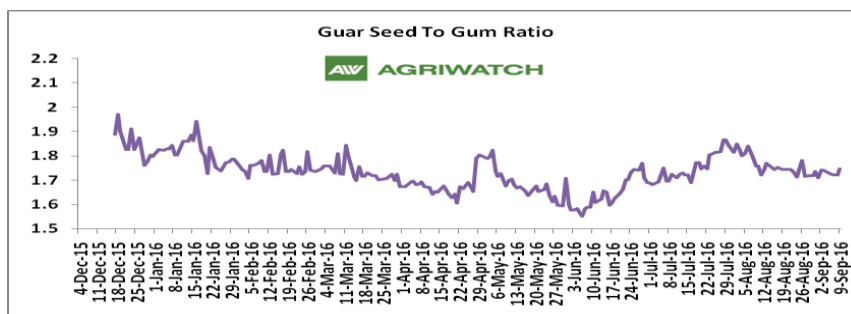
In the week ended 9 September'16, average crush margin is Rs. -66.99 /Quintal, compared to last week's -44.52 / Quintal. Therefore crushing is not favorable for Millers/Processors.

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 9<sup>th</sup> September'16 is 1.75, 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 price and fall in open interest indicates short covering.
- 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	3425	3360	3533	3820	3895
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	October	Buy	Above 3560	3650	3725	3506

### 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	6275	6210	6520	7095	7190
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Buy	Above 6570	6760	6925	6456



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

<b>Guar by – Products Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Centre</b>	<b>3rd Sept. to 9th Sept.16</b>	<b>27th Aug to 2nd Sept.16</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1710	1727	<b>-17</b>
<b>Korma</b>	Jodhpur	2344	2299	<b>45</b>
<b>Churi</b>	Sri-Ganganagar	1579	1562	<b>17</b>
<b>Korma</b>	Sri-Ganganagar	2213	2181	<b>31</b>
<b>Prices in Rs/75kg</b>				

<b>Guar Export Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Variety</b>	<b>3rd Sept. to 9th Sept.16</b>	<b>27th Aug to 2nd Sept.16</b>	<b>Change</b>
<b>Guargum Split</b>		977	972	<b>4</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1277	1271	<b>6</b>
	200 Mesh 3500 CPS	1202	1196	<b>6</b>
<b>Guargum Meal</b>	40%	346	346	<b>Unch</b>
	50%	436	435	<b>1</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>3rd Sept. to 9th Sept.16</b>	<b>27th Aug to 2nd Sept.16</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3561	3470	<b>91</b>
		Jodhpur(Delivery)	3711	3620	<b>91</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3329	3308	<b>21</b>
		Sri-Ganganagar (Delivery)	3524	3475	<b>49</b>
		Rawla (Loose)	3362	3262	<b>101</b>
		Gharsana (Loose)	3358	3258	<b>100</b>
		Raisinghnagar (Loose)	3425	3313	<b>113</b>
	<b>Bikaner</b>	Bikaner (Loose)	3455	3328	<b>128</b>
		Bikaner (Delivery)	3605	3478	<b>128</b>
		Nokha(Loose)	3335	3272	<b>63</b>
		Nokha (Delivery)	3455	3389	<b>66</b>
		Khajuwala (Loose)	3407	3282	<b>125</b>
		Khajuwala (Delivery)	3543	3413	<b>130</b>
		Lunkaransar (Loose)	3388	3268	<b>120</b>
	<b>Hanumangar</b>	Hanumangarh (Loose)	3312	3341	<b>-29</b>



	h	Hanumangarh (Delivery)	3462	3491	-29
		Nohar (Loose)	3388	3300	88
		Pilibanga (Loose)	3313	3254	58
	Nagaur	Nagaur (Loose)	3367	3242	125
	Churu	Churu (Delivery)	3500	3425	75
	Alwar	Alwar (Loose)	3308	3325	-17
Haryana	Hisar	Adampur (Loose)	3402	3304	98
		Adampur (Delivery)	3552	3454	98
	Bhiwani	Bhiwani (Delivery)	3561	3459	102
		Siwani (Loose)	3526	3437	89
	Sirsa	Sirsa (Loose)	3336	3261	75
		Dhabwali (Loose)	3325	3303	22
		Dhabwali (Delivery)	3475	3425	50
		Ellanabad (Loose)	3396	3275	121
	Fatehabad	Fatehabad (Loose)	3442	3383	58
Gujarat	Banaskantha	Deesa (Loose)	2163	3252	-1088
	Patan	Patan (Loose)	3368	3253	115
	Rajkot	Rajkot (Loose)	3388	3214	174
	Jamnagar	Dhrol (Loose)	3135	3110	25
Madhya pradesh	Gwalior	Dabra (Loose)	3300	3300	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6485	6292	193
	Alwar	Alwar	6517	6283	233
	Hanumangar h	Nohar	6358	6283	75
Haryana	Bhiwani	Bhiwani	6429	6288	141
	Sirsa	Sirsa	6492	6225	267
		Dhabwali	6500	6290	210
		Ellanabad	6517	6250	267
	Fatehabad	Fatehabad	6533	6333	200

**Week on Week Price: Scenario of Guarseed and Guargum:**

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			9-Sep-16	2-Sep-16	9-Aug-16	9-Sep-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3575	3500	3575	4100
		Jodhpur(Delivery)	3725	3650	3725	4300
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3300	3300	3550	3900
		Sri-Ganganagar (Delivery)	3500	3450	3700	4100

		Rawla (Loose)	3340	3300	3460	3997
		Gharsana (Loose)	3350	3315	3460	4015
		Raisinghnagar (Loose)	3450	3425	3470	3995
	<b>Bikaner</b>	Bikaner (Loose)	3450	3370	3410	3850
		Bikaner (Delivery)	3600	3520	3560	4050
		Nokha(Loose)	3380	3280	3550	3950
		Nokha (Delivery)	3502	3398	3678	4092
		Khajuwala (Loose)	3400	3330	3450	3940
		Khajuwala (Delivery)	3536	3463	3588	4098
		Lunkaransar (Loose)	3400	3325	3450	4060
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3390	3255	3390	3800
		Hanumangarh (Delivery)	3540	3405	3540	4000
		Nohar (Loose)	3400	3330	3480	NA
		Pilibanga (Loose)	3325	3270	3360	3950
	<b>Nagaur</b>	Nagaur (Loose)	3300	3200	3250	3950
	<b>Churu</b>	Churu (Delivery)	3500	3500	3600	4000
	<b>Alwar</b>	Alwar (Loose)	3300	3350	3450	3800
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3400	3325	3500	4000
		Adampur (Delivery)	3550	3475	3650	4200
	<b>Bhiwani</b>	Bhiwani (Delivery)	3550	3525	3525	4000
		Siwani (Loose)	3525	3450	3525	4000
	<b>Sirsa</b>	Sirsa (Loose)	3330	3300	3425	3850
		Dhabwali (Loose)	3300	3300	3410	3800
		Dhabwali (Delivery)	3450	3450	3565	4000
		Ellanabad (Loose)	3400	3300	3325	3800
	<b>Fatehabad</b>	Fatehabad (Loose)	3400	3350	3300	NA
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	3250	NA	3350	3985
	<b>Patan</b>	Patan (Loose)	3355	3290	3375	3800
	<b>Rajkot</b>	Rajkot (Loose)	3260	3255	3500	4070
	<b>Jamnagar</b>	Dhrol (Loose)	3135	3110	3400	3950
<b>Madhya pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	3300	3300	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	6550	6350	6400	8900
	<b>Alwar</b>	Alwar	6550	6400	6500	8700
	<b>Hanumangarh</b>	Nohar	6400	6300	6400	NA
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	6450	6350	6500	8800
	<b>Sirsa</b>	Sirsa	6500	6300	6300	8800
		Dhabwali	6450	6300	6400	8800
		Ellanabad	6550	6300	6200	8700

	Fatehabad	Fatehabad	6600	6300	6400	NA
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Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			3rd Sept. to 9th Sept.16	27th Aug to 2nd Sept.16	
Rajasthan	Jodhpur	Jodhpur	657	174	483
	Sri-Ganganagar	Sri-Ganganagar	2100	1100	1000
		Rawla	1150	1300	-150
		Gharsana	1250	900	350
		Raisinghnagar	1850	1450	400
	Bikaner	Bikaner	1350	1900	-550
		Nokha	650	700	-50
		Khajuwala	1800	1550	250
		Lunkaransar	1000	920	80
	Hanumangarh	Hanumangarh	620	236	384
		Nohar	4100	3100	1000
		Pilibanga	470	312	158
	Nagaur	Nagaur	260	440	-180
	Churu	Churu	5200	2800	2400
	Alwar	Alwar	1900	1000	900
Haryana	Hisar	Adampur	6800	3800	3000
	Bhiwani	Bhiwani	8500	5000	3500
		Siwani	3200	3300	-100
	Sirsa	Sirsa	4250	3100	1150
		Dhabwali	1500	770	730
		Ellanabad	2200	670	1530
	Fatehabad	Fatehabad	4	35	-31
Gujarat	Banaskantha	Deesa	50	23	27
	Patan	Patan	281	222	59
	Rajkot	Rajkot	1920	370	1550
	Jamnagar	Dhrol	3	0	3
Madhya Pradesh	Gwalior	Dabra	20	60	-40
Total Arrivals/Above Markets			53085	35232	17853

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