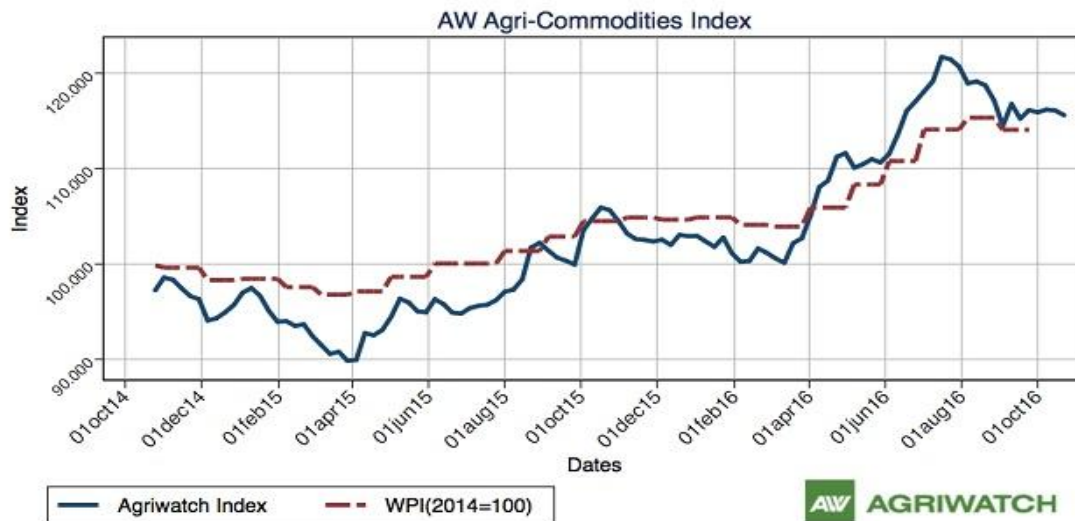


Guar Weekly Research Report

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Agriwatch Agri Commodity Index



The Agriwatch Agri Commodities Index eased 0.42% to 115.61 during the week ended Oct 22, 2016 from 116.10 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 increased by 0.76% to 75.24 during the week ended October 22, 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), export of guar seed products (Guar Powder, Split and Meal) have increased compared to last week. In the week (17-23 October), the exports were around 7801 metric tonnes compared to 6914 metric tonnes in the week (09-16 October). The export of guar split and guar gum powder has increased whereas the exports of guar meal have decreased.

According to IBIS (provisional data) for 17-23 October'16, the average \$FOB/Tonne has increased for guar split and guar meal compared to last week. India has exported 5331 metric tonnes of guar gum powder at an average fob of \$1358.31/tonne, 220 metric tonnes of guar split at an average fob of \$1058.21/tonne and 2250 metric tonnes of guar meal at an average fob of \$538.1/tonne.

Total guar seed products export from India for the week (17-23 October) was 7801 tonnes. Out of the total around 3309.55 tonnes was exported from Mundra Port, 2028.09 tonnes from Jodhpur concor ICD and 878.13 tonnes from Ahmedabad ICD. Whereas last week (09-16 October) 2602.81 tonnes was exported from Mundra Port, 1980.65 tonnes from Jodhpur concor ICD and 880.75 tonnes from Ahmedabad ICD.

The wholesale price index of guar seed has decreased from 266.2 in August 2016 to 261.7 in September 2016. The WPI for August 2016 is down by 29.5 compared to last year for the same month and by 149.4 compared to September 2014.

According to IBIS (provisional data) for the month of September, Export of guar seed products i.e. powder, Split and meal has increased by 3848 metric tonnes compared to last month. India has exported 20121 metric tonnes of guar gum powder, 2177 metric tonnes of guar split and 7498 metric tonnes of guar meal in the month of September.

According to IBIS (provisional data) for September'16, the average \$FOB/Tonne has increased for guar split, guar meal and powder compared to last week. India has exported 20121 metric tonnes of guar gum powder at an average fob of \$1383.04 /tonne, 2177 metric tonnes of guar split at an average fob of \$1012.48/tonne and 7498 metric tonnes of guar meal at an average fob of \$529.11/tonne.

According to latest update, area sown in Gujarat until 26 September'16 is 223700 hectares compared to 342500 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.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (8600 quintals) compared to previous week 11500 quintals.

As far as arrivals are concerned Bikaner market, reported higher arrivals (3300 quintals) compared to previous week 2600 quintals.

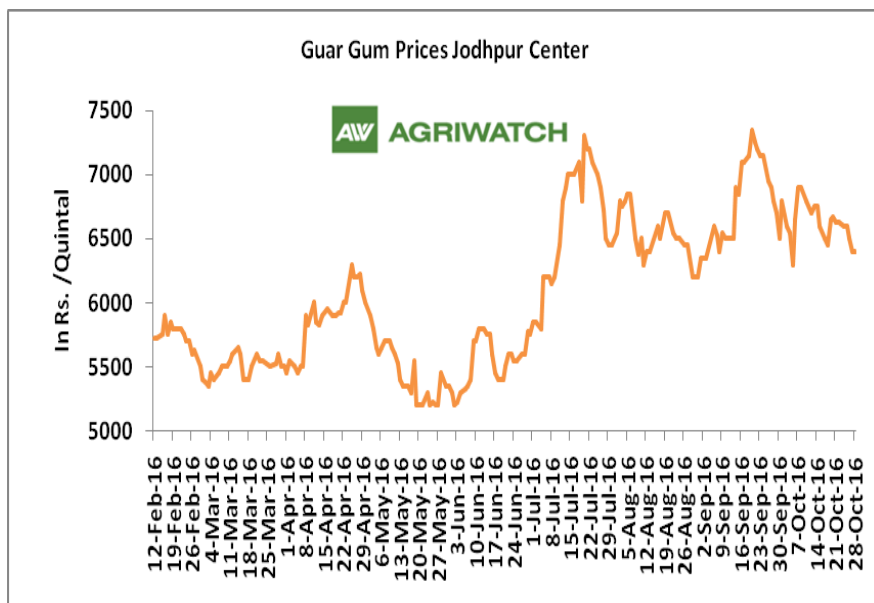
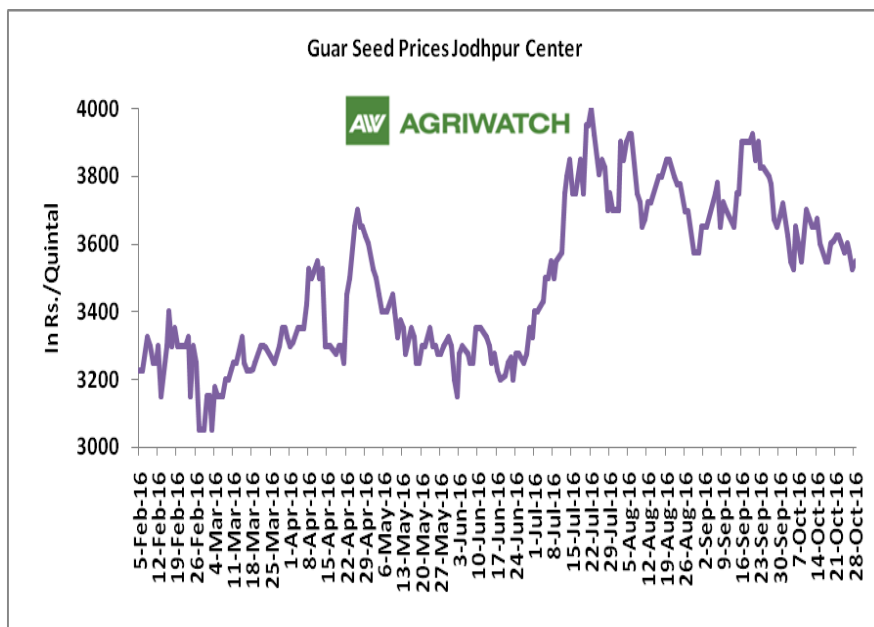
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 3380 levels for a target of 3245 with a stop loss at 3428 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

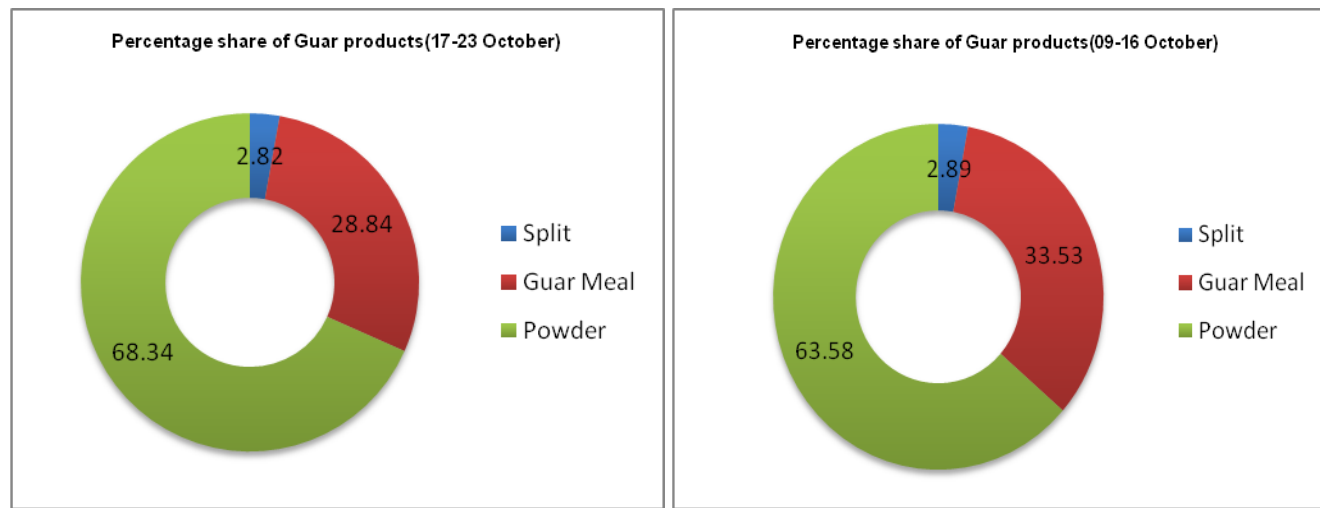
- In the week ended 28 October'16, Guar seed weekly average prices decreased by Rs 14.17 /- qtl during the week compared to previous week and settled at Rs 3575 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 62.50/- qtl and settled at Rs. 6521 per quintal. Weak demand for 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 such as 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 (17th-23rd October 2016)

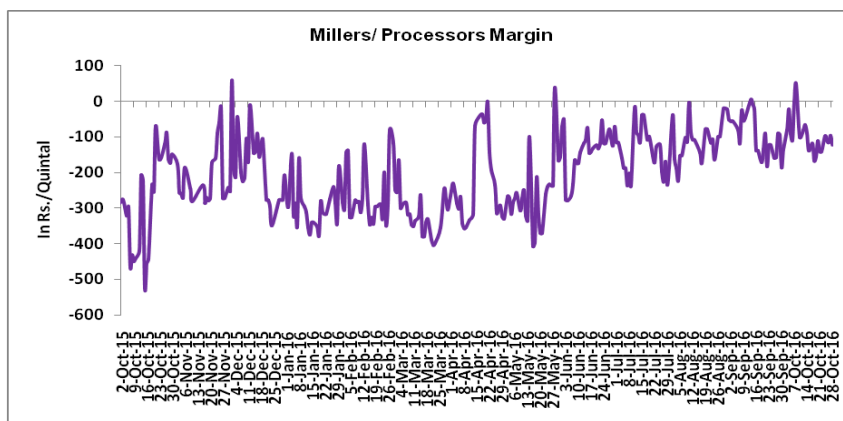
During this week 7801 tonnes of guar was exported out of which 5331 tonnes was guar gum powder, 2250 tonnes was guar meal and 220 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased.



Millers/Processors Margin

In the week ended 28 October'16, average crush margin is Rs. -113.71 /Quintal, compared to last week's -138.25 /Quintal. Therefore crushing is not favorable for Millers/Processors.

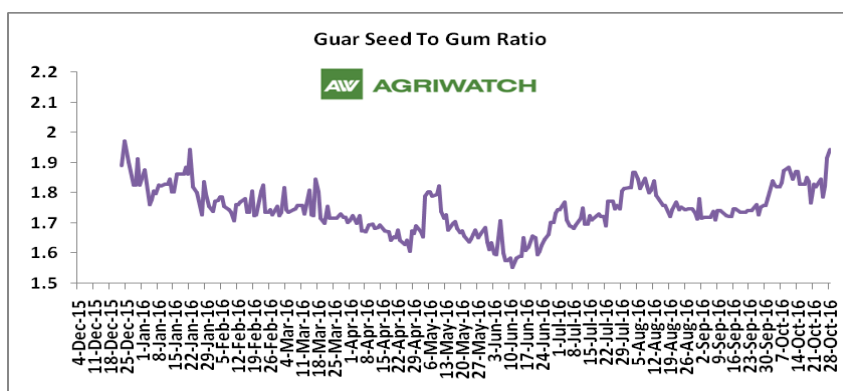
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 28 October'16 is 1.82, lower compared to last week's 1.83

Weak overseas demand of gum and good demand of seed from millers has decreased the overall ratio.





Technical Analysis (Guar Seed)

Commodity: Guar Seed 10MT

Contract: November

Exchange: NCDEX

Expiry: Nov 18, 2016

Guar Seed 10MT (Weekly November Contract Chart)



Technical Commentary:

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

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed 10MT	NCDEX	November	3175	3115	3374	3505	3560
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	November	Sell	Below 3380	3300	3245	3428

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: November

Exchange: NCDEX
Expiry: Nov 18, 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	November	5965	5900	6253	6450	6525
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	Sell	Below 6250	6145	6055	6313

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	22th to 28th Oct.16	15th to 21th Oct.16	Change
Churi	Jodhpur	1592	1500	92
Korma	Jodhpur	1974	2008	-35
Churi	Sri-Ganganagar	1410	1383	27
Korma	Sri-Ganganagar	1841	1870	-29
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	22th to 28th Oct.16	15th to 21th Oct.16	Change
Guargum Split		967	989	-21
Guargum Powder	200 Mesh 5000 CPS	1266	1288	-22
	200 Mesh 3500 CPS	1192	1213	-22
Guargum Meal	40%	314	310	5
	50%	389	404	-16
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			22th to 28th Oct.16	15th to 21th Oct.16	
Rajasthan	Jodhpur	Jodhpur (Loose)	3425	3439	-14
		Jodhpur(Delivery)	3575	3589	-14
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3255	3246	9
		Sri-Ganganagar (Delivery)	3383	3425	-42
		Rawla (Loose)	3210	3217	-7
		Gharsana (Loose)	3186	3211	-25
		Raisinghnagar (Loose)	3218	3223	-4
	Bikaner	Bikaner (Loose)	3256	3279	-23
		Bikaner (Delivery)	3406	3429	-23
		Nokha(Loose)	3208	3238	-31
		Nokha (Delivery)	3323	3355	-32
		Khajuwala (Loose)	3223	3238	-15
		Khajuwala (Delivery)	3352	3368	-16
		Lunkaransar (Loose)	3208	3258	-50
	Hanumangarh	Hanumangarh (Loose)	3203	3213	-11
		Hanumangarh (Delivery)	3353	3363	-11

		Nohar (Loose)	3196	3237	-41
		Pilibanga (Loose)	3188	3228	-40
	Nagaur	Nagaur (Loose)	3192	3205	-13
	Churu	Churu (Delivery)	3433	3433	Unch
	Alwar	Alwar (Loose)	3192	3200	-8
Haryana	Hisar	Adampur (Loose)	3183	3188	-4
		Adampur (Delivery)	3333	3338	-4
	Bhiwani	Bhiwani (Delivery)	3358	3342	17
		Siwani (Loose)	3293	3321	-28
	Sirsa	Sirsa (Loose)	3235	3253	-18
		Dhabwali (Loose)	3208	3173	36
		Dhabwali (Delivery)	3358	3323	36
		Ellanabad (Loose)	3200	3219	-19
	Fatehabad	Fatehabad (Loose)	3175	3250	-75
Gujarat	Banaskantha	Deesa (Loose)	3034	2979	55
	Patan	Patan (Loose)	3059	3114	-55
	Rajkot	Rajkot (Loose)	3118	3185	-68
	Jamnagar	Dhrol (Loose)	2965	3060	-95
Madhya pradesh	Gwalior	Dabra (Loose)	3200	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6521	6583	-63
	Alwar	Alwar	6517	6600	-83
	Hanumangarh	Nohar	6538	6650	-113
Haryana	Bhiwani	Bhiwani	6525	6621	-96
	Sirsa	Sirsa	6467	6567	-100
		Dhabwali	6520	6617	-97
		Ellanabad	6458	6567	-108
	Fatehabad	Fatehabad	6500	6550	-50

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			28-Oct-16	21-Oct-16	28-Sep-16	28-Oct-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3400	3475	3525	3850
		Jodhpur(Delivery)	3550	3625	3675	4050
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3250	3300	3525	3650
		Sri-Ganganagar (Delivery)	3400	3450	3550	3850
		Rawla (Loose)	3200	3235	3400	3453

		Gharsana (Loose)	3160	3210	3325	3585
		Raisinghnagar (Loose)	3170	3250	3280	3585
	Bikaner	Bikaner (Loose)	3225	3300	3460	3650
		Bikaner (Delivery)	3375	3450	3610	3850
		Nokha(Loose)	3150	3270	3370	3700
		Nokha (Delivery)	3263	3388	3491	3833
		Khajuwala (Loose)	3192	3280	3400	3660
		Khajuwala (Delivery)	3320	3411	3536	3806
		Lunkaransar (Loose)	3200	3250	3400	NA
	Hanumangarh	Hanumangarh (Loose)	3200	3200	3100	3700
		Hanumangarh (Delivery)	3350	3350	3400	3900
		Nohar (Loose)	3175	3225	3370	NA
		Pilibanga (Loose)	3180	3250	3300	3550
	Nagaur	Nagaur (Loose)	3100	3200	3300	3550
	Churu	Churu (Delivery)	3450	3450	3600	3800
	Alwar	Alwar (Loose)	3200	3200	3350	3600
Haryana	Hisar	Adampur (Loose)	3150	3250	3250	3750
		Adampur (Delivery)	3300	3400	3400	3950
	Bhiwani	Bhiwani (Delivery)	3350	3350	3500	3600
		Siwani (Loose)	3250	3325	3450	3800
	Sirsa	Sirsa (Loose)	3200	3290	3300	3650
		Dhabwali (Loose)	3200	3280	3180	3625
		Dhabwali (Delivery)	3350	3430	3330	3825
		Ellanabad (Loose)	3175	3240	3200	3750
	Fatehabad	Fatehabad (Loose)	3150	3250	3400	NA
Gujarat	Banaskantha	Deesa (Loose)	3050	3025	3320	NA
	Patan	Patan (Loose)	Closed	3080	3320	3665
	Rajkot	Rajkot (Loose)	3130	3200	3350	3730
	Jamnagar	Dhrol (Loose)	NR	3050	3280	3665
Madhya pradesh	Gwalior	Dabra (Loose)	3200	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6400	6625	6800	8250
	Alwar	Alwar	6600	6600	6600	8200
	Hanumangarh	Nohar	6525	6700	6700	NA
Haryana	Bhiwani	Bhiwani	6450	6550	6900	8000
	Sirsa	Sirsa	6300	6650	6650	8100
		Dhabwali	6500	6700	6700	8150
		Ellanabad	6350	6600	6600	8300
	Fatehabad	Fatehabad	6500	6500	6500	NA

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			22th to 28th Oct.16	15th to 21th Oct.16	
Rajasthan	Jodhpur	Jodhpur	508	635	-127
	Sri-Ganganagar	Sri-Ganganagar	29000	41000	-12000
		Rawla	2500	1550	950
		Gharsana	2850	1550	1300
		Raisinghnagar	11800	9700	2100
	Bikaner	Bikaner	3300	2600	700
		Nokha	1700	750	950
		Khajuwala	2100	2200	-100
		Lunkaransar	1700	2300	-600
	Hanumangarh	Hanumangarh	8000	10400	-2400
		Nohar	10000	4450	5550
		Pilibanga	3900	5900	-2000
	Nagaur	Nagaur	550	500	50
	Churu	Churu	10100	8800	1300
	Alwar	Alwar	2800	2000	800
Haryana	Hisar	Adampur	8600	11500	-2900
	Bhiwani	Bhiwani	18000	11300	6700
		Siwani	5400	3700	1700
	Sirsa	Sirsa	18000	16300	1700
		Dhabwali	4600	4600	Unch
		Ellanabad	6150	4400	1750
	Fatehabad	Fatehabad	700	1100	-400
Gujarat	Banaskantha	Deesa	1330	1210	120
	Patan	Patan	583	598	-15
	Rajkot	Rajkot	650	1305	-655
	Jamnagar	Dhrol	37	34	3
Madhya pradesh	Gwalior	Dabra	1700	NA	-
Total Arrivals/Above Markets			156558	150382	6176

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