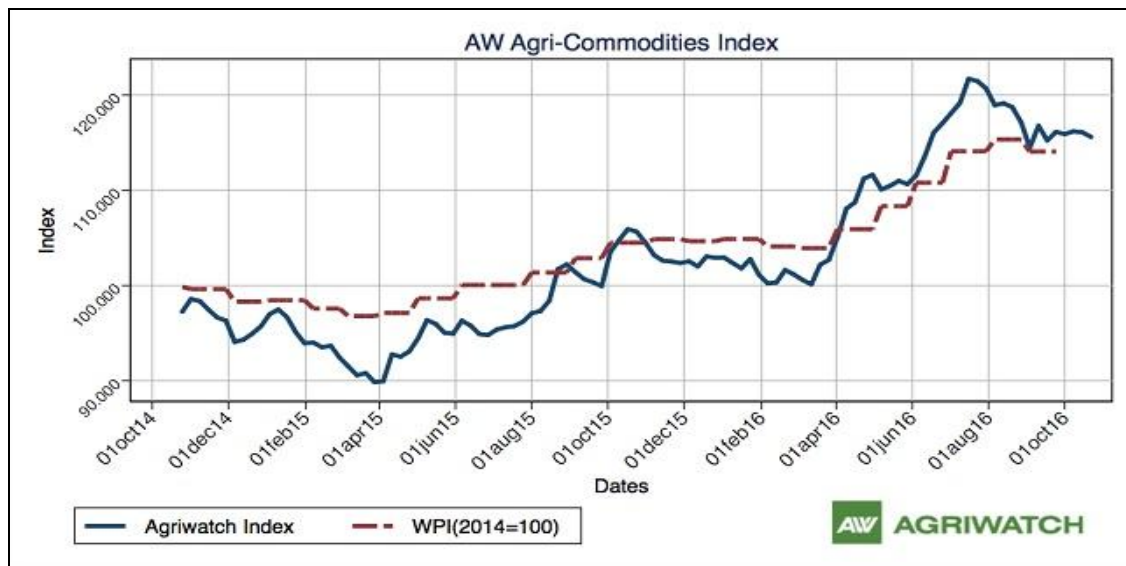


# Guar Weekly Research Report

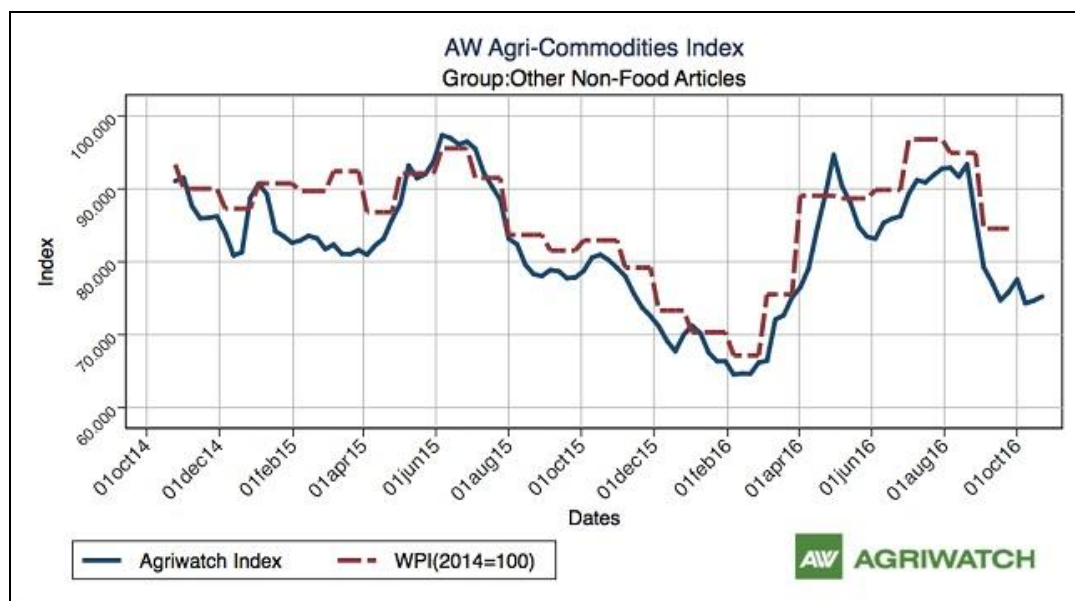
## Contents

- ❖ Agriwatch Agri Commodity Index
- ❖ Executive Summary
- ❖ Recommendations
- ❖ Domestic Market Fundamentals
- ❖ Export Scenario
- ❖ Processing Margins
- ❖ Technical Analysis (Futures Market)
- ❖ Guar Seed & Gum Prices at Key Spot Markets

## Agriwatch Agri Commodity Index



The Agriwatch Agri Commodity 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](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) for the month of October, Export of guar seed products i.e. powder, Split and meal has increased by 258 metric tonnes compared to last month. India has exported 29538 tonnes of guar products in the month of October. Of the total quantity 20437 tonnes is guar gum powder and the remaining is Guar split (702 tonnes) and Guar meal (8399 tonnes).

According to IBIS (provisional data) for 24-30 October'16, the average \$FOB/Tonne has increased for guar split, guar gum and guar meal compared to last week. India has exported 6246 metric tonnes of guar gum powder at an average fob of \$1393.4/tonne, 241 metric tonnes of guar split at an average fob of \$1165.95/tonne and 2070 metric tonnes of guar meal at an average fob of \$547.4/tonne.

According to IBIS (provisional data), export of guar seed products (Guar Powder, Split and Meal) have increased compared to last week. In the week (24-30 October), the exports were around 8557 metric tonnes compared to 7801 metric tonnes in the week (17-23 October). The export of guar split and guar gum powder has increased whereas the exports of guar meal have decreased.

Total guar seed products export from India for the week (24-30 October) was 8557 tonnes. Out of the total around 3370.31 tonnes was exported from Mundra Port, 1639.87 tonnes from Jodhpur concor ICD and 1384.44 tonnes from Ahmedabad ICD. Whereas last week (17-23 October) 3309.55 tonnes was exported from Mundra Port, 2028.09 tonnes from Jodhpur concor ICD and 878.13 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 September 2016 is down by 29.5 compared to last year for the same month and by 149.4 compared to September 2014.

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.

On the currency front, Indian rupee against USD (Average) closed at 66.73, devalued by Rs. 0.01 compared to the previous month. Overall weakening of Rupee in terms of dollar also discourages export of guar gum and powder.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (4500 quintals) compared to previous week 8600 quintals.

As far as arrivals are concerned Bikaner market, reported lower arrivals (1500 quintals) compared to previous week 3300 quintals.

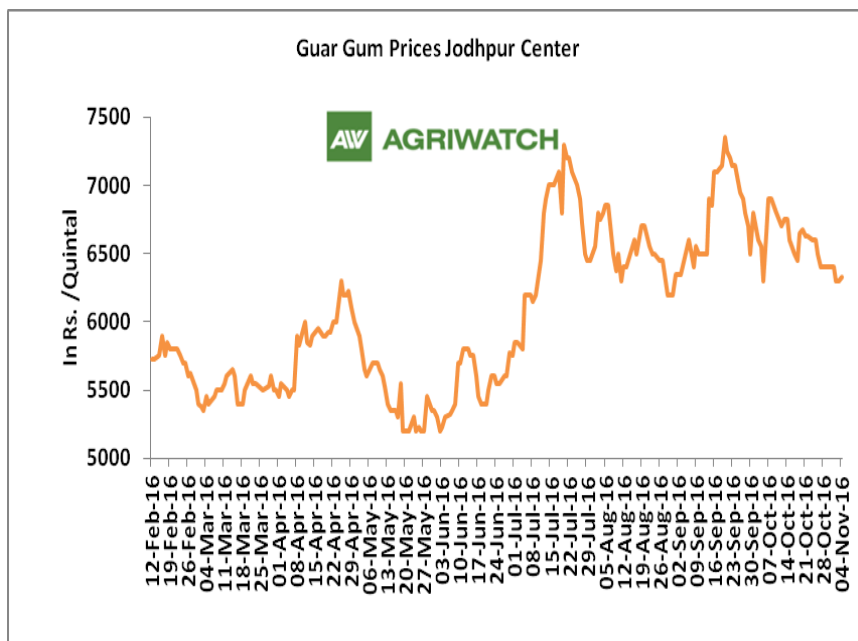
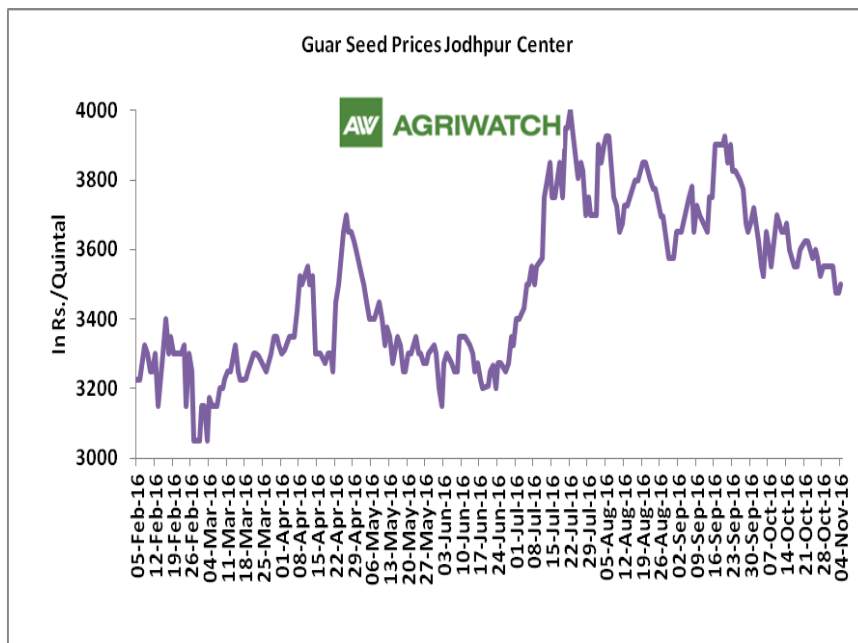
### Recommendation:

**Weekly Call - : Market participants are advised to Sell Guar seed at 3375 levels for a target of 3240 with a stop loss at 3423 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

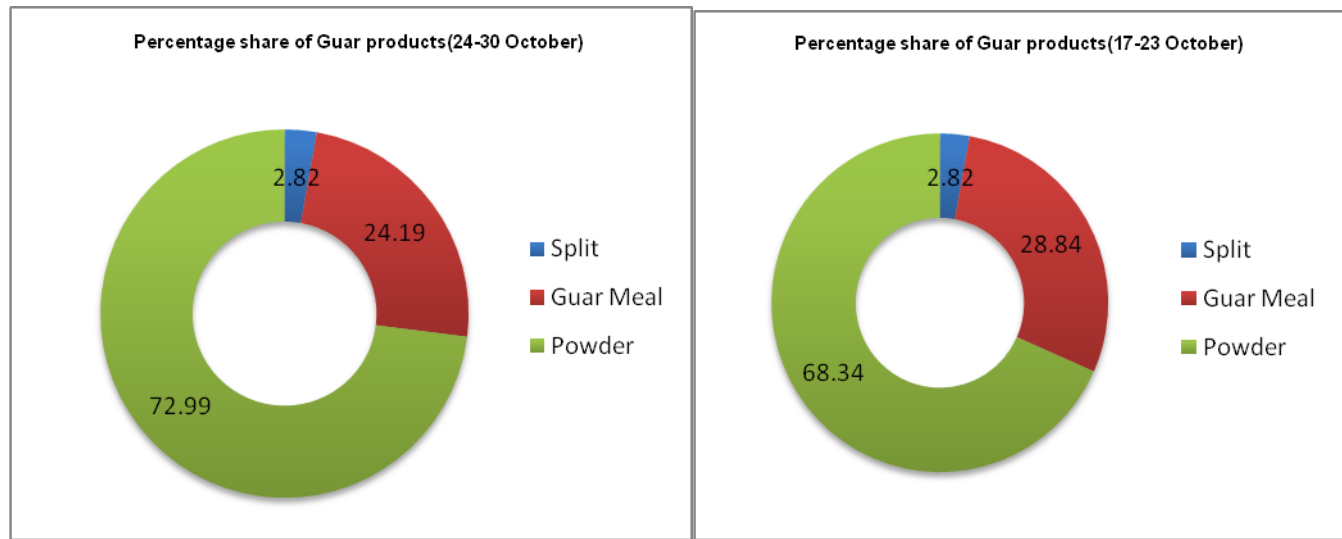
- In the week ended 04 November'16, Guar seed weekly average prices decreased by Rs 65 /- qtl during the week compared to previous week and settled at Rs 3510 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 175.83/- qtl and settled at Rs. 6345 per quintal. Weak demand for 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 (24<sup>th</sup>-30<sup>th</sup> October 2016)

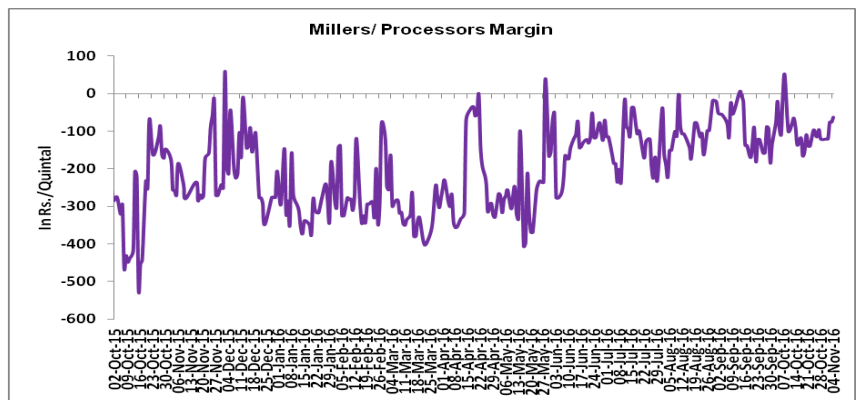
During this week 8557 tonnes of guar was exported out of which 6246 tonnes was guar gum powder, 2070 tonnes was guar meal and 241 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased, whereas exports of guar meal have decreased.



## Millers/Processors Margin

In the week ended 04 November'16, average crush margin is Rs. -92.09 /Quintal, compared to last week's -113.71 /Quintal. Therefore crushing is not favorable for Millers/Processors.

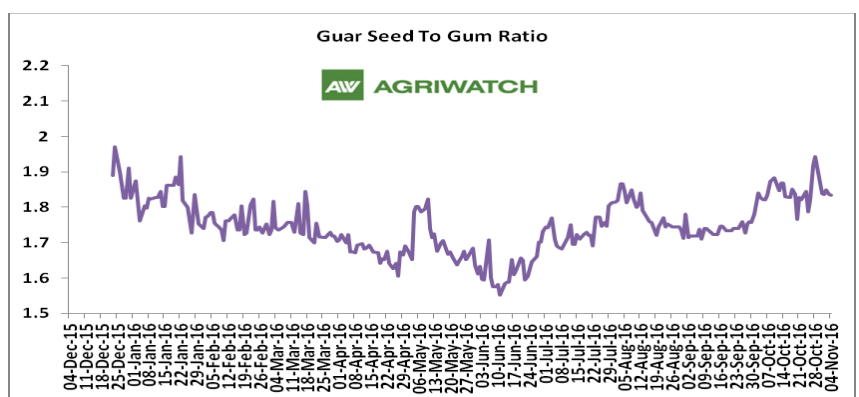
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



## Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 04 November'16 is 1.81, lower compared to last week's 1.82

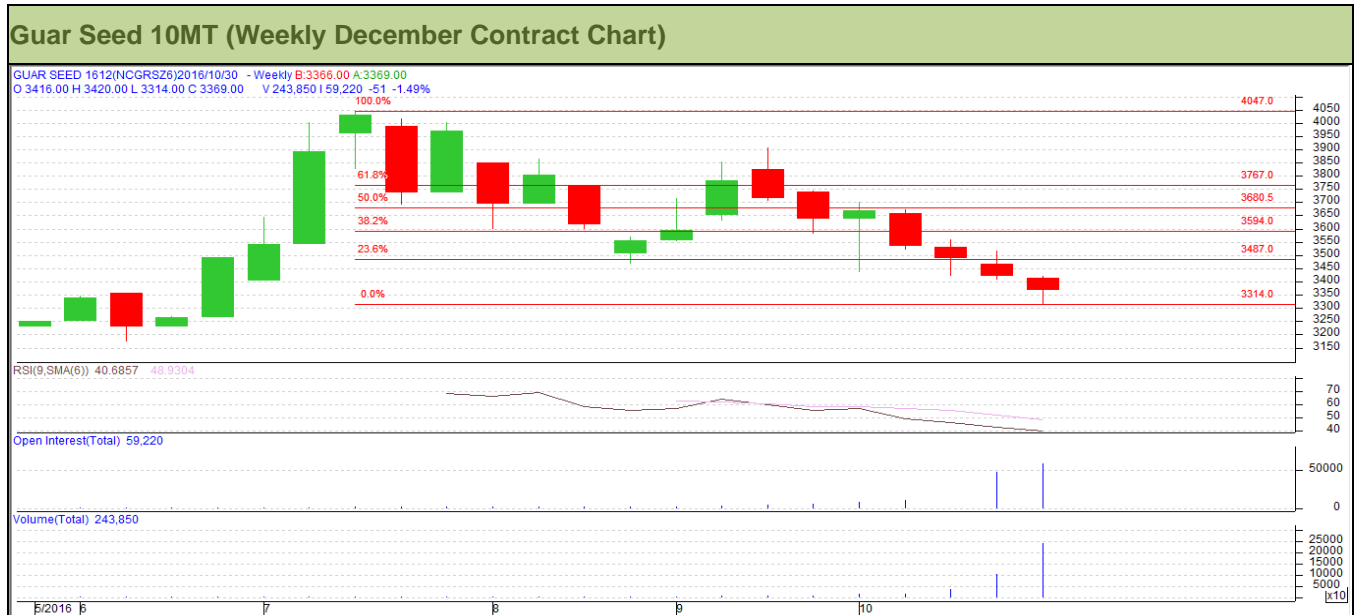
Weak overseas demand of gum and good demand of seed from millers has decreased the overall ratio.



### Technical Analysis (Guar Seed)

Commodity: Guar Seed 10MT  
Contract: December

Exchange: NCDEX  
Expiry: Dec 20, 2016



#### Technical Commentary:

- Fall in price and rise in open interest indicates short buildup.
- 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	December	3170	3110	3369	3500	3555
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	December	<b>Sell</b>	Below 3375	3295	3240	3423

### Technical Analysis (Guar Gum)

**Commodity:** Guar Gum  
**Contract:** December

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



#### Technical Commentary:

- Fall in price and rise open interest indicates short buildup.
- Last candlestick depicts bearishness in the market.
- RSI is moving down in neutral region.

#### Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	December	6005	5940	6285	6490	6565
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	December	<b>Sell</b>	Below 6290	6185	6095	6353

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

<b>Guar by – Products Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Centre</b>	<b>29th Oct. to 4th Nov.16</b>	<b>22th to 28th Oct.16</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1610	1592	<b>18</b>
<b>Korma</b>	Jodhpur	1972	1974	<b>-2</b>
<b>Churi</b>	Sri-Ganganagar	1433	1410	<b>22</b>
<b>Korma</b>	Sri-Ganganagar	1882	1841	<b>41</b>
<b>Prices in Rs/75kg</b>				

<b>Guar Export Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Variety</b>	<b>29th Oct. to 4th Nov.16</b>	<b>22th to 28th Oct.16</b>	<b>Change</b>
<b>Guargum Split</b>		941	967	<b>-26</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1241	1266	<b>-26</b>
	200 Mesh 3500 CPS	1166	1192	<b>-26</b>
<b>Guargum Meal</b>	40%	318	314	<b>4</b>
	50%	393	389	<b>4</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>29th Oct. to 4th Nov.16</b>	<b>22th to 28th Oct.16</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3333	3425	<b>-92</b>
		Jodhpur(Delivery)	3483	3575	<b>-92</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3135	3255	<b>-120</b>
		Sri-Ganganagar (Delivery)	3285	3383	<b>-98</b>
		Rawla (Loose)	3104	3210	<b>-106</b>
		Gharsana (Loose)	3098	3186	<b>-88</b>
		Raisinghnagar (Loose)	3109	3218	<b>-110</b>
	<b>Bikaner</b>	Bikaner (Loose)	3185	3256	<b>-71</b>
		Bikaner (Delivery)	3335	3406	<b>-71</b>
		Nokha(Loose)	3118	3208	<b>-90</b>
		Nokha (Delivery)	3230	3323	<b>-93</b>
		Khajuwala (Loose)	3134	3223	<b>-89</b>
		Khajuwala (Delivery)	3259	3352	<b>-93</b>
		Lunkaransar (Loose)	3117	3208	<b>-92</b>
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3139	3203	<b>-64</b>

		Hanumangarh (Delivery)	3289	3353	-64
		Nohar (Loose)	3125	3196	-71
		Pilibanga (Loose)	3138	3188	-51
	Nagaur	Nagaur (Loose)	3183	3192	-8
	Churu	Churu (Delivery)	3300	3433	-133
	Alwar	Alwar (Loose)	3025	3192	-167
Haryana	Hisar	Adampur (Loose)	3138	3183	-46
		Adampur (Delivery)	3288	3333	-46
	Bhiwani	Bhiwani (Delivery)	3243	3358	-116
		Siwani (Loose)	3219	3293	-75
	Sirsa	Sirsa (Loose)	3157	3235	-78
		Dhabwali (Loose)	3152	3208	-56
		Dhabwali (Delivery)	3302	3358	-56
		Ellanabad (Loose)	3125	3200	-75
	Fatehabad	Fatehabad (Loose)	3117	3175	-58
Gujarat	Banaskantha	Deesa (Loose)	Closed	3034	-
	Patan	Patan (Loose)	Closed	3059	-
	Rajkot	Rajkot (Loose)	Closed	3118	-
	Jamnagar	Dhrol (Loose)	Closed	2965	-
Madhya pradesh	Gwalior	Dabra (Loose)	3200	3200	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6308	6521	-213
	Alwar	Alwar	6200	6517	-317
	Hanumangarh	Nohar	6438	6538	-100
Haryana	Bhiwani	Bhiwani	6244	6525	-281
	Sirsa	Sirsa	6267	6467	-200
		Dhabwali	6267	6520	-253
		Ellanabad	6225	6458	-233
	Fatehabad	Fatehabad	6400	6500	-100

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

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			4-Nov-16	28-Oct-16	5-Oct-16	4-Nov-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3350	3400	3375	3825
		Jodhpur(Delivery)	3500	3550	3525	4025
	Sri-Ganganagar	Sri-Ganganagar(Loose)	NA	3250	3150	3625
		Sri-Ganganagar (Delivery)	NA	3400	3350	3825
		Rawla (Loose)	3100	3200	3150	3370

		Gharsana (Loose)	3120	3160	3150	3500
		Raisinghnagar (Loose)	3140	3170	3250	NR
	<b>Bikaner</b>	Bikaner (Loose)	3230	3225	3250	3675
		Bikaner (Delivery)	3380	3375	3400	3875
		Nokha(Loose)	3150	3150	3300	3650
		Nokha (Delivery)	3263	3263	3419	3781
		Khajuwala (Loose)	3150	3192	3200	3640
		Khajuwala (Delivery)	3276	3320	3328	3786
		Lunkaransar (Loose)	3150	3200	3200	3600
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3150	3200	3100	3650
		Hanumangarh (Delivery)	3300	3350	3250	3850
		Nohar (Loose)	3150	3175	3180	NR
		Pilibanga (Loose)	3150	3180	3050	3500
	<b>Nagaur</b>	Nagaur (Loose)	3150	3100	3200	3650
	<b>Churu</b>	Churu (Delivery)	3300	3450	3350	NR
	<b>Alwar</b>	Alwar (Loose)	3000	3200	3150	NR
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3150	3150	3125	3700
		Adampur (Delivery)	3300	3300	3275	3900
	<b>Bhiwani</b>	Bhiwani (Delivery)	3270	3350	3300	3825
		Siwani (Loose)	3250	3250	3250	3800
	<b>Sirsa</b>	Sirsa (Loose)	3170	3200	3175	3600
		Dhabwali (Loose)	3165	3200	3200	3600
		Dhabwali (Delivery)	3315	3350	3350	3800
		Ellanabad (Loose)	3175	3175	3100	3650
	<b>Fatehabad</b>	Fatehabad (Loose)	NR	3150	3150	NR
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	Closed	3050	3150	3640
	<b>Patan</b>	Patan (Loose)	Closed	Closed	3085	3575
	<b>Rajkot</b>	Rajkot (Loose)	Closed	3130	3175	3725
	<b>Jamnagar</b>	Dhrol (Loose)	Closed	Closed	3280	3600
<b>Madhya pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	3200	3200	3000	NR
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	6325	6400	6300	8250
	<b>Alwar</b>	Alwar	6200	6600	6400	NR
	<b>Hanumangarh</b>	Nohar	6400	6525	6400	NR
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	6325	6450	6750	8125
	<b>Sirsa</b>	Sirsa	6350	6300	6200	8050
		Dhabwali	6350	6500	6300	8200
		Ellanabad	6300	6350	6350	8100
	<b>Fatehabad</b>	Fatehabad	NR	6500	6600	NR

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			29th Oct. to 4th Nov.16	22th to 28th Oct.16	
Rajasthan	Jodhpur	Jodhpur	194	508	-314
	Sri-Ganganagar	Sri-Ganganagar	2500	29000	-26500
		Rawla	3700	2500	1200
		Gharsana	3200	2850	350
		Raisinghnagar	5400	11800	-6400
	Bikaner	Bikaner	1500	3300	-1800
		Nokha	1400	1700	-300
		Khajuwala	3700	2100	1600
		Lunkaransar	800	1700	-900
	Hanumangarh	Hanumangarh	3300	8000	-4700
		Nohar	8200	10000	-1800
		Pilibanga	2300	3900	-1600
	Nagaur	Nagaur	325	550	-225
	Churu	Churu	8000	10100	-2100
	Alwar	Alwar	2000	2800	-800
Haryana	Hisar	Adampur	4500	8600	-4100
	Bhiwani	Bhiwani	9000	18000	-9000
		Siwani	3900	5400	-1500
	Sirsa	Sirsa	3200	18000	-14800
		Dhabwali	2100	4600	-2500
		Ellanabad	3600	6150	-2550
	Fatehabad	Fatehabad	200	700	-500
Gujarat	Banaskantha	Deesa	Closed	1330	-
	Patan	Patan	Closed	583	-
	Rajkot	Rajkot	Closed	650	-
	Jamnagar	Dhrol	Closed	37	-
Madhya pradesh	Gwalior	Dabra	450	1700	-1250
Total Arrivals/Above Markets			73469	156558	-83089

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