

# Guar Weekly Research Report

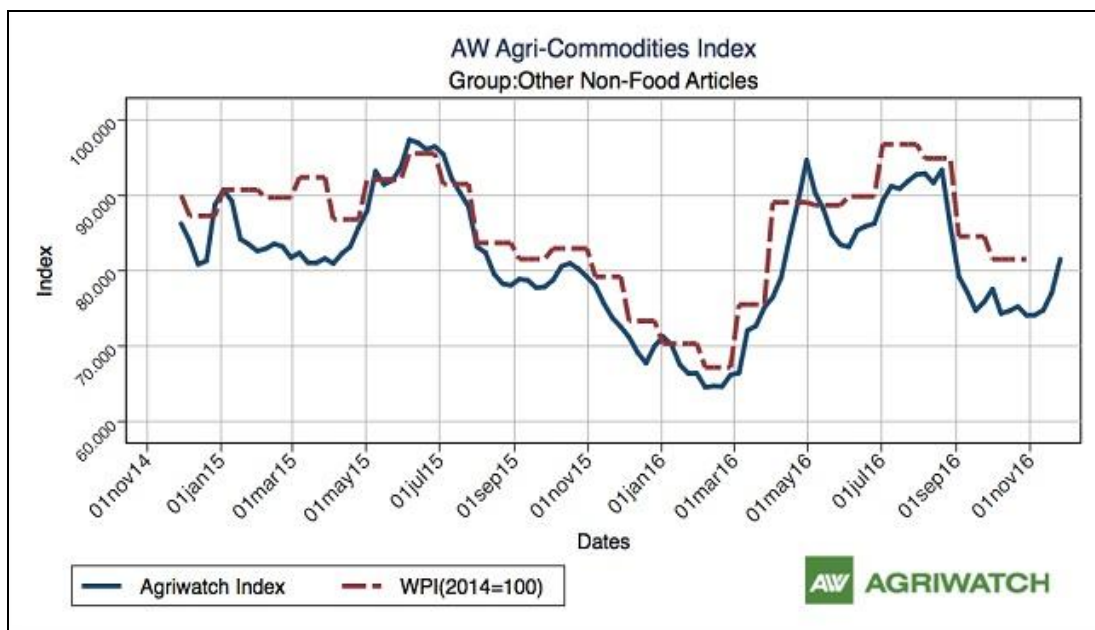
## Contents

- ❖ 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 Commodities Index gained 1.54% to 115.72 during the week ended Nov 26, 2016 from 113.97 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 5.78% to 81.52 during the week ended November 26, 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 increased compared to last week. In the week (14-20 November) the exports were around 7684 metric tonnes compared to 6554 metric tonnes in the week (07-13 November). The export of all guar split, guar gum powder and guar meal has increased.

According to IBIS (provisional data) for 14-20 November'16, the average \$FOB/Tonne has decreased for guar split and guar meal compared to last week. India has exported 4634 metric tonnes of guar gum powder at an average fob of \$1428.58/tonne, 859 metric tonnes of guar split at an average fob of \$989.5/tonne and 2191 metric tonnes of guar meal at an average fob of \$516.85/tonne.

Total guar seed products export from India for the week (14-20 November) was 7684 tonnes. Out of the total around 3133.26 tonnes was exported from Mundra Port, 1143.64 tonnes from Jodhpur concor ICD and 1181.7 tonnes from Ahmedabad ICD. Whereas last week (07-13 November) 3062.28 tonnes was exported from Mundra Port, 1093.07 tonnes from Jodhpur concor ICD and 539.38 tonnes from Ahmedabad ICD.

The wholesale price index of guar seed has decreased from 261.7 in September 2016 to 251.7 in October 2016. The WPI for October 2016 is down by 63.1 compared to last year for the same month and by 136.5 compared to October 2014.

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).

As per 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 higher arrivals (4420 quintals) compared to previous week 2700 quintals.

As far as arrivals are concerned Bikaner market, reported higher arrivals (300 Quintals) arrivals compared to previous week.

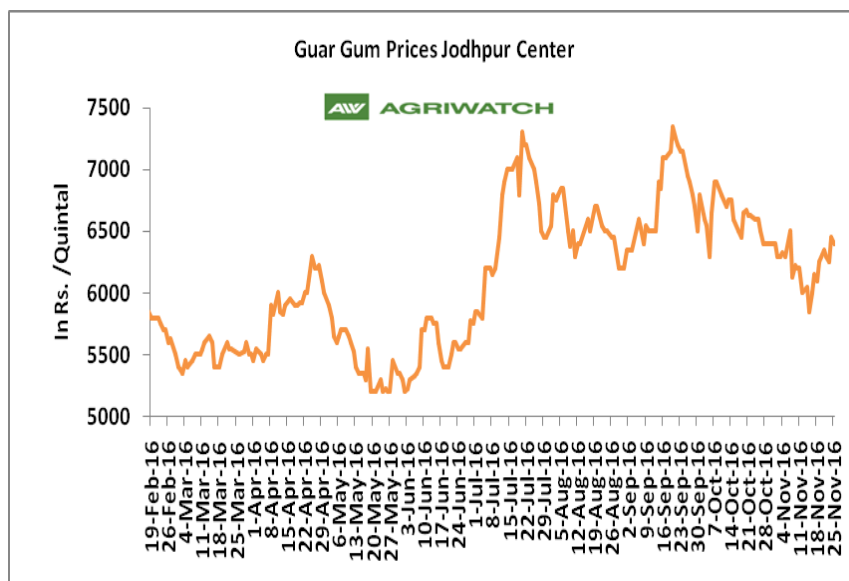
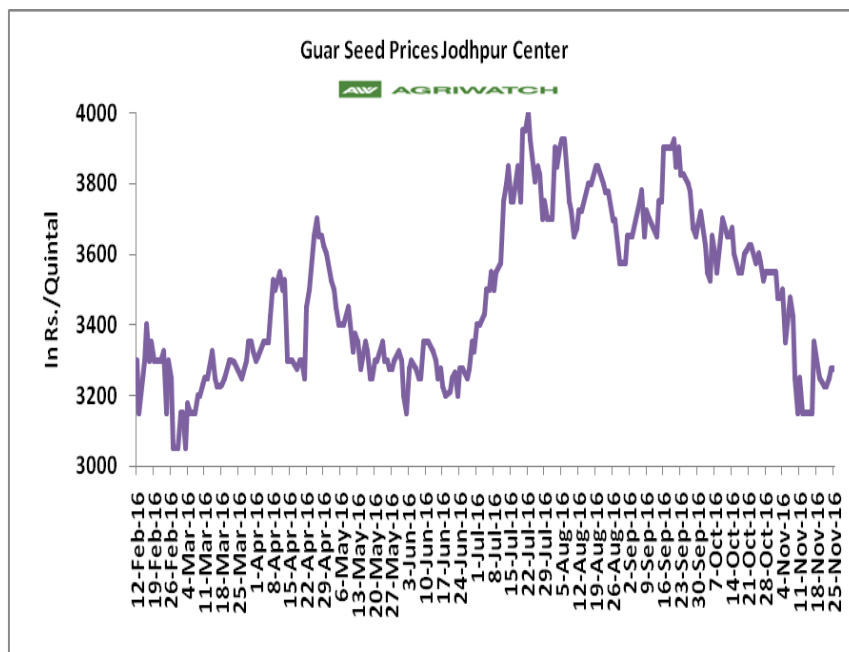
### Recommendation:

**Weekly Call - : Market participants are advised to Buy Guar seed at 3315 levels for a target of 3465 with a stop loss at 3267 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

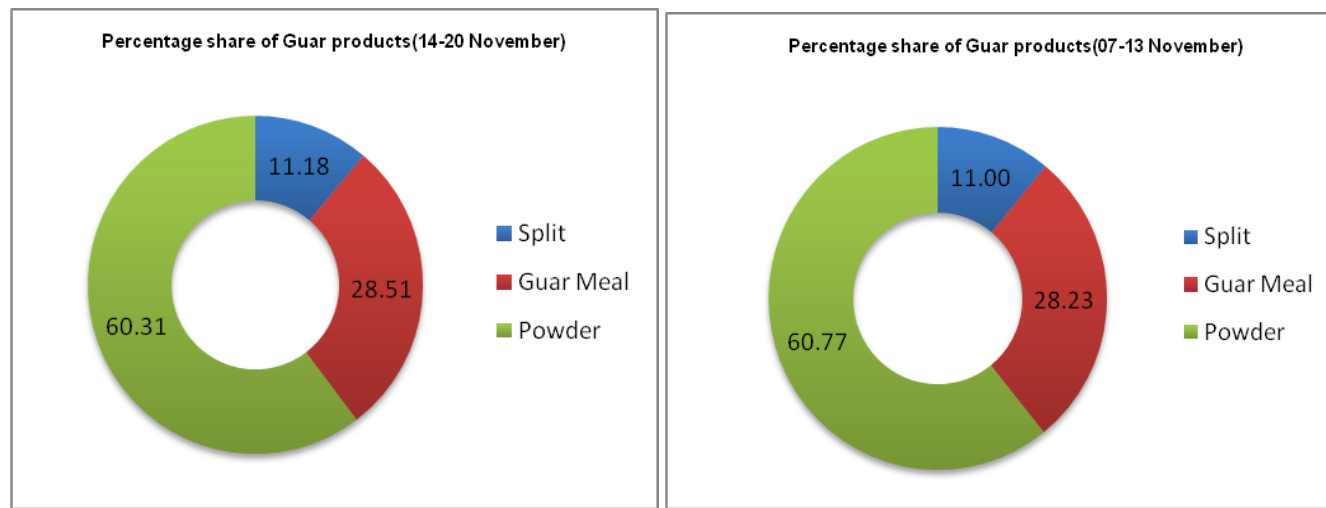
- In the week ended 25 November'16, Guar seed weekly average prices increased by Rs 41.67 /- qtl during the week compared to previous week and settled at Rs 3250 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 308.33/- qtl and settled at Rs. 6333 per quintal. Firm demand for 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 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 (14<sup>th</sup> - 20<sup>th</sup> November 2016)**

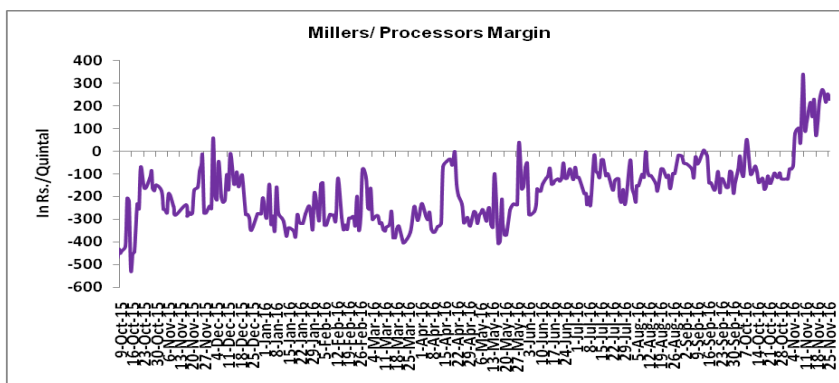
During this week 7684 tonnes of guar was exported out of which 4634 tonnes was guar gum powder, 2191 tonnes was guar meal and 859 tonnes guar gum splits. As compared to last week, the export of all guar gum powder, guar split and guar meal has increased.



## Millers/Processors Margin

In the week ended 25 November'16, average crush margin is Rs. 241.59 /Quintal, compared to last week's 154.46 /Quintal. Therefore crushing is favorable for Millers/Processors.

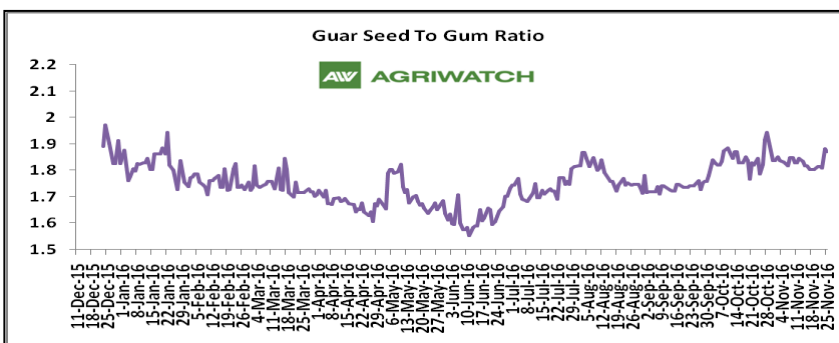
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



## Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 25 November'16 is 1.95, higher compared to last week's 1.88

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: December

Exchange: NCDEX  
Expiry: Dec 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	December	3195	3135	3317	3530	3595
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	December	Buy	Above 3315	3395	3465	3267

### Technical Analysis (Guar Gum)

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

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



#### Technical Commentary:

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

#### Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	December	6045	5930	6292	6785	6890
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	December	Buy	Above 6285	6460	6605	6180



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

<b>Guar by – Products Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Centre</b>	<b>19th to 25th Nov.16</b>	<b>12th to 18th Nov.16</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1759	1717	<b>43</b>
<b>Korma</b>	Jodhpur	1987	1948	<b>39</b>
<b>Churi</b>	Sri-Ganganagar	1641	1566	<b>75</b>
<b>Korma</b>	Sri-Ganganagar	1866	1863	<b>3</b>
<b>Prices in Rs/75kg</b>				

<b>Guar Export Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Variety</b>	<b>19th to 25th Nov.16</b>	<b>12th to 18th Nov.16</b>	<b>Change</b>
<b>Guargum Split</b>		905	900	<b>5</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1197	1195	<b>2</b>
	200 Mesh 3500 CPS	1124	1121	<b>3</b>
<b>Guargum Meal</b>	40%	339	332	<b>7</b>
	50%	380	384	<b>-3</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>19th to 25th Nov.16</b>	<b>12th to 18th Nov.16</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3100	3058	<b>42</b>
		Jodhpur(Delivery)	3250	3208	<b>42</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3194	3068	<b>126</b>
		Sri-Ganganagar (Delivery)	3344	3218	<b>126</b>
		Rawla (Loose)	3185	3079	<b>106</b>
		Gharsana (Loose)	3162	3058	<b>103</b>
		Raisinghnagar (Loose)	3197	3068	<b>129</b>
	<b>Bikaner</b>	Bikaner (Loose)	3275	Closed	<b>-</b>
		Bikaner (Delivery)	3425	Closed	<b>-</b>
		Nokha(Loose)	3200	3100	<b>100</b>
		Nokha (Delivery)	3315	3212	<b>104</b>
		Khajuwala (Loose)	3211	3087	<b>124</b>
		Khajuwala (Delivery)	3339	3210	<b>129</b>
		Lunkaransar (Loose)	3192	3145	<b>47</b>
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3191	3091	<b>100</b>
		Hanumangarh (Delivery)	3341	3241	<b>100</b>



		Nohar (Loose)	3267	3156	111
		Pilibanga (Loose)	3188	3100	88
	Nagaur	Nagaur (Loose)	Closed	Closed	-
	Churu	Churu (Delivery)	3308	3175	133
	Alwar	Alwar (Loose)	3067	2950	117
Haryana	Hisar	Adampur (Loose)	3235	3089	146
		Adampur (Delivery)	3385	3239	146
	Bhiwani	Bhiwani (Delivery)	3392	3258	133
		Siwani (Loose)	3317	3121	196
	Sirsa	Sirsa (Loose)	3223	3082	142
		Dhabwali (Loose)	3251	3082	169
		Dhabwali (Delivery)	3351	3133	218
		Ellanabad (Loose)	3234	3117	118
	Fatehabad	Fatehabad (Loose)	3050	3073	-23
Gujarat	Banaskantha	Deesa (Loose)	Closed	Closed	-
	Patan	Patan (Loose)	3078	Closed	-
	Rajkot	Rajkot (Loose)	3165	Closed	-
	Jamnagar	Dhrol (Loose)	Closed	Closed	-
Madhya pradesh	Gwalior	Dabra (Loose)	Closed	Closed	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6333	6025	308
	Alwar	Alwar	6308	6000	308
	Hanumangarh	Nohar	6533	6460	73
Haryana	Bhiwani	Bhiwani	7015	6150	865
	Sirsa	Sirsa	6233	5992	242
		Dhabwali	6342	6008	333
		Ellanabad	6292	6033	258
	Fatehabad	Fatehabad	6000	6058	-58

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

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			25-Nov-16	18-Nov-16	25-Oct-16	25-Nov-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3125	3150	3450	3380
		Jodhpur(Delivery)	3275	3300	3600	3580
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3200	3170	3250	NA
		Sri-Ganganagar (Delivery)	3350	3320	3400	NA
		Rawla (Loose)	3200	3160	3225	2967

		Gharsana (Loose)	3200	3120	3215	3215
		Raisinghnagar (Loose)	3235	3165	3260	3201
	<b>Bikaner</b>	Bikaner (Loose)	3275	Closed	3280	NA
		Bikaner (Delivery)	3425	Closed	3430	NA
		Nokha(Loose)	3200	Closed	3200	3200
		Nokha (Delivery)	3315	Closed	3315	3315
		Khajuwala (Loose)	3240	3170	3270	NA
		Khajuwala (Delivery)	3370	3297	3401	NA
		Lunkaransar (Loose)	3150	3200	3200	3200
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3180	3200	3240	3250
		Hanumangarh (Delivery)	3330	3350	3390	3450
		Nohar (Loose)	3300	3250	3200	NA
		Pilibanga (Loose)	3200	3200	3200	3255
	<b>Nagaur</b>	Nagaur (Loose)	Closed	Closed	3300	3100
	<b>Churu</b>	Churu (Delivery)	3350	3250	3450	NA
	<b>Alwar</b>	Alwar (Loose)	3100	3000	3200	NA
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3200	3200	3200	3450
		Adampur (Delivery)	3350	3350	3350	3650
	<b>Bhiwani</b>	Bhiwani (Delivery)	3400	3350	3350	3425
		Siwani (Loose)	3350	3175	3340	3375
	<b>Sirsa</b>	Sirsa (Loose)	3275	3150	3250	3360
		Dhabwali (Loose)	3250	3160	3220	3220
		Dhabwali (Delivery)	3250	3310	3370	3420
		Ellanabad (Loose)	3250	3175	3250	3300
	<b>Fatehabad</b>	Fatehabad (Loose)	NR	3100	3150	NA
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	Closed	Closed	2925	3375
	<b>Patan</b>	Patan (Loose)	3105	Closed	3050	3350
	<b>Rajkot</b>	Rajkot (Loose)	3180	Closed	3075	3400
	<b>Jamnagar</b>	Dhrol (Loose)	Closed	Closed	2910	3330
<b>Madhya pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	3200	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	6400	6100	6600	7550
	<b>Alwar</b>	Alwar	6400	6100	6600	Closed
	<b>Hanumangarh</b>	Nohar	6500	6500	6500	Closed
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	6350	6850	6600	6800
	<b>Sirsa</b>	Sirsa	6350	6100	6550	6900
		Dhabwali	6400	6100	6600	6800
		Ellanabad	6350	6150	6550	6850
	<b>Fatehabad</b>	Fatehabad	NR	6100	6500	Closed

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			19th to 25th Nov.16	12th to 18th Nov.16	
Rajasthan	Jodhpur	Jodhpur	153	1090	-937
	Sri-Ganganagar	Sri-Ganganagar	9480	7260	2220
		Rawla	7700	6000	1700
		Gharsana	13000	7400	5600
		Raisinghnagar	6900	7600	-700
	Bikaner	Bikaner	300	Closed	-
		Nokha	350	60	290
		Khajuwala	9450	6600	2850
		Lunkaransar	760	350	410
	Hanumangarh	Hanumangarh	710	1150	-440
		Nohar	3900	2400	1500
		Pilibanga	1500	2300	-800
	Nagaur	Nagaur	Closed	Closed	-
	Churu	Churu	7500	9800	-2300
	Alwar	Alwar	2000	2000	Unch
Haryana	Hisar	Adampur	4420	2700	1720
	Bhiwani	Bhiwani	5000	2100	2900
		Siwani	2600	2400	200
	Sirsa	Sirsa	3600	2500	1100
		Dhabwali	700	1750	-1050
		Ellanabad	1750	2050	-300
	Fatehabad	Fatehabad	100	400	-300
Gujarat	Banaskantha	Deesa	Closed	Closed	-
	Patan	Patan	765	Closed	-
	Rajkot	Rajkot	185	Closed	-
	Jamnagar	Dhrol	Closed	Closed	-
Madhya Pradesh	Gwalior	Dabra	Closed	Closed	-
Total Arrivals/Above Markets			82823	67910	14913

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