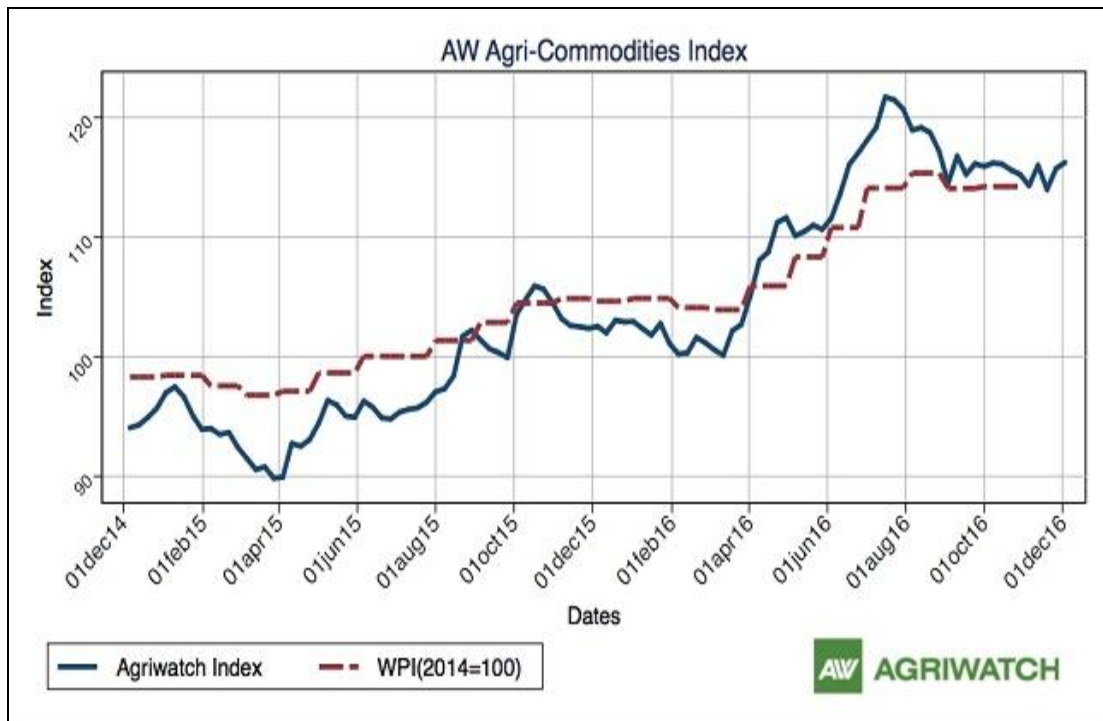


Guar Weekly Research Report

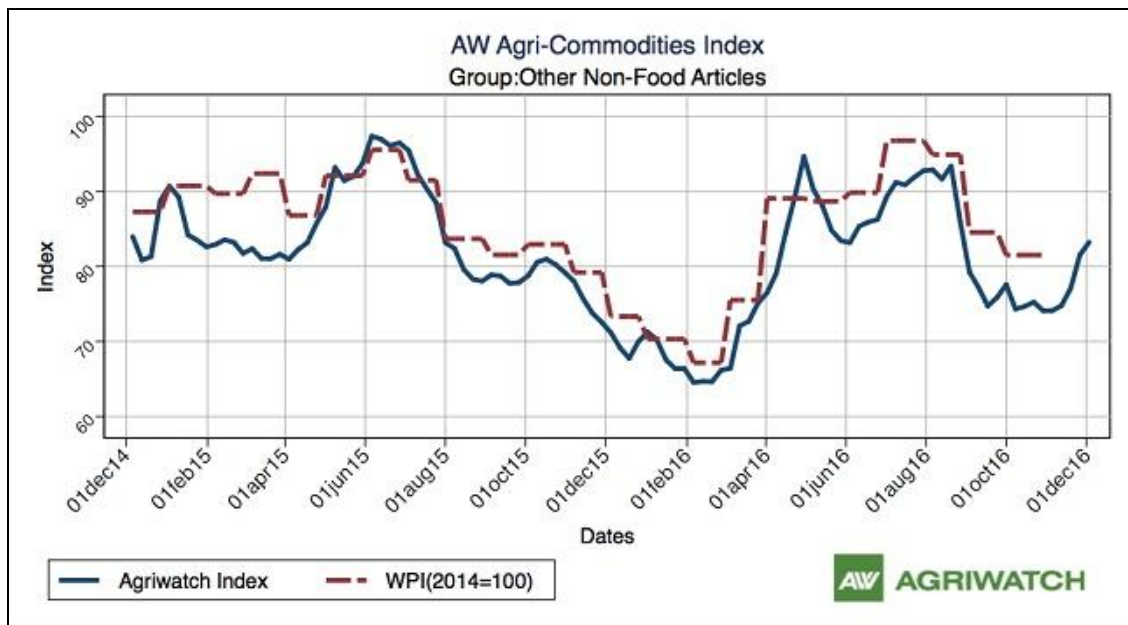
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Agriwatch Agri Commodity Index



The Agriwatch Agri Commodities Index rose 0.44% to 116.24 during the week ended Dec 3, 2016 from 115.72 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 2.09% to 83.22 during the week ended December 03, 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

With the recent updates on production cuts by OPEC and Non-OPEC countries, the prices of crude oil has increased which has led to an increase in demand of about 15 percent for guar gum as it is used in hydraulic fracturing. However, farmers are not able to take advantage of this opportunity due to cash crunch. For 2015-16, guar seed products exports were around 3.15 lakh tonnes out of which guar gum were around 2.07 lakh tonnes. This year exports are expected to recover from their four-year low of 3.15 lakh tonnes.

According to IBIS (provisional data) for the month of November, Export of guar seed products i.e. powder, Split and meal has decreased by 3666 metric tonnes compared to last month. India has exported 25872 tonnes of guar products in the month of November. Of the total quantity, 16053 tonnes is guar gum powder and the remaining is Guar split (3209 tonnes) and Guar meal (6610 tonnes).

According to IBIS (provisional data), export of guar seed products (Guar Powder, Split and Meal) have increased compared to last week. In the week (21-26 November), the exports were around 8625 metric tonnes compared to 7684 metric tonnes in the week (14-20 November). The export of all guar split and guar gum powder has increased.

According to IBIS (provisional data) for 21-26 November'16, the average \$FOB/Tonne has increased for guar split, guar meal and guar gum compared to last week. India has exported 5056 metric tonnes of guar gum powder at an average fob of \$1401.56/tonne, 1420 metric tonnes of guar split at an average fob of \$969.24/tonne and 2149 metric tonnes of guar meal at an average fob of \$497.99/tonne.

Total guar seed products export from India for the week (21-26 November) was 8625 tonnes. Out of the total around 4157.41 tonnes was exported from Mundra Port, 1352.61 tonnes from Jodhpur concor ICD and 1145.68 tonnes from Ahmedabad ICD. Whereas last week (14-20 November) 3133.26 tonnes was exported from Mundra Port, 1143.64 tonnes from Jodhpur concor ICD and 1181.7 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.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (4200 quintals) compared to previous week 5600 quintals.

As far as arrivals are concerned Bikaner market, reported lower arrivals (1200 Quintals), arrivals compared to previous week 1800 quintals.

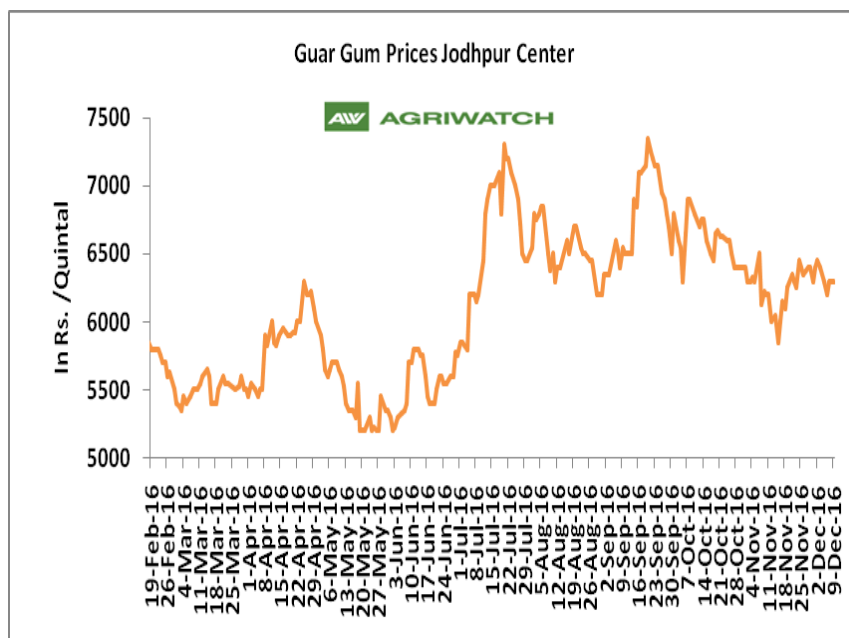
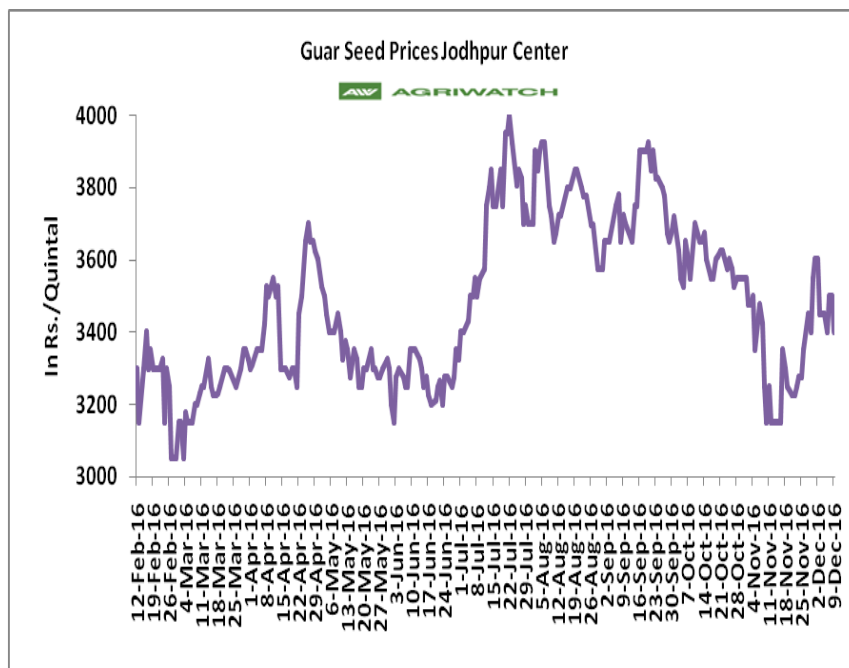
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 3335 levels for a target of 3505 with a stop loss at 3272 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

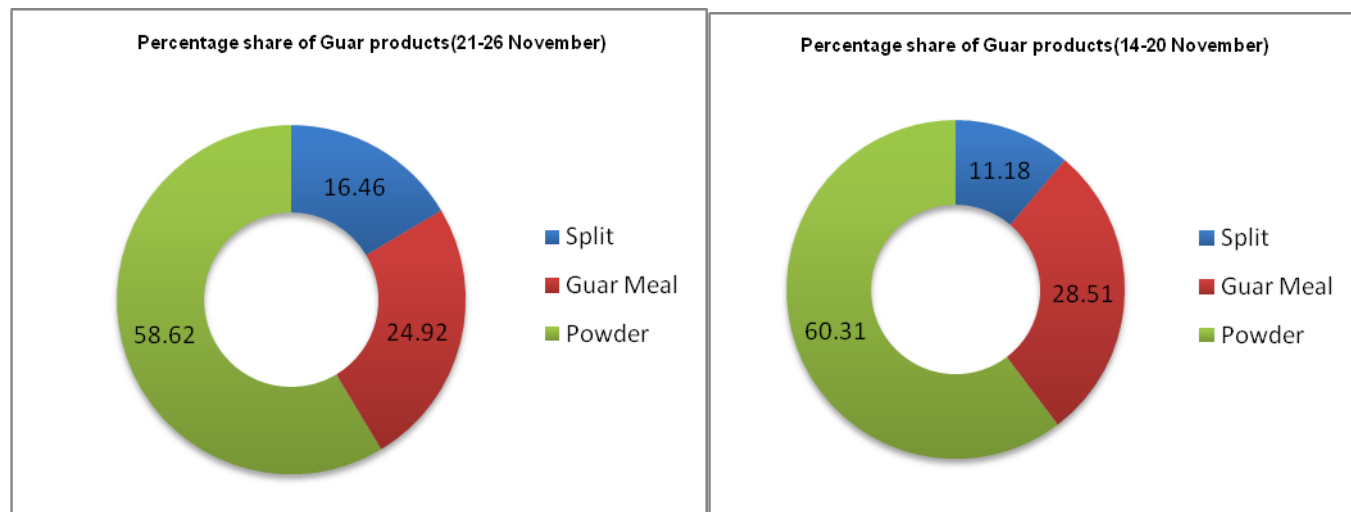
- In the week ended 09 December'16, Guar seed weekly average prices decreased by Rs 41.67 /- qtl during the week compared to previous week and settled at Rs 3450 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 83.33/- qtl and settled at Rs. 6300 per quintal. Weak demand for 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 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 (21st - 26th November 2016)

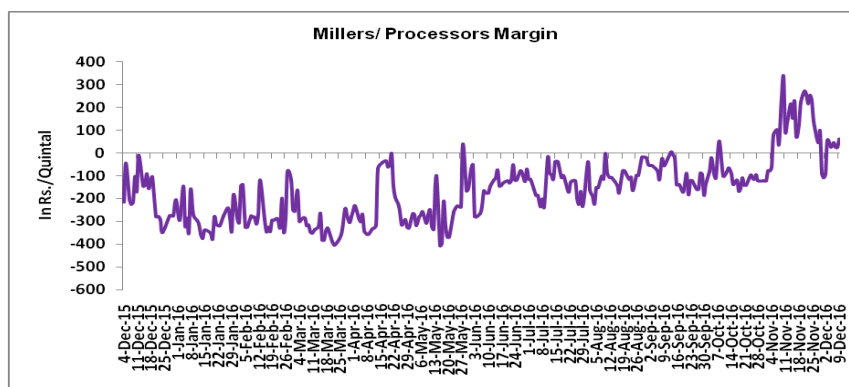
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



Millers/Processors Margin

In the week ended 09 November'16, average crush margin is Rs. 40.31 /Quintal, compared to last week's -1.53 /Quintal. Therefore crushing is favorable for Millers/Processors.

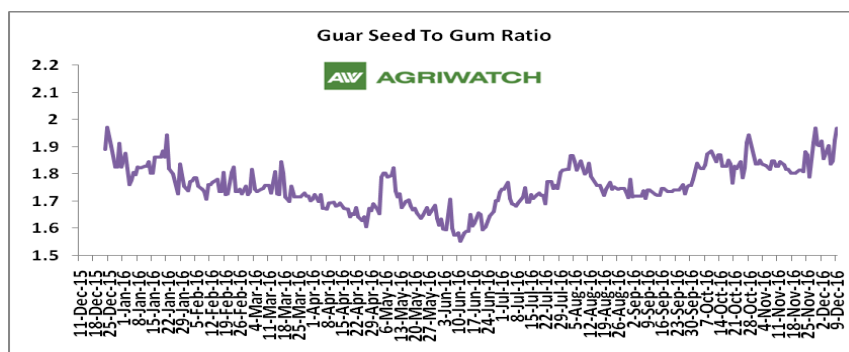
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 09 December'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: January

Exchange: NCDEX
Expiry: Jan 20, 2017



Technical Commentary:

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

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed 10MT	NCDEX	January	3180	3135	3339	3590	3665
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	January	Buy	Above 3335	3440	3505	3272

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: January

Exchange: NCDEX
Expiry: Jan 20, 2017



Technical Commentary:

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

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	January	6024	5914	6252	6664	6769
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Buy	Above 6244	6390	6515	6157

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	03rd Dec to 09th Dec.16	26th Nov to 02th Dec.16	Change
Churi	Jodhpur	1703	1705	-2
Korma	Jodhpur	2041	2014	27
Churi	Sri-Ganganagar	1610	1606	4
Korma	Sri-Ganganagar	1888	1909	-22
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	03rd Dec to 09th Dec.16	26th Nov to 02th Dec.16	Change
Guargum Split		928	929	-1
Guargum Powder	200 Mesh 5000 CPS	1223	1221	2
	200 Mesh 3500 CPS	1149	1148	1
Guargum Meal	40%	326	336	-9
	50%	398	392	6
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			03rd Dec to 09th Dec.16	26th Nov to 02th Dec.16	
Rajasthan	Jodhpur	Jodhpur (Loose)	3283	3342	-58
		Jodhpur(Delivery)	3450	3492	-42
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3268	3268	Unch
		Sri-Ganganagar (Delivery)	3397	3383	13
		Rawla (Loose)	3195	3210	-15
		Gharsana (Loose)	3176	3218	-43
		Raisinghnagar (Loose)	3187	3244	-58
	Bikaner	Bikaner (Loose)	3219	3296	-77
		Bikaner (Delivery)	3332	3446	-114
		Nokha(Loose)	3208	3227	-18
		Nokha (Delivery)	3324	3343	-19
		Khajuwala (Loose)	3190	3241	-51
		Khajuwala (Delivery)	3318	3370	-53
		Lunkaransar (Loose)	3150	3223	-73
	Hanumangarh	Hanumangarh (Loose)	3222	3235	-13

		Hanumangarh (Delivery)	3359	3385	-26
		Nohar (Loose)	3221	3264	-43
		Pilibanga (Loose)	3233	3207	27
	Nagaur	Nagaur (Loose)	3167	3138	29
	Churu	Churu (Delivery)	3308	3325	-17
	Alwar	Alwar (Loose)	3092	3067	25
Haryana	Hisar	Adampur (Loose)	3233	3281	-48
		Adampur (Delivery)	3363	3431	-68
	Bhiwani	Bhiwani (Delivery)	3367	3425	-58
		Siwani (Loose)	3293	3348	-54
	Sirsa	Sirsa (Loose)	3242	3269	-27
		Dhabwali (Loose)	3213	3267	-54
		Dhabwali (Delivery)	3238	3345	-108
		Ellanabad (Loose)	3192	3253	-61
	Fatehabad	Fatehabad (Loose)	3250	3175	75
Gujarat	Banaskantha	Deesa (Loose)	3122	3135	-13
	Patan	Patan (Loose)	3123	3197	-74
	Rajkot	Rajkot (Loose)	3149	3224	-75
	Jamnagar	Dhrol (Loose)	2658	2760	-103
Madhya pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6300	6383	-83
	Alwar	Alwar	6300	6317	-17
	Hanumangarh	Nohar	6358	6400	-42
Haryana	Bhiwani	Bhiwani	6367	6392	-25
	Sirsa	Sirsa	6330	6371	-41
		Dhabwali	6342	6375	-33
		Ellanabad	6308	6350	-42
	Fatehabad	Fatehabad	6300	6317	-17

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			9-Dec-16	2-Dec-16	9-Nov-16	9-Dec-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3250	3450	3100	3250
		Jodhpur(Delivery)	3400	3600	3250	3450
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3180	3300	3121	3150
		Sri-Ganganagar (Delivery)	3330	3450	3271	3350
		Rawla (Loose)	3180	3250	3025	2941

		Gharsana (Loose)	3145	3270	3000	3015
		Raisinghnagar (Loose)	3160	3270	3060	3031
	Bikaner	Bikaner (Loose)	3200	3275	3125	3180
		Bikaner (Delivery)	3300	3425	3150	3380
		Nokha(Loose)	3200	3250	Closed	3150
		Nokha (Delivery)	3315	3367	Closed	3263
		Khajuwala (Loose)	3180	3280	2955	3090
		Khajuwala (Delivery)	3307	3411	3073	3214
		Lunkaransar (Loose)	3150	3200	3100	NA
	Hanumangarh	Hanumangarh (Loose)	3200	3260	3125	3100
		Hanumangarh (Delivery)	3350	3410	3275	3300
		Nohar (Loose)	3200	3270	3213	3150
		Pilibanga (Loose)	3250	3245	3050	2950
	Nagaur	Nagaur (Loose)	3100	3200	Closed	3100
	Churu	Churu (Delivery)	3300	3350	3300	3300
	Alwar	Alwar (Loose)	3050	3100	3000	3100
Haryana	Hisar	Adampur (Loose)	3250	3300	3050	3200
		Adampur (Delivery)	3400	3450	3200	3400
	Bhiwani	Bhiwani (Delivery)	3300	3450	3150	3350
		Siwani (Loose)	3275	3370	3100	3200
	Sirsa	Sirsa (Loose)	NR	3310	3050	3200
		Dhabwali (Loose)	3170	3250	3050	3125
		Dhabwali (Delivery)	3170	3270	3050	3325
		Ellanabad (Loose)	3150	3230	3100	3100
	Fatehabad	Fatehabad (Loose)	3200	3300	3100	3150
Gujarat	Banaskantha	Deesa (Loose)	NR	3170	3005	3100
	Patan	Patan (Loose)	3085	3150	NA	3205
	Rajkot	Rajkot (Loose)	3100	3245	Closed	3280
	Jamnagar	Dhrol (Loose)	NA	NA	2780	3025
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	Closed	3200
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6300	6450	6225	6300
	Alwar	Alwar	6200	6200	6200	6300
	Hanumangarh	Nohar	6400	6400	6400	6300
Haryana	Bhiwani	Bhiwani	6300	6450	5900	6200
	Sirsa	Sirsa	NR	6400	6200	6200
		Dhabwali	6400	6400	6050	6200
		Ellanabad	6300	6400	6225	6300
	Fatehabad	Fatehabad	6200	6400	6200	6200

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			03rd Dec to 09th Dec.16	26th Nov to 02th Dec.16	
Rajasthan	Jodhpur	Jodhpur	641	555	86
	Sri-Ganganagar	Sri-Ganganagar	6050	9000	-2950
		Rawla	14300	7300	7000
		Gharsana	12000	7800	4200
		Raisinghnagar	5900	5400	500
	Bikaner	Bikaner	1200	1800	-600
		Nokha	1700	870	830
		Khajuwala	10300	9700	600
		Lunkaransar	2350	1400	950
	Hanumangarh	Hanumangarh	1350	1250	100
		Nohar	5900	6300	-400
		Pilibanga	1900	805	1095
	Nagaur	Nagaur	240	135	105
	Churu	Churu	5200	9500	-4300
	Alwar	Alwar	2000	2300	-300
Haryana	Hisar	Adampur	4200	5600	-1400
	Bhiwani	Bhiwani	3500	4300	-800
		Siwani	2550	2550	Unch
	Sirsa	Sirsa	5600	3800	1800
		Dhabwali	2050	1050	1000
		Ellanabad	3250	1625	1625
	Fatehabad	Fatehabad	180	700	-520
Gujarat	Banaskantha	Deesa	1366	2472	-1106
	Patan	Patan	847	2566	-1719
	Rajkot	Rajkot	1070	845	225
	Jamnagar	Dhrol	15	3	12
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			95659	89626	6033

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