

Guar Weekly Research Report

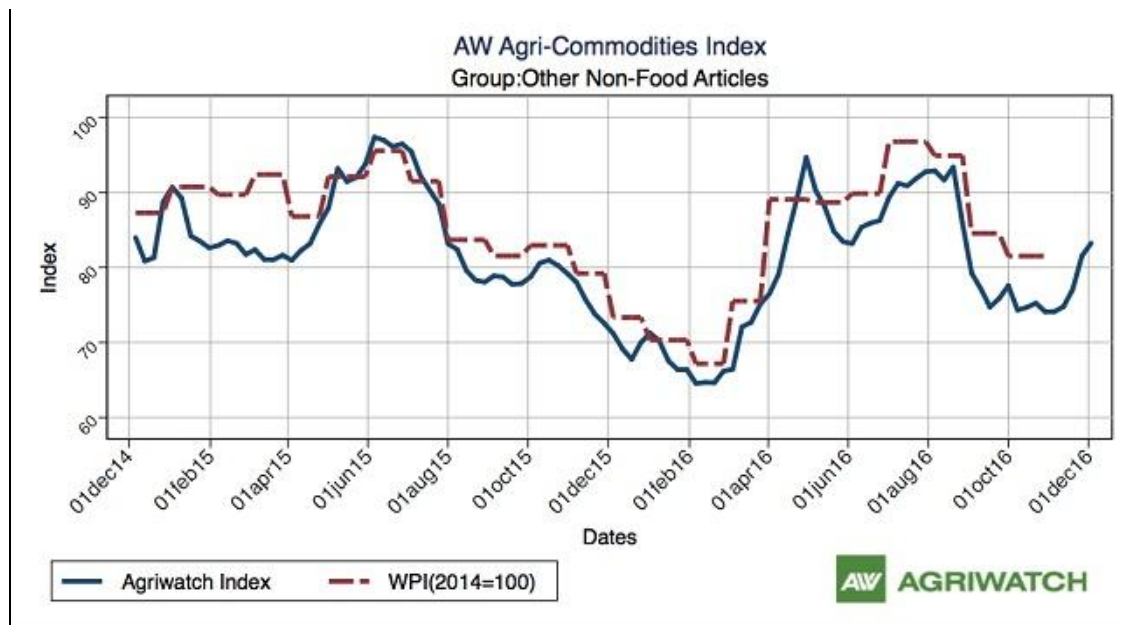
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Agriwatch Agri Commodity Index



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

Guar prices noticed firm tone in last week. Arrivals have fallen by 18291 quintals compared to previous week. The prices are expected to go northwards this week because of recovery in crude oil prices. The demand for guar gum is up by around 15% but traders may not be able to take benefit of the situation due to lower arrivals in the domestic market.

The wholesale price index of guar seed has decreased from 251.7 in October 2016 to 238.5 in November 2016. The WPI for November 2016 is down by 31.4 compared to last year for the same month and by 126.8 compared to November 2014.

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.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (4700 quintals) compared to previous week 7000 quintals.

As far as arrivals are concerned Bikaner market, reported lower arrivals (4800 Quintals), arrivals compared to previous week 5300 quintals.

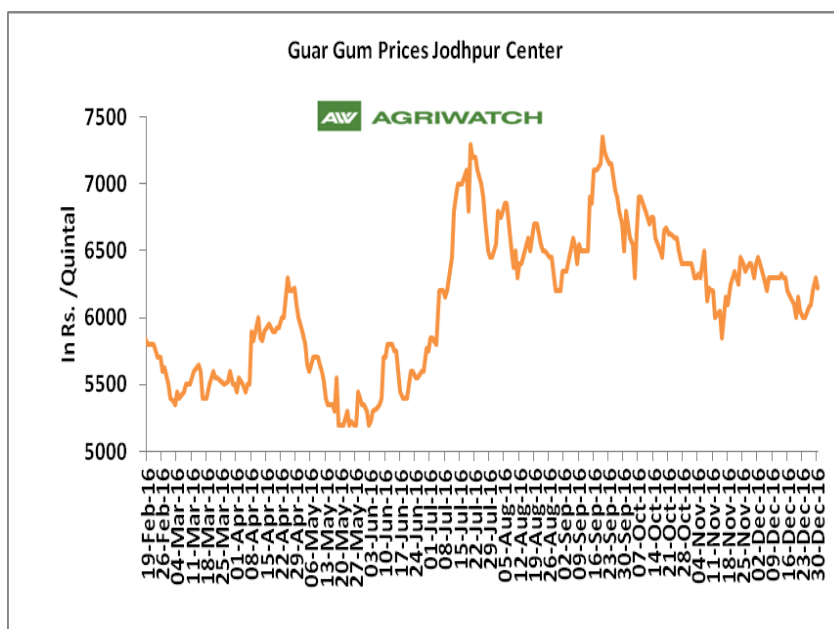
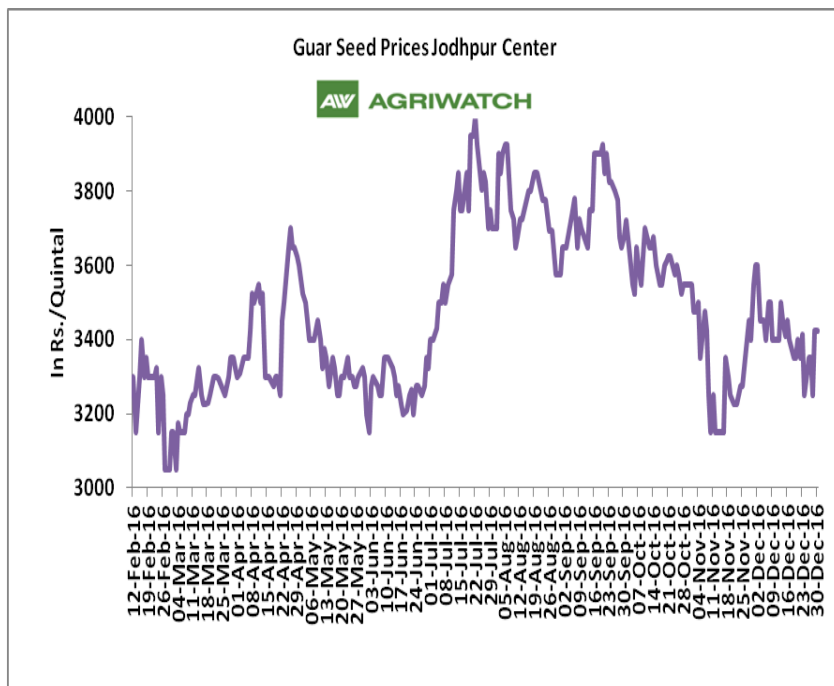
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 3235 levels for a target of 3450 with a stop loss at 3160 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

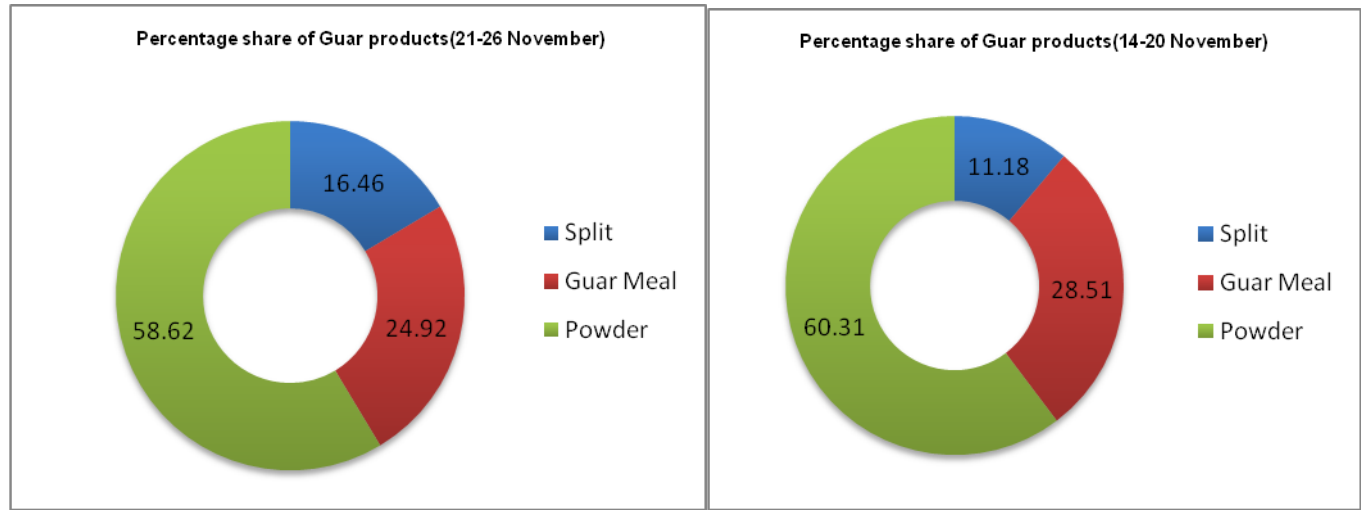
- In the week ended 30 December'16, Guar seed weekly average prices decreased by Rs 35.83 /- qtl during the week compared to previous week and settled at Rs 3342 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 75/- qtl and settled at Rs. 6150 per quintal. Firm demand for guar 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 (21st - 26th November 2016)

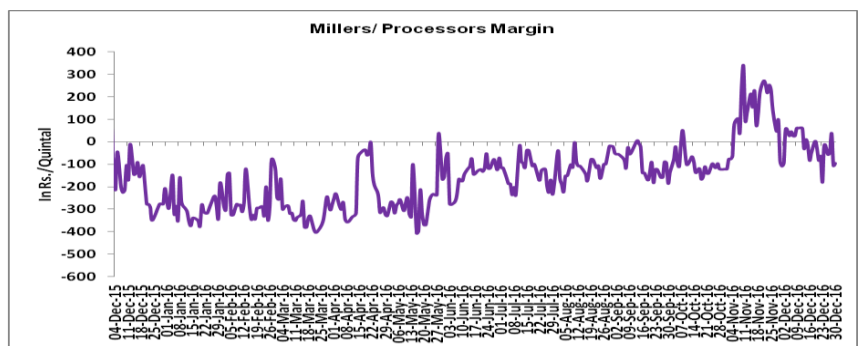
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



Millers/Processors Margin

In the week ended 30 December'16, average crush margin is Rs. -47.66 /Quintal, compared to last week's -67.15 /Quintal. Therefore crushing is favorable for Millers/Processors.

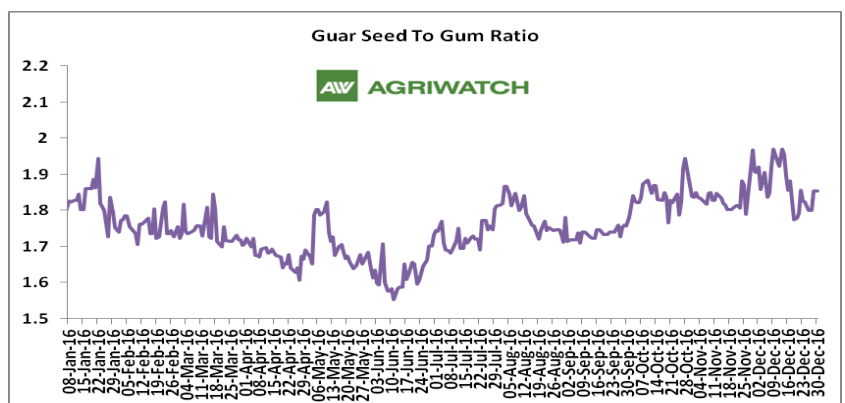
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 30 December'16 is 1.84, higher compared to last week's 1.80

Overall, buoyant demand of gum from overseas 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:

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

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed 10MT	NCDEX	January	3095	3030	3238	3535	3610
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	January	Buy	Above 3235	3360	3450	3160

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: January

Exchange: NCDEX
Expiry: Jan 20, 2017



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	January	5955	5880	6201	6695	6780
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Buy	Above 6200	6410	6585	6074

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	24th Dec to 30th Dec.16	17th Dec to 23rd Dec.16	Change
Churi	Jodhpur	1581	1619	-38
Korma	Jodhpur	1831	1890	-59
Churi	Sri-Ganganagar	1459	1525	-66
Korma	Sri-Ganganagar	1781	1813	-32
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	24th Dec to 30th Dec.16	17th Dec to 23rd Dec.16	Change
Guargum Split		897	894	3
Guargum Powder	200 Mesh 5000 CPS	1191	1189	2
	200 Mesh 3500 CPS	1118	1115	3
Guargum Meal	40%	309	312	-3
	50%	382	373	9
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			24th Dec to 30th Dec.16	17th Dec to 23rd Dec.16	
Rajasthan	Jodhpur	Jodhpur (Loose)	3191	3228	-37
		Jodhpur(Delivery)	3341	3378	-37
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3133	3156	-23
		Sri-Ganganagar (Delivery)	3308	3306	2
		Rawla (Loose)	3100	3105	-5
		Gharsana (Loose)	3100	3080	20
		Raisinghnagar (Loose)	3148	3123	25
	Bikaner	Bikaner (Loose)	3138	3124	14
		Bikaner (Delivery)	3288	3274	14
		Nokha(Loose)	3109	3128	-19
		Nokha (Delivery)	3194	3241	-47
		Khajuwala (Loose)	3084	3104	-20
		Khajuwala (Delivery)	3167	3228	-61
		Lunkaransar (Loose)	3083	3033	50
	Hanumangarh	Hanumangarh (Loose)	3134	3130	4
		Hanumangarh (Delivery)	3284	3280	4

		Nohar (Loose)	3111	3107	4
		Pilibanga (Loose)	3124	3100	24
	Nagaur	Nagaur (Loose)	2991	3058	-67
	Churu	Churu (Delivery)	3275	3217	58
	Alwar	Alwar (Loose)	3033	2992	41
Haryana	Hisar	Adampur (Loose)	3180	3127	53
		Adampur (Delivery)	3330	3277	53
	Bhiwani	Bhiwani (Delivery)	3161	3095	66
		Siwani (Loose)	3210	3201	9
	Sirsa	Sirsa (Loose)	3160	3131	29
		Dhabwali (Loose)	3116	3091	25
		Dhabwali (Delivery)	3263	3241	22
		Ellanabad (Loose)	3133	3101	32
	Fatehabad	Fatehabad (Loose)	3096	3144	-48
Gujarat	Banaskantha	Deesa (Loose)	2995	2956	39
	Patan	Patan (Loose)	3073	2955	118
	Rajkot	Rajkot (Loose)	3000	2957	43
	Jamnagar	Dhrol (Loose)	2802	2843	-41
Madhya pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6150	6075	75
	Alwar	Alwar	6200	6117	83
	Hanumangarh	Nohar	6250	6325	-75
Haryana	Bhiwani	Bhiwani	6150	6083	67
	Sirsa	Sirsa	6200	6092	108
		Dhabwali	6200	6180	20
		Ellanabad	6166	6108	58
	Fatehabad	Fatehabad	6125	6270	-145

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			30-Dec-16	23-Dec-16	30-Nov-16	30-Dec-15
Rajasthan	Jodhpur	Jodhpur (Loose)	3275	3265	3400	3400
		Jodhpur(Delivery)	3425	3415	3550	3600
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3165	3180	3250	3225
		Sri-Ganganagar (Delivery)	3315	3380	3350	3425
		Rawla (Loose)	3140	3040	3160	3105

		Gharsana (Loose)	3180	3050	3180	3180
		Raisinghnagar (Loose)	3170	3080	3200	3220
	Bikaner	Bikaner (Loose)	3170	3085	3300	3250
		Bikaner (Delivery)	3320	3235	3450	3450
		Nokha(Loose)	3160	3100	3210	3250
		Nokha (Delivery)	3275	3212	3326	3367
		Khajuwala (Loose)	3100	3070	3165	3240
		Khajuwala (Delivery)	3150	3193	3340	3370
		Lunkaransar (Loose)	3100	3000	3175	3225
	Hanumangarh	Hanumangarh (Loose)	3180	3100	3225	3250
		Hanumangarh (Delivery)	3330	3250	3375	3450
		Nohar (Loose)	3150	3080	3250	3250
		Pilibanga (Loose)	3125	3100	3180	3215
	Nagaur	Nagaur (Loose)	3000	3100	3100	3250
	Churu	Churu (Delivery)	3300	3200	3300	3350
	Alwar	Alwar (Loose)	3050	2950	3100	3200
Haryana	Hisar	Adampur (Loose)	3200	3100	3300	3350
		Adampur (Delivery)	3350	3250	3450	3550
	Bhiwani	Bhiwani (Delivery)	3200	3100	3400	3370
		Siwani (Loose)	3260	3180	3300	3325
	Sirsa	Sirsa (Loose)	3225	3090	3225	3340
		Dhabwali (Loose)	3150	3040	3250	3340
		Dhabwali (Delivery)	3225	3190	3400	3410
		Ellanabad (Loose)	3200	3060	3250	3275
	Fatehabad	Fatehabad (Loose)	3050	3120	3250	3400
Gujarat	Banaskantha	Deesa (Loose)	3000	3005	3150	3300
	Patan	Patan (Loose)	3085	2950	3105	3375
	Rajkot	Rajkot (Loose)	3105	2900	3185	3490
	Jamnagar	Dhrol (Loose)	2750	2730	2800	3320
Madhya pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	3200
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6225	6000	6300	6850
	Alwar	Alwar	6300	6100	6500	6550
	Hanumangarh	Nohar	6300	6300	6400	6700
Haryana	Bhiwani	Bhiwani	6250	5950	6300	7500
	Sirsa	Sirsa	6350	6000	6375	6700
		Dhabwali	6300	6100	6400	6700
		Ellanabad	6250	6000	6300	6700

	Fatehabad	Fatehabad	6000	6300	6300	6800
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Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			24th Dec to 30 th Dec.16	17th Dec to 23rd Dec.16	
Rajasthan	Jodhpur	Jodhpur	681	1004	-323
	Sri-Ganganagar	Sri-Ganganagar	3083	3837	-754
		Rawla	4800	7232	-2432
		Gharsana	4800	5100	-300
		Raisinghnagar	3800	5800	-2000
	Bikaner	Bikaner	4800	5300	-500
		Nokha	1750	2100	-350
		Khajuwala	7900	11700	-3800
		Lunkaransar	2500	2800	-300
	Hanumangarh	Hanumangarh	1278	2400	-1122
		Nohar	5000	6200	-1200
		Pilibanga	1050	1300	-250
	Nagaur	Nagaur	425	235	190
	Churu	Churu	5000	5300	-300
	Alwar	Alwar	2100	3100	-1000
Haryana	Hisar	Adampur	4700	7000	-2300
	Bhiwani	Bhiwani	7000	3700	3300
		Siwani	4500	4300	200
	Sirsa	Sirsa	4700	8700	-4000
		Dhabwali	1100	1550	-450
		Ellanabad	3200	3250	-50
	Fatehabad	Fatehabad	800	525	275
Gujarat	Banaskantha	Deesa	719	1784	-1065
	Patan	Patan	2853	2271	582
	Rajkot	Rajkot	500	830	-330
	Jamnagar	Dhrol	4	16	-12
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			79043	97334	-18291

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