

Guar Weekly Research Report

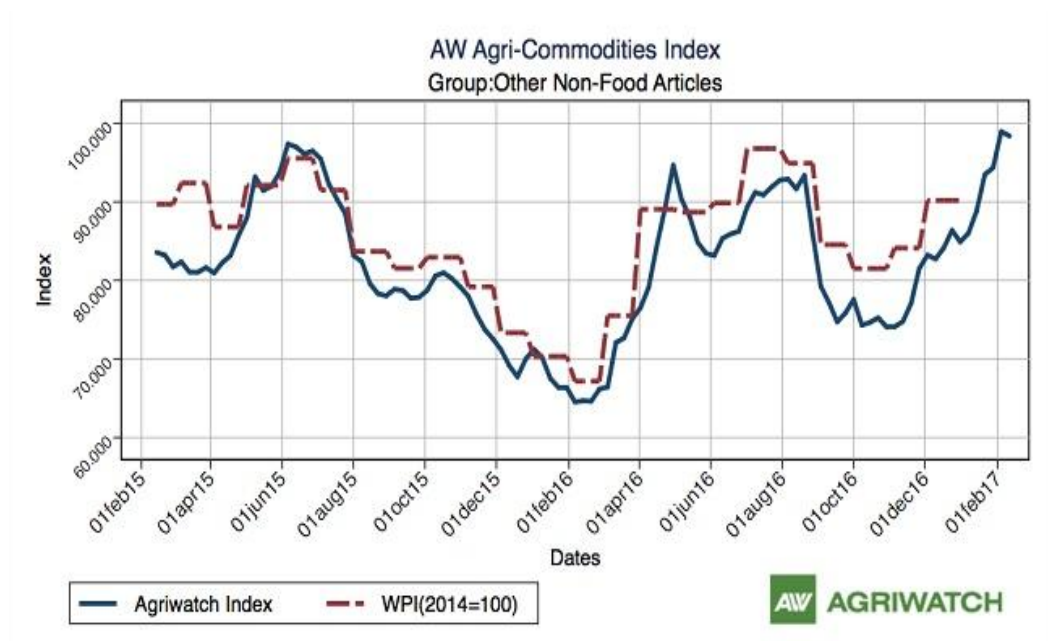
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Agriwatch Agri Commodity Index



The Agriwatch Agri Commodities Index fell 0.50% to 114.27 during the week ended Feb 11, 2017 from 114.85 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 0.55% to 98.39 during the week ended February 12, 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

As per latest update, guar gum exports in the month of December were highest in the last 23 months high at 48000 tonnes. Exports in the month of December were higher by around 33 percent compared to November. In the first nine months of financial year 2016-17 around 2.79 lakh tonnes of guar gum was exported compared to 2.45 lakh tonnes in financial year 2015-16 for the same period.

According to second advance estimate issued by Gujarat's department of agriculture for guar seed the area, production and yield are 352000 hectares, 242000 tonnes and 687 kg/hectare respectively compared to final advance estimate issued in December the area, production and yield has been increased by 43000 hectares, 85000 tonnes and 56 kg/hectare.

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 (8700 quintals) compared to previous week 9000 quintals.

As far as arrivals are concerned Bikaner market, reported lower arrivals (4400 Quintals), arrivals compared to previous week 5200 quintals.

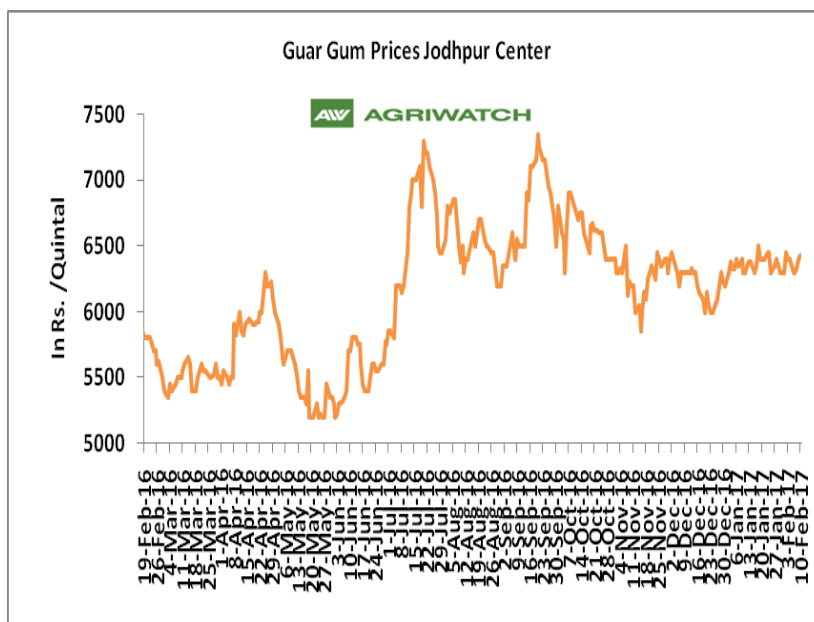
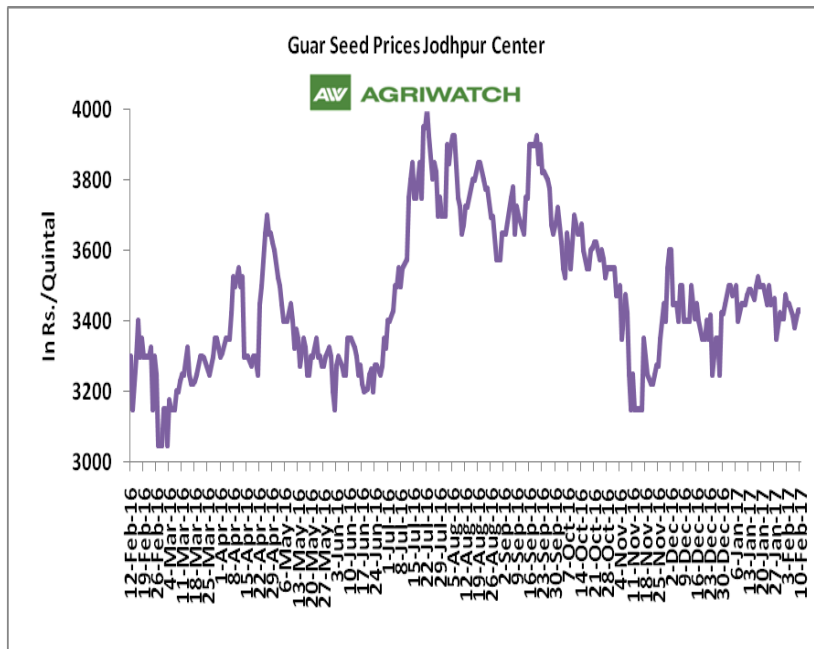
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 3285 levels for a target of 3375 with a stop loss at 3255 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

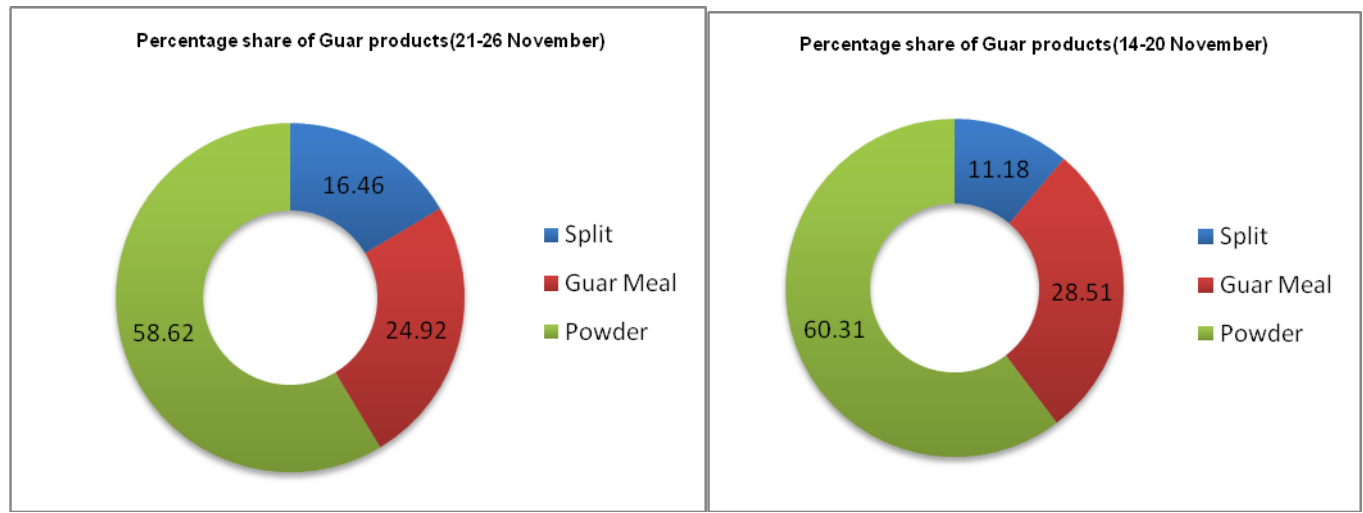
- In the week ended 10 February'17, Guar seed weekly average prices remained range bound and no increase or decrease was seen on weekly basis. Prices settled at Rs. 3420/-qtl.
- In addition, Guar gum weekly average prices also witnessed range bound to firm movement and settled at Rs. 6358/- qtl. Firm demand for guar gum from domestic as well as overseas market led the prices up this week.
- 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.
- According to second advance estimate issued by Gujarat's department of agriculture for guar seed the area, production and yield are 352000 hectares, 242000 tonnes and 687 kg/hectare respectively compared to final advance estimate issued in December the area, production and yield has been increased by 43000 hectares, 85000 tonnes and 56 kg/hectare.



Export Scenario

Export Scenario (21st - 26th November 2016)

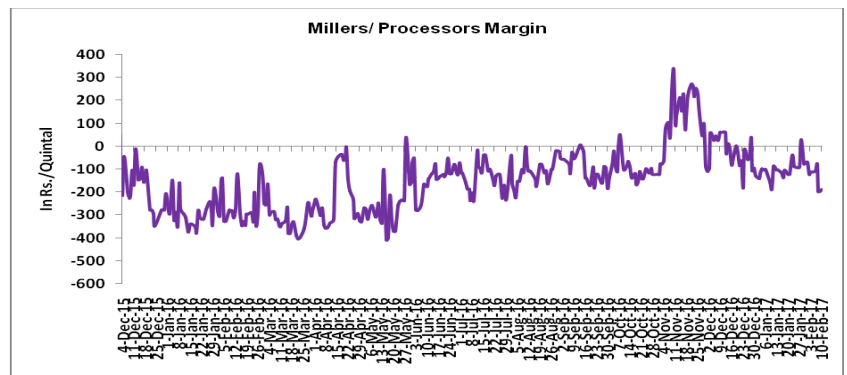
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



Millers/Processors Margin

In the week ended 10 February '17, average crush margin is Rs. -146.37 /Quintal, compared to last week's -69.82 /Quintal. Therefore crushing is not favorable for Millers/Processors.

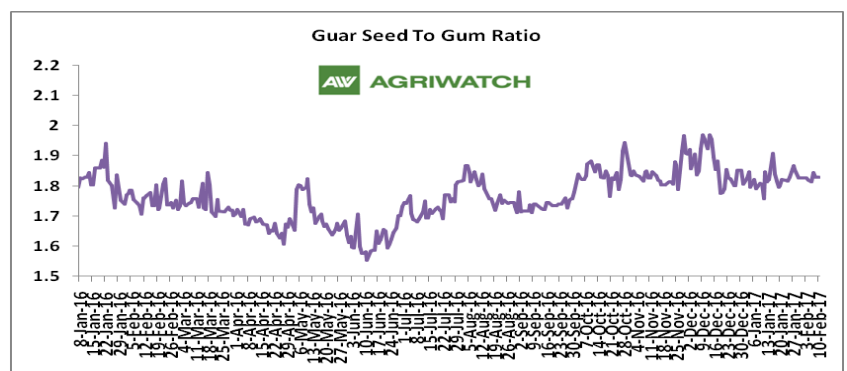
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 10 February'17 is 1.86, which is same compared to last week's 1.86

Overall, buoyant demand of gum from overseas and good demand of seed from millers has kept the ratio same as last week.



Technical Analysis (Guar Seed)

Commodity: Guar Seed 10MT
Contract: March

Exchange: NCDEX
Expiry: March 20, 2017



Technical Commentary:

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

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed 10MT	NCDEX	March	3235	3210	3296	3405	3430
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	March	Buy	Above 3285	3335	3375	3255

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: March

Exchange: NCDEX
Expiry: March 20, 2017

Guar Gum (March Weekly Chart)



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- 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	March	6345	6315	6442	6610	6645
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	March	Buy	Above 6435	6515	6565	6387

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	4th Feb.17 to 10 Feb.17	28th Jan.17 to 03rd Feb.17	Change
Churi	Jodhpur	1425	1525	-100
Korma	Jodhpur	1807	1886	-79
Churi	Sri-Ganganagar	1351	1388	-37
Korma	Sri-Ganganagar	1726	1763	-37
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	4th Feb.17 to 10 Feb.17	28th Jan.17 to 03rd Feb.17	Change
Guargum Split		931	925	5
Guargum Powder	200 Mesh 5000 CPS	1228	1220	8
	200 Mesh 3500 CPS	1154	1147	7
Guargum Meal	40%	313	315	-2
	50%	380	384	-4
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			4th Feb.17 to 10 Feb.17	28th Jan.17 to 03rd Feb.17	
Rajasthan	Jodhpur	Jodhpur (Loose)	3270	3270	Unch
		Jodhpur(Delivery)	3420	3420	Unch
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3004	3184	-180
		Sri-Ganganagar (Delivery)	3259	3330	-71
		Rawla (Loose)	3125	3132	-7
		Gharsana (Loose)	3168	3138	30
		Raisinghnagar (Loose)	3173	3156	17
	Bikaner	Bikaner (Loose)	3140	3176	-36
		Bikaner (Delivery)	3290	3326	-36
		Nokha(Loose)	3157	3167	-10
		Nokha (Delivery)	3270	3281	-10
		Khajuwala (Loose)	3146	3163	-18
		Khajuwala (Delivery)	3272	3290	-18
		Lunkaransar (Loose)	3110	3092	18

	Hanumangarh	Hanumangarh (Loose)	3158	3170	-12
		Hanumangarh (Delivery)	3308	3320	-12
		Nohar (Loose)	3134	3161	-27
		Pilibanga (Loose)	3138	3120	18
	Nagaur	Nagaur (Loose)	3083	3067	17
	Churu	Churu (Delivery)	3267	3258	8
	Alwar	Alwar (Loose)	3008	3025	-17
Haryana	Hisar	Adampur (Loose)	3192	3211	-19
		Adampur (Delivery)	3342	3361	-19
	Bhiwani	Bhiwani (Delivery)	3213	3245	-33
		Siwani (Loose)	3173	3210	-37
	Sirsa	Sirsa (Loose)	3206	3196	10
		Dhabwali (Loose)	3148	3179	-32
		Dhabwali (Delivery)	3298	3329	-32
		Ellanabad (Loose)	3054	3186	-132
	Fatehabad	Fatehabad (Loose)	3183	3231	-48
Gujarat	Banaskantha	Deesa (Loose)	3026	3002	24
	Patan	Patan (Loose)	3003	3030	-27
	Rajkot	Rajkot (Loose)	3058	3046	12
	Jamnagar	Dhrol (Loose)	2838	2888	-50
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6358	6358	Unch
	Alwar	Alwar	6467	6317	150
	Hanumangarh	Nohar	6342	6300	42
Haryana	Bhiwani	Bhiwani	6422	6367	55
	Sirsa	Sirsa	6375	6354	21
		Dhabwali	6367	6408	-42
		Ellanabad	6363	6321	42
	Fatehabad	Fatehabad	6233	6413	-179

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			10-Feb-17	3-Feb-17	10-Jan-17	10-Feb-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3280	3300	3300	3070
		Jodhpur(Delivery)	3430	3450	3450	3250
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3146	3150	3200	2900
		Sri-Ganganagar (Delivery)	3296	3300	3350	3050
		Rawla (Loose)	3170	3150	3160	2850

		Gharsana (Loose)	3220	3140	3150	2850
		Raisinghnagar (Loose)	3210	3150	3170	2878
	Bikaner	Bikaner (Loose)	3150	3160	3213	2875
		Bikaner (Delivery)	3300	3310	3363	3075
		Nokha(Loose)	3150	3150	3200	2880
		Nokha (Delivery)	3263	3263	3315	2984
		Khajuwala (Loose)	3140	3160	3180	2890
		Khajuwala (Delivery)	3266	3286	3307	3006
		Lunkaransar (Loose)	3140	3100	3050	2850
	Hanumangarh	Hanumangarh (Loose)	3145	3200	3240	2800
		Hanumangarh (Delivery)	3295	3350	3390	3000
		Nohar (Loose)	3150	3140	3170	2900
		Pilibanga (Loose)	3150	NR	3085	2880
	Nagaur	Nagaur (Loose)	3050	3100	3050	2800
	Churu	Churu (Delivery)	3300	3250	3250	3000
	Alwar	Alwar (Loose)	3000	3000	3050	2850
Haryana	Hisar	Adampur (Loose)	3225	3215	3200	2900
		Adampur (Delivery)	3375	3365	3350	3100
	Bhiwani	Bhiwani (Delivery)	3200	3250	3250	3050
		Siwani (Loose)	3200	3215	3260	3000
	Sirsa	Sirsa (Loose)	3215	3220	3200	2850
		Dhabwali (Loose)	3200	3150	3215	2750
		Dhabwali (Delivery)	3350	3300	3365	2950
		Ellanabad (Loose)	3000	3200	3150	2900
	Fatehabad	Fatehabad (Loose)	3200	3250	3200	2800
Gujarat	Banaskantha	Deesa (Loose)	3020	3050	3040	NA
	Patan	Patan (Loose)	3015	3025	3050	3075
	Rajkot	Rajkot (Loose)	3035	3055	3055	2875
	Jamnagar	Dhrol (Loose)	NA	3000	2930	2910
M.P	Gwalior	Dabra (Loose)	NA	NA	NA	3000
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6425	6400	6300	5700
	Alwar	Alwar	6400	6300	6300	5700
	Hanumangarh	Nohar	6400	6300	6300	5600
Haryana	Bhiwani	Bhiwani	6480	6550	6250	6050
	Sirsa	Sirsa	6350	6450	6300	5600
		Dhabwali	6400	6400	6340	5650
		Ellanabad	6350	6400	6250	5600
	Fatehabad	Fatehabad	6200	6400	6300	5500

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			4th Feb.17 to 10 Feb.17	28th Jan.17 to 03rd Feb.17	
Rajasthan	Jodhpur	Jodhpur	989	311	678
	Sri-Ganganagar	Sri-Ganganagar	4240	4595	-355
		Rawla	3000	3200	-200
		Gharsana	2200	3300	-1100
		Raisinghnagar	2700	3600	-900
	Bikaner	Bikaner	4400	5200	-800
		Nokha	1950	1900	50
		Khajuwala	5300	6700	-1400
		Lunkaransar	1650	1525	125
	Hanumangarh	Hanumangarh	830	620	210
		Nohar	11900	10300	1600
		Pilibanga	750	200	550
	Nagaur	Nagaur	800	900	-100
	Churu	Churu	3800	3800	Unch
	Alwar	Alwar	2100	1900	200
Haryana	Hisar	Adampur	8700	9000	-300
	Bhiwani	Bhiwani	9000	12500	-3500
		Siwani	5400	7500	-2100
	Sirsa	Sirsa	11200	9000	2200
		Dhabwali	1600	1450	150
		Ellanabad	2300	2750	-450
	Fatehabad	Fatehabad	440	310	130
Gujarat	Banaskantha	Deesa	635	970	-335
	Patan	Patan	849	1573	-724
	Rajkot	Rajkot	1120	1336	-216
	Jamnagar	Dhrol	15	15	Unch
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			87868	94455	-6587

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