

Guar Weekly Research Report

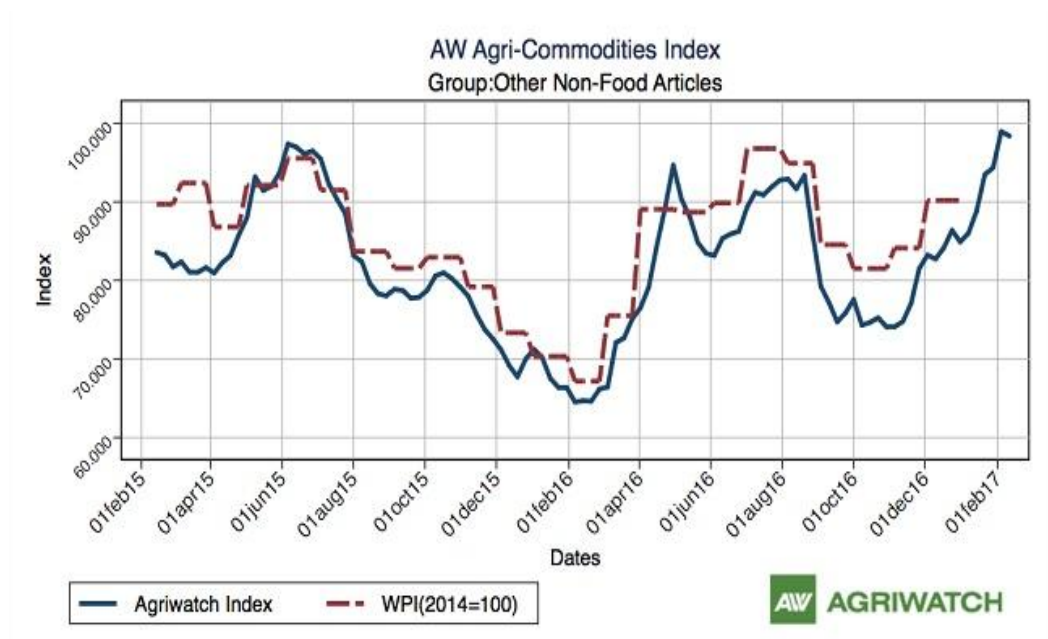
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Agriwatch Agri Commodity Index



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

The prices of guar in the current season were at their low in November 2016. Since then the prices of guar seed and guar gum have recovered by around 9.3 percent and 25 percent respectively. As per APEDA, India exported around 325251 tonnes of guar gum during 2015-16. Demand for guar gum is expected to increase in second quarter of 2017. However, prices of guar seed may be under pressure due to excessive stocks and low demand of churi and korma.

The wholesale price index of guar seed has increased from 239 in December 2016 to 239.8 in January 2017. The WPI for January 2017 is down by 2.3 compared to last year for the same month and by 90.6 compared to January 2015.

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.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (14500 quintals) compared to previous week 8500 quintals.

As far as arrivals are concerned Bikaner market, reported higher arrivals (4500 Quintals), arrivals compared to previous week 3600 quintals.

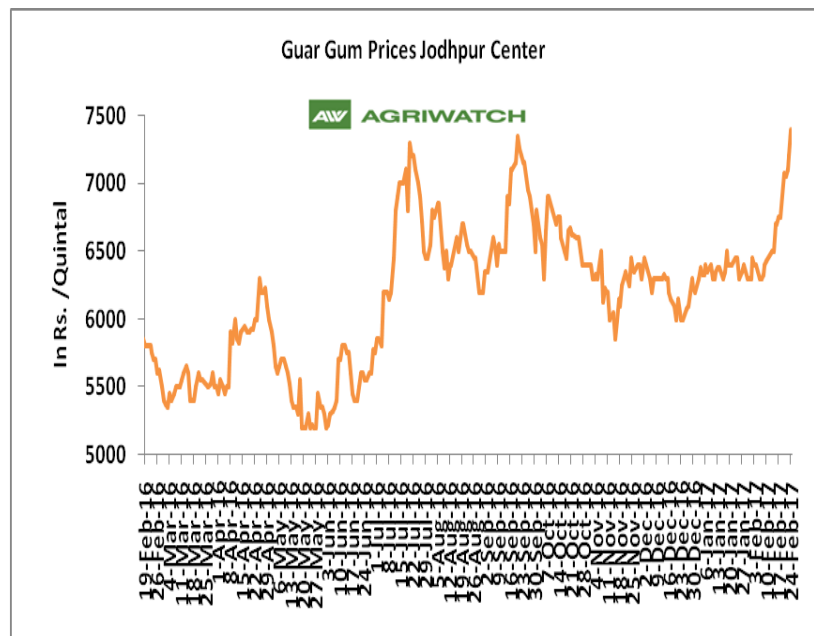
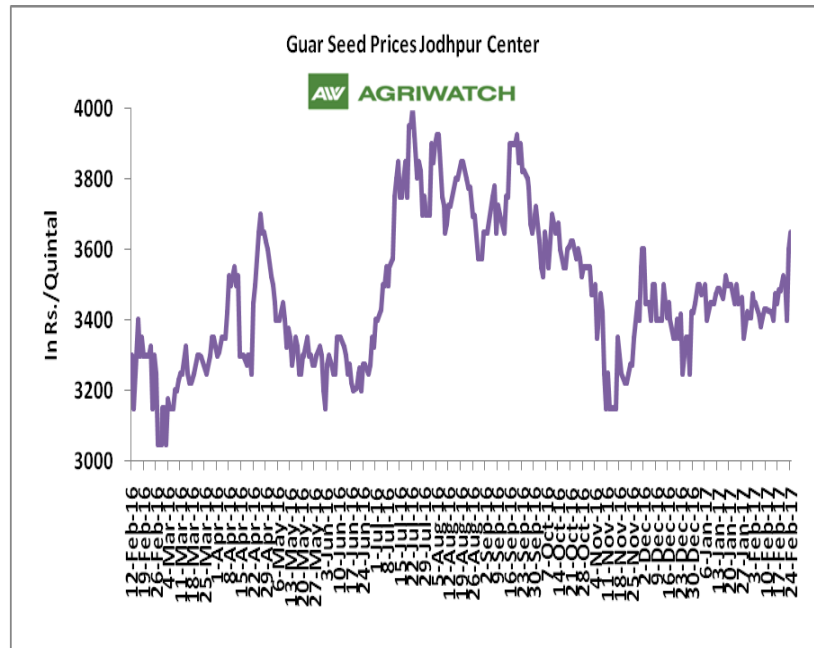
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 3580 levels for a target of 3685 with a stop loss at 3541 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

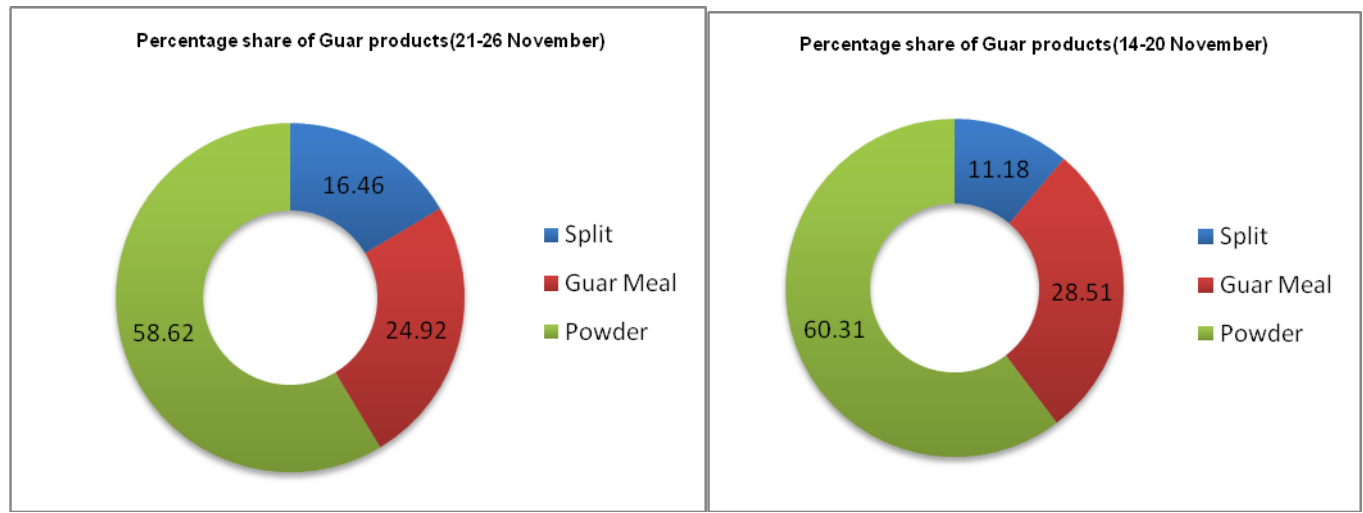
- In the week ended 24 February'17, Guar seed weekly average prices increased by Rs 81.33 /- qtl during the week compared to previous week and settled at Rs 3528 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 465.83/- qtl and settled at Rs. 7096 per quintal. Firm demand for 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)

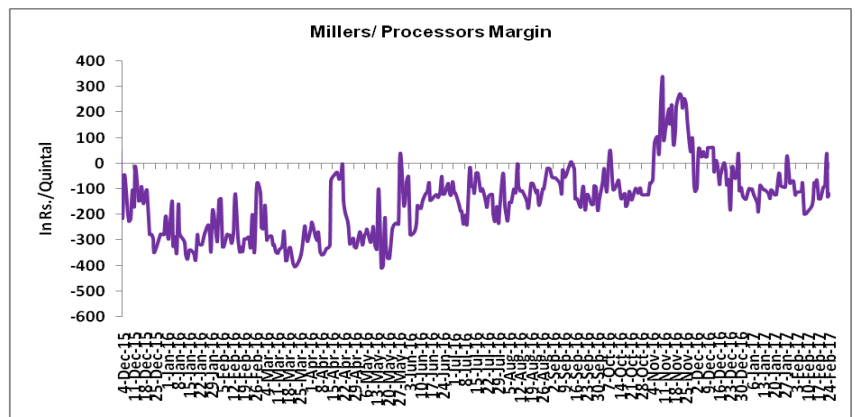
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



Millers/Processors Margin

In the week ended 24 February '17, average crush margin is Rs. -87.96 /Quintal, compared to last week's -106.19 /Quintal. Therefore crushing is not favorable for Millers/Processors.

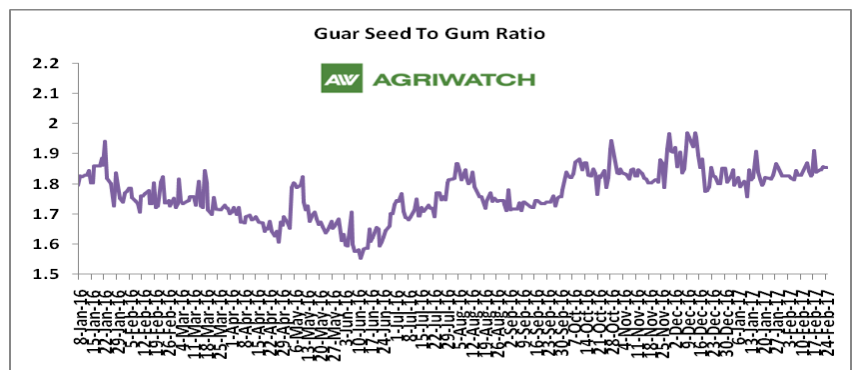
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 24 February'17 is 2.01, higher compared to last week's 1.92

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: March

Exchange: NCDEX
Expiry: March 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	March	3515	3490	3546	3720	3750
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	March	Buy	Above 3580	3645	3685	3541



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 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	March	7465	7435	7458	7810	7845
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	March	Buy	Above 7570	7680	7765	7504

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	18th to 24th Feb.17	11th to 17th Feb.17	Change
Churi	Jodhpur	1388	1414	-26
Korma	Jodhpur	1694	1778	-83
Churi	Sri-Ganganagar	1203	1293	-91
Korma	Sri-Ganganagar	1506	1658	-152
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	18th to 24th Feb.17	11th to 17th Feb.17	Change
Guargum Split		1054	989	65
Guargum Powder	200 Mesh 5000 CPS	1353	1287	66
	200 Mesh 3500 CPS	1278	1213	66
Guargum Meal	40%	295	299	-4
	50%	355	361	-7
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			18th to 24th Feb.17	11th to 17th Feb.17	
Rajasthan	Jodhpur	Jodhpur (Loose)	3378	3297	81
		Jodhpur(Delivery)	3528	3447	81
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3179	3107	72
		Sri-Ganganagar (Delivery)	3329	3257	72
		Rawla (Loose)	3271	3143	128
		Gharsana (Loose)	3267	3158	109
		Raisinghnagar (Loose)	3293	3168	125
	Bikaner	Bikaner (Loose)	3313	3167	146
		Bikaner (Delivery)	3463	3317	146
		Nokha(Loose)	3280	3166	114
		Nokha (Delivery)	3398	3280	118
		Khajuwala (Loose)	3283	3157	126
		Khajuwala (Delivery)	3415	3283	131
		Lunkaransar (Loose)	3242	3111	131
	Hanumangarh	Hanumangarh (Loose)	3258	3167	91

		Hanumangarh (Delivery)	3408	3317	91
		Nohar (Loose)	3258	3171	87
		Pilibanga (Loose)	3193	3092	101
	Nagaur	Nagaur (Loose)	3154	3070	84
	Churu	Churu (Delivery)	3442	3290	152
	Alwar	Alwar (Loose)	3233	3040	193
Haryana	Hisar	Adampur (Loose)	3363	3239	124
		Adampur (Delivery)	3513	3389	124
	Bhiwani	Bhiwani (Delivery)	3383	3250	133
		Siwani (Loose)	3323	3223	100
	Sirsa	Sirsa (Loose)	3345	3211	134
		Dhabwali (Loose)	3297	3198	99
		Dhabwali (Delivery)	3297	3348	-51
		Ellanabad (Loose)	3282	3177	105
	Fatehabad	Fatehabad (Loose)	3375	3360	15
Gujarat	Banaskantha	Deesa (Loose)	3179	3021	158
	Patan	Patan (Loose)	3109	3003	106
	Rajkot	Rajkot (Loose)	3098	3025	73
	Jamnagar	Dhrol (Loose)	3002	2775	227
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7096	6630	466
	Alwar	Alwar	7158	6640	518
	Hanumangarh	Nohar	6975	6470	505
Haryana	Bhiwani	Bhiwani	6950	6432	518
	Sirsa	Sirsa	7171	6585	586
		Dhabwali	7113	6640	473
		Ellanabad	7070	6600	470
	Fatehabad	Fatehabad	6983	6560	423

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			24-Feb-17	17-Feb-17	24-Jan-17	24-Feb-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3500	3335	3350	3070
		Jodhpur(Delivery)	3650	3485	3500	3150
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3225	3100	3225	2880
		Sri-Ganganagar (Delivery)	3375	3250	3375	2950
		Rawla (Loose)	3400	3175	3170	2860

		Gharsana (Loose)	3400	3160	3210	2860
		Raisinghnagar (Loose)	3460	3200	3200	2825
	Bikaner	Bikaner (Loose)	3450	3215	3185	2975
		Bikaner (Delivery)	3600	3365	3335	3175
		Nokha(Loose)	3400	3220	3250	2950
		Nokha (Delivery)	3522	3336	3367	3056
		Khajuwala (Loose)	3440	3215	3210	2900
		Khajuwala (Delivery)	3578	3344	3338	3016
		Lunkaransar (Loose)	3400	3150	3150	2860
	Hanumangarh	Hanumangarh (Loose)	3450	3190	3190	2850
		Hanumangarh (Delivery)	3600	3340	3340	3150
		Nohar (Loose)	3500	3200	3180	2900
		Pilibanga (Loose)	3450	3030	3180	2850
	Nagaur	Nagaur (Loose)	3225	3100	3050	2800
	Churu	Churu (Delivery)	3550	3350	3350	3200
	Alwar	Alwar (Loose)	3300	3100	3100	3000
Haryana	Hisar	Adampur (Loose)	3525	3325	3210	2900
		Adampur (Delivery)	3675	3475	3360	3100
	Bhiwani	Bhiwani (Delivery)	3525	3300	3225	3050
		Siwani (Loose)	3400	3275	3225	3010
	Sirsa	Sirsa (Loose)	3510	3260	3200	2870
		Dhabwali (Loose)	3400	3240	3200	2825
		Dhabwali (Delivery)	3400	3390	3350	3025
		Ellanabad (Loose)	Closed	3235	3200	2900
	Fatehabad	Fatehabad (Loose)	3400	3500	3200	2920
Gujarat	Banaskantha	Deesa (Loose)	Closed	3015	3200	3500
	Patan	Patan (Loose)	Closed	3010	3075	2995
	Rajkot	Rajkot (Loose)	Closed	3000	3110	2975
	Jamnagar	Dhrol (Loose)	Closed	2740	2770	2775
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	3200
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7400	6750	6450	5700
	Alwar	Alwar	7500	6850	6400	5800
	Hanumangarh	Nohar	7200	6500	6400	5700
Haryana	Bhiwani	Bhiwani	7750	6400	6350	5750
	Sirsa	Sirsa	7525	6800	6400	5650
		Dhabwali	7300	6950	6450	5750
		Ellanabad	Closed	6800	6350	5700
	Fatehabad	Fatehabad	7400	6800	6400	5800

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			18th to 24th Feb.17	11th to 17th Feb.17	
Rajasthan	Jodhpur	Jodhpur	968	435	533
	Sri-Ganganagar	Sri-Ganganagar	3380	3623	-243
		Rawla	3100	2600	500
		Gharsana	3400	3100	300
		Raisinghnagar	3100	3200	-100
	Bikaner	Bikaner	4500	3600	900
		Nokha	6100	3000	3100
		Khajuwala	4200	4600	-400
		Lunkaransar	3300	2900	400
	Hanumangarh	Hanumangarh	620	1200	-580
		Nohar	9200	11100	-1900
		Pilibanga	1400	1350	50
	Nagaur	Nagaur	1150	900	250
	Churu	Churu	4700	4000	700
	Alwar	Alwar	2900	2300	600
Haryana	Hisar	Adampur	14500	8500	6000
	Bhiwani	Bhiwani	15000	9500	5500
		Siwani	6600	4500	2100
	Sirsa	Sirsa	9300	9100	200
		Dhabwali	1450	1000	450
		Ellanabad	2000	1650	350
	Fatehabad	Fatehabad	480	430	50
Gujarat	Banaskantha	Deesa	666	707	-41
	Patan	Patan	1131	701	430
	Rajkot	Rajkot	1250	930	320
	Jamnagar	Dhrol	20	31	-11
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			104415	84957	19458

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