

Guar Weekly Research Report

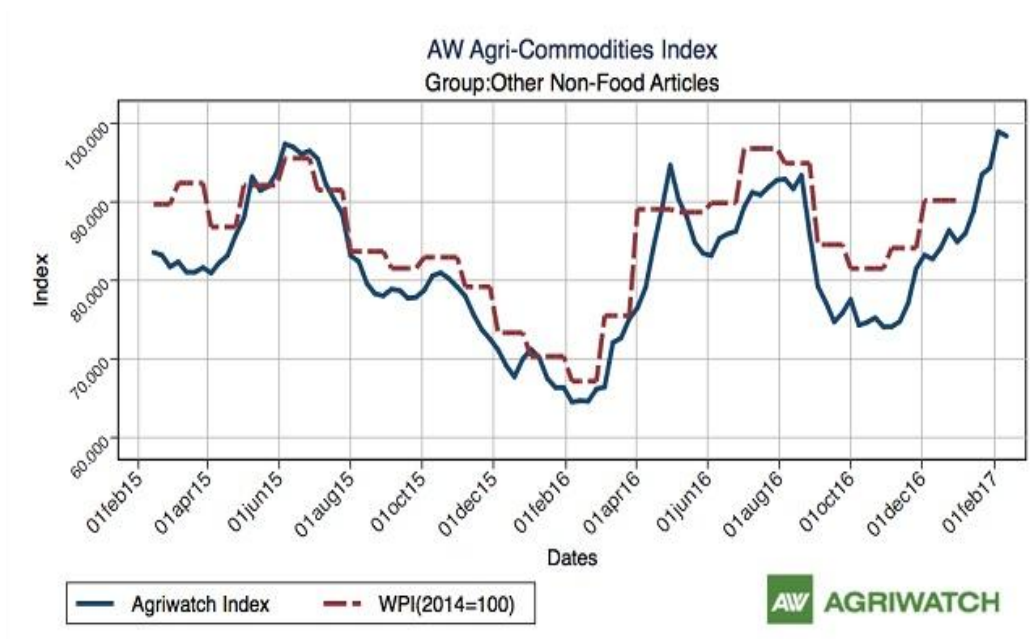
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Agriwatch Agri Commodity Index



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

All India weekly average prices increased by 9.24 percent to Rs. 3265.84 per quintal during the week ended 28th February 2017. Guar seed average price were ruling at Rs 2989.49 per quintal during 16-23rd February 2017. As compared to prices in the week 24-28 February 2016, the prices are firm by 17.90 percent. Prices are expected to remain range bound to slightly firm in coming days.

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.

As per latest update, Russia is still sticking with its decision of reducing oil production by 2 lakh bpd in the first quarter and by 3 lakh bpd from April provided its domestic companies are able to do it under the OPEC led agreement. This cut will boost the prices of oil which will in turn lead to increase in demand for guar gum as it is used in hydraulic fracking. Guar seed prices are ruling around Rs 3600 per quintal and can increase by around Rs 300 per quintal in coming weeks.

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 lower arrivals (13500 quintals) compared to previous week 14500 quintals.

As far as arrivals are concerned Bikaner market, reported lower arrivals (2811 Quintals), arrivals compared to previous week 4500 quintals.

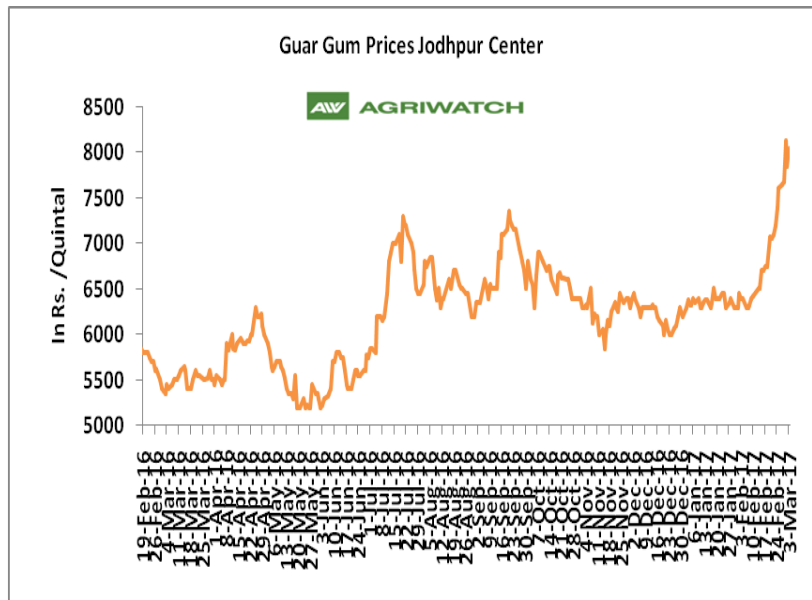
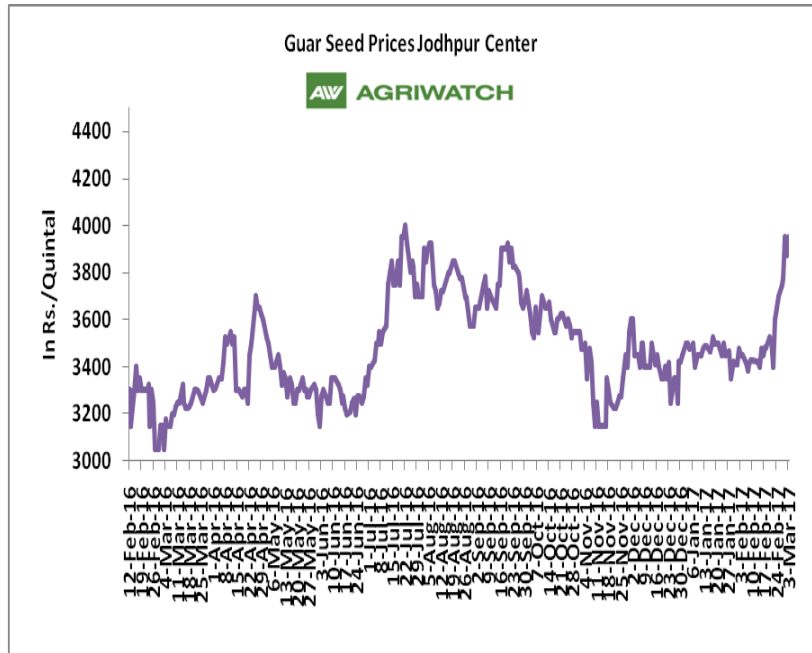
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 3885 levels for a target of 3985 with a stop loss at 3852 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

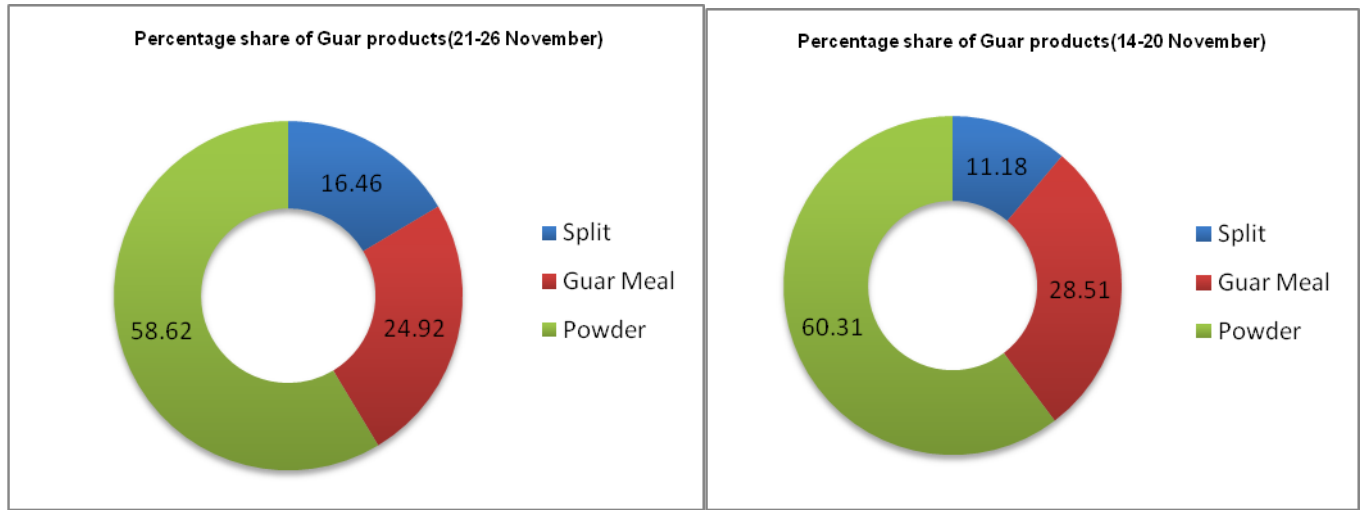
- In the week ended 03 March'17, Guar seed weekly average prices increased by Rs 305 /- qtl during the week compared to previous week and settled at Rs 3833 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 729.17/- qtl and settled at Rs. 7825 per quintal. Firm demand for guar 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)

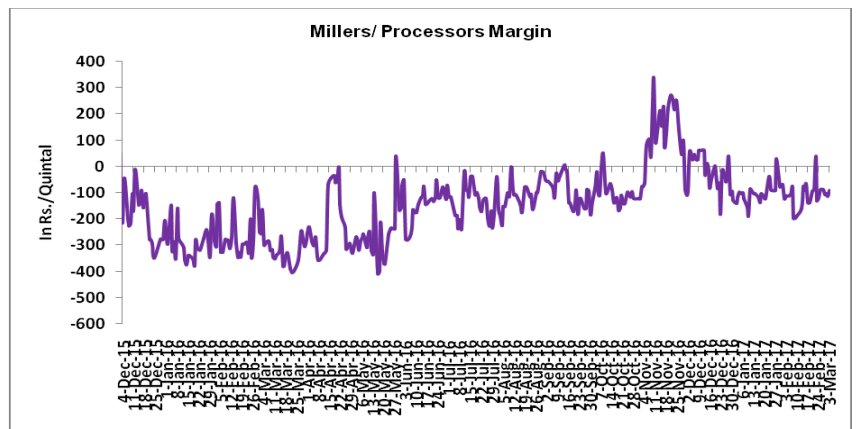
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



Millers/Processors Margin

In the week ended 03 March '17, average crush margin is Rs. -98.61/Quintal, compared to last week's -87.96 /Quintal. Therefore crushing is not favorable for Millers/Processors.

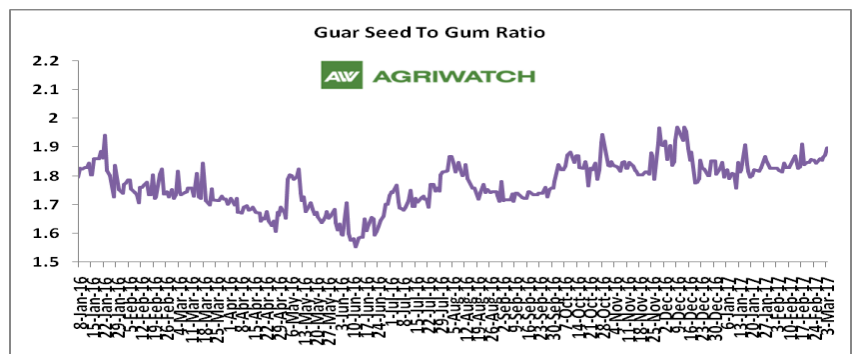
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 03 March'17 is 2.04, higher compared to last week's 2.01

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: April

Exchange: NCDEX
Expiry: April 20, 2017



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- 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	April	3825	3805	3842	4020	4045
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	April	Buy	Above 3885	3940	3985	3852

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: April

Exchange: NCDEX
Expiry: April 20, 2017



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	April	7860	7795	8101	8440	8525
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	April	Buy	Above 8050	8215	8355	7951

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	25th to 3rd Mar.17	18th to 24th Feb.17	Change
Churi	Jodhpur	1477	1388	89
Korma	Jodhpur	1775	1694	81
Churi	Sri-Ganganagar	1309	1203	107
Korma	Sri-Ganganagar	1591	1506	84
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	25th to 3rd Mar.17	18th to 24th Feb.17	Change
Guargum Split		1163	1054	110
Guargum Powder	200 Mesh 5000 CPS	1463	1353	110
	200 Mesh 3500 CPS	1388	1278	110
Guargum Meal	40%	295	295	Unch
	50%	360	355	5
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			25th to 3rd Mar.17	18th to 24th Feb.17	
Rajasthan	Jodhpur	Jodhpur (Loose)	3683	3378	305
		Jodhpur(Delivery)	3833	3528	305
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3515	3179	336
		Sri-Ganganagar (Delivery)	3665	3329	336
		Rawla (Loose)	3565	3271	294
		Gharsana (Loose)	3546	3267	279
		Raisinghnagar (Loose)	3598	3293	305
	Bikaner	Bikaner (Loose)	3568	3313	255
		Bikaner (Delivery)	3718	3463	255
		Nokha(Loose)	3533	3280	253
		Nokha (Delivery)	3661	3398	262
		Khajuwala (Loose)	3582	3283	298
		Khajuwala (Delivery)	3725	3415	310
	Lunkaransar (Loose)	3567	3242	325	
	Hanumangarh	Hanumangarh (Loose)	3592	3258	334

		Hanumangarh (Delivery)	3742	3408	334
		Nohar (Loose)	3643	3258	385
		Pilibanga (Loose)	3550	3193	358
	Nagaur	Nagaur (Loose)	3425	3154	271
	Churu	Churu (Delivery)	3683	3442	242
	Alwar	Alwar (Loose)	3450	3233	217
Haryana	Hisar	Adampur (Loose)	3675	3363	313
		Adampur (Delivery)	3825	3513	313
	Bhiwani	Bhiwani (Delivery)	3696	3383	313
		Siwani (Loose)	3658	3323	335
	Sirsa	Sirsa (Loose)	3690	3345	345
		Dhabwali (Loose)	3623	3297	327
		Dhabwali (Delivery)	3773	3297	477
		Ellanabad (Loose)	3642	3282	360
	Fatehabad	Fatehabad (Loose)	3683	3375	308
	Gujarat	Banaskantha	Deesa (Loose)	3426	3179
Patan		Patan (Loose)	3437	3109	328
Rajkot		Rajkot (Loose)	3448	3098	350
Jamnagar		Dhrol (Loose)	3256	3002	254
Madhya Pradesh	Gwalior	Dabra (Loose)	3475	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7825	7096	729
	Alwar	Alwar	7783	7158	625
	Hanumangarh	Nohar	7775	6975	800
Haryana	Bhiwani	Bhiwani	8000	6950	1050
	Sirsa	Sirsa	7908	7171	738
		Dhabwali	7867	7113	754
		Ellanabad	7900	7070	830
	Fatehabad	Fatehabad	8100	6983	1117

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
			3-Mar-17	24-Feb-17	2-Feb-17	2-Mar-16
Guar Seed	Jodhpur	Jodhpur (Loose)	3800	3500	3325	3000
		Jodhpur(Delivery)	3950	3650	3475	3150
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3600	3225	3200	2850
		Sri-Ganganagar (Delivery)	3750	3375	3350	2950
		Rawla (Loose)	3600	3400	3180	2820
		Gharsana (Loose)	3580	3400	3180	2700

		Raisinghnagar (Loose)	3650	3460	3200	2850
	Bikaner	Bikaner (Loose)	3621	3450	3225	2825
		Bikaner (Delivery)	3771	3600	3375	2975
		Nokha(Loose)	3660	3400	3200	2780
		Nokha (Delivery)	3792	3522	3315	2880
		Khajuwala (Loose)	3650	3440	3210	2795
		Khajuwala (Delivery)	3796	3578	3338	2907
		Lunkaransar (Loose)	3600	3400	3150	2750
		Hanumangarh	Hanumangarh (Loose)	3700	3450	3200
	Hanumangarh (Delivery)		3850	3600	3350	2900
	Nohar (Loose)		3700	3500	3200	2800
	Pilibanga (Loose)		NR	3450	3120	2725
	Nagaur	Nagaur (Loose)	3500	3225	3050	2850
	Churu	Churu (Delivery)	3750	3550	3300	3000
Alwar	Alwar (Loose)	3500	3300	3050	2850	
Haryana	Hisar	Adampur (Loose)	3800	3525	3225	2825
		Adampur (Delivery)	3950	3675	3375	2975
	Bhiwani	Bhiwani (Delivery)	3800	3525	3270	2980
		Siwani (Loose)	3780	3400	3225	2925
	Sirsa	Sirsa (Loose)	3800	3510	3200	2775
		Dhabwali (Loose)	3620	3400	3200	2750
		Dhabwali (Delivery)	3770	3550	3350	2900
		Ellanabad (Loose)	3700	Closed	3200	2800
	Fatehabad	Fatehabad (Loose)	3900	3400	3260	2750
	Gujarat	Banaskantha	Deesa (Loose)	3500	Closed	3050
Patan		Patan (Loose)	3525	Closed	3075	2875
Rajkot		Rajkot (Loose)	3590	Closed	3075	2855
Jamnagar		Dhrol (Loose)	3445	Closed	2900	2675
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	2945
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8050	7400	6450	5375
	Alwar	Alwar	7900	7500	6400	5400
	Hanumangarh	Nohar	8000	7200	6350	5400
Haryana	Bhiwani	Bhiwani	8300	7750	6500	5350
	Sirsa	Sirsa	8150	7525	6450	5300
		Dhabwali	8000	7300	6450	5350
		Ellanabad	8200	Closed	6400	5400
	Fatehabad	Fatehabad	8700	7400	6450	5400

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			25th to 3rd Mar.17	18th to 24th Feb.17	
Rajasthan	Jodhpur	Jodhpur	1353	968	385
	Sri-Ganganagar	Sri-Ganganagar	1962	3380	-1418
		Rawla	1400	3100	-1700
		Gharsana	2300	3400	-1100
		Raisinghnagar	2100	3100	-1000
	Bikaner	Bikaner	2811	4500	-1689
		Nokha	4800	6100	-1300
		Khajuwala	2300	4200	-1900
		Lunkaransar	3200	3300	-100
	Hanumangarh	Hanumangarh	380	620	-240
		Nohar	2800	9200	-6400
		Pilibanga	350	1400	-1050
	Nagaur	Nagaur	1500	1150	350
	Churu	Churu	8500	4700	3800
Alwar	Alwar	4700	2900	1800	
Haryana	Hisar	Adampur	13500	14500	-1000
	Bhiwani	Bhiwani	12000	15000	-3000
		Siwani	4100	6600	-2500
	Sirsa	Sirsa	3600	9300	-5700
		Dhabwali	900	1450	-550
		Ellanabad	1600	2000	-400
Fatehabad	Fatehabad	320	480	-160	
Gujarat	Banaskantha	Deesa	1167	666	501
	Patan	Patan	1817	1131	686
	Rajkot	Rajkot	2305	1250	1055
	Jamnagar	Dhrol	28	20	8
Madhya Pradesh	Gwalior	Dabra	200	NA	-
Total Arrivals/Above Markets			81993	104415	-22422

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