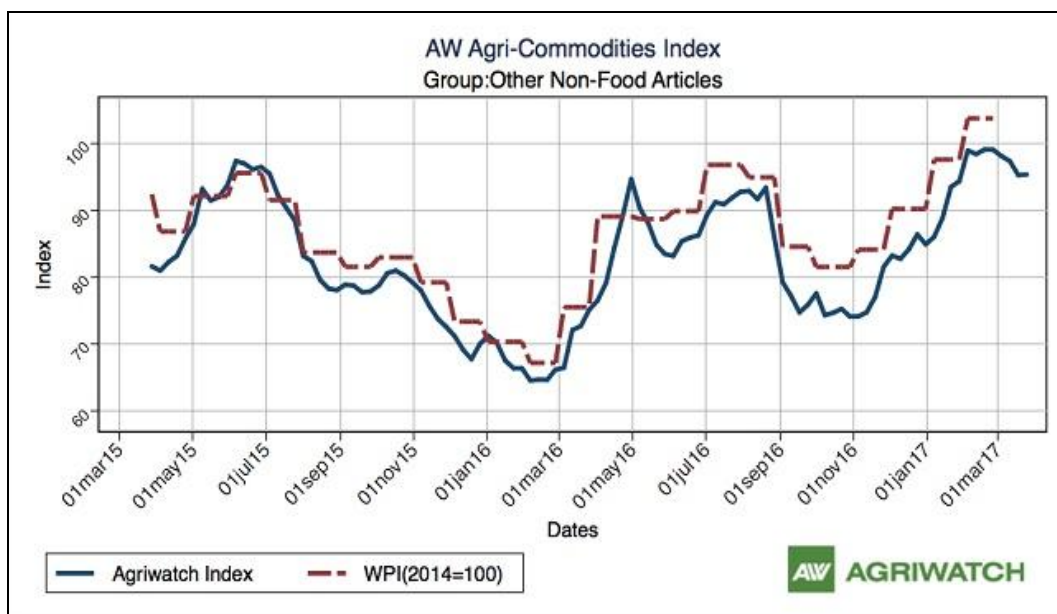


# Guar Weekly Research Report

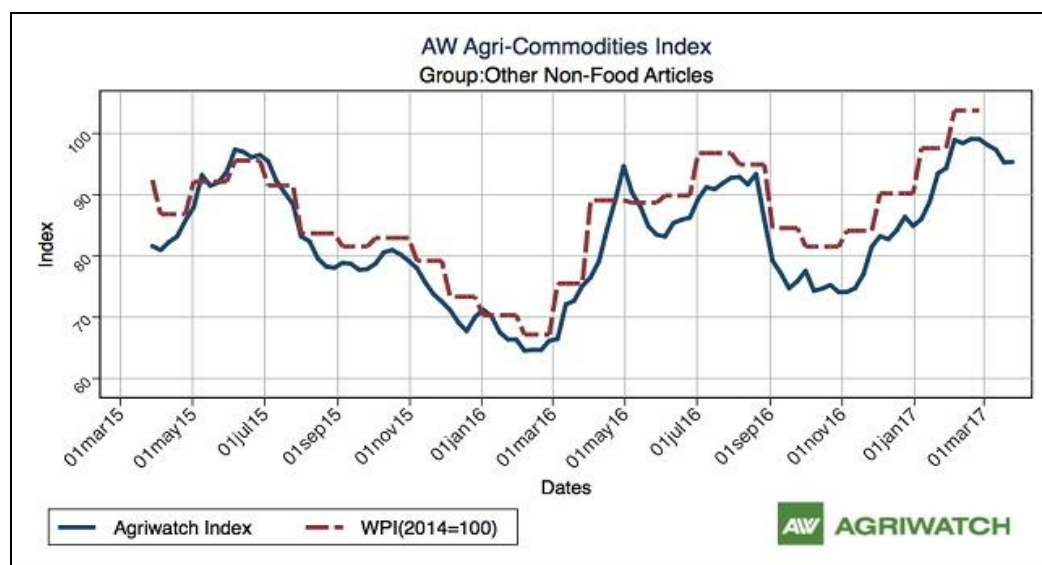
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### Agriwatch Agri Commodity Index



The Agriwatch Agri Commodities Index rose 0.74% to 110.34 during the week ended March 25, 2017 from 109.53 during the previous week led by higher cereals and pulses. The base for the Index and all sub-Indices is 2014 (= 100).



The Agriwatch Agri commodity other non-food articles Index increased by 0.08% to 95.34 during the week ended March 25, 2017.

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](http://www.agriwatch.com). The daily indices are available on subscription. Please contact for more details.

## Executive Summary

### Domestic Guar Seed Market Summary

According to latest update for the month of February, Export of guar seed products i.e. powder, Split and meal has increased by 4615 metric tonnes compared to last month. India has exported 43780 tonnes of guar products in the month of February. Of the total quantity, 27820 tonnes is guar gum powder and the remaining is Guar split (4380 tonnes) and Guar meal (11580 tonnes).

As per data released by baker hughes the number of oil rigs in USA has increased to 885 until 08<sup>th</sup> May up by 8 compared to last week and by 479 compared to 13<sup>th</sup> May 2016. Guar gum is used in hydraulic fracturing for extracting oil and gas; therefore as the number of oil rigs is increasing demand for guar gum is also expected to increase. The number of oil rigs is expected to increase further in coming months which will provide support to guar gum prices.

As per market sources, in the month of March 2017 India has exported around 56000 tonnes of guar gum compared to around 28000 tonnes last year for the same month. In fiscal year 2016-17, around 4.23 lakh tonnes of guar gum has been exported compared to 3.25 lakh tonnes in 2015-16. Guar gum is used in hydraulic fracturing for extracting oil and gas; therefore, as the number of oil rigs is increasing demand for guar gum is also expected to increase further.

All India weekly average prices decreased by 4.04 percent to Rs. 3426.77 per quintal during the week ended 08<sup>th</sup> May 2017. Guar seed average price were ruling at Rs 3571.16 per quintal during 24-30 April 2017. As compared to prices in the week 01-08 May 2016, the prices are firm by 14.69 percent. Prices are expected to remain range bound to slightly weak in coming days.

The wholesale price index of guar seed has increased slightly from 239.8 in February 2017 to 277.3 in March 2017. The WPI for March 2017 is up by 55 compared to last year for the same month and down by 16.5 compared to March 2015.

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.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (3000 quintals) compared to previous week 1850 quintals.

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

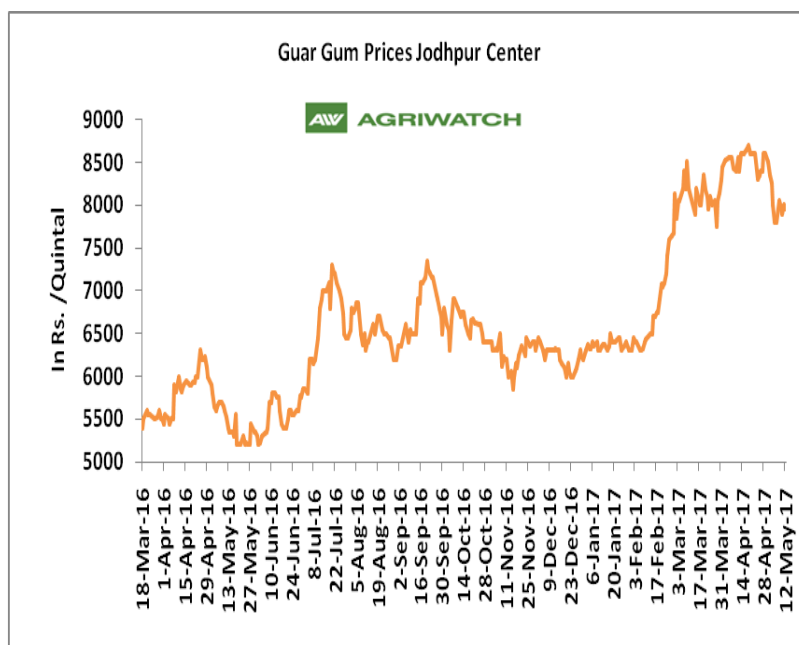
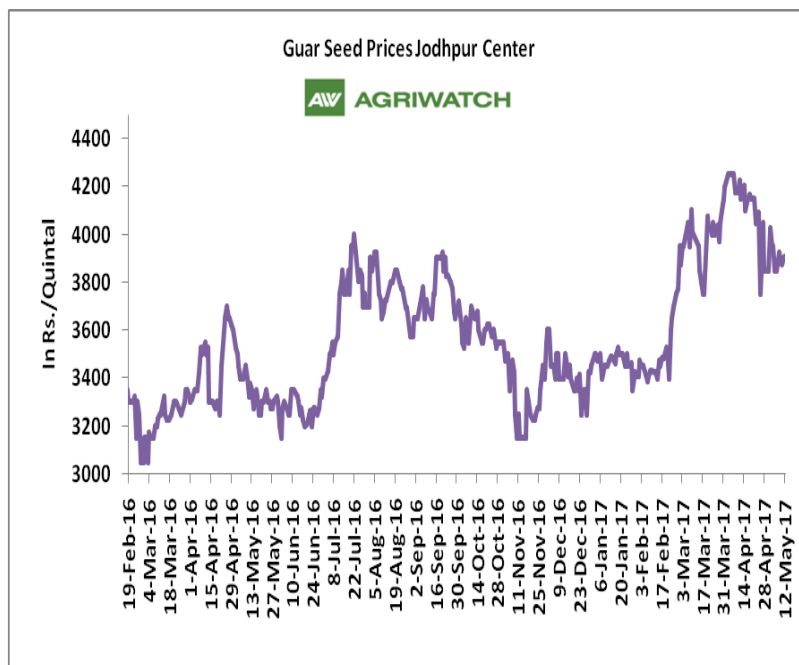
### Recommendation:

**Weekly Call - : Market participants are advised to Sell Guar seed at 3710 levels for a target of 3570 with a stop loss at 3755 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

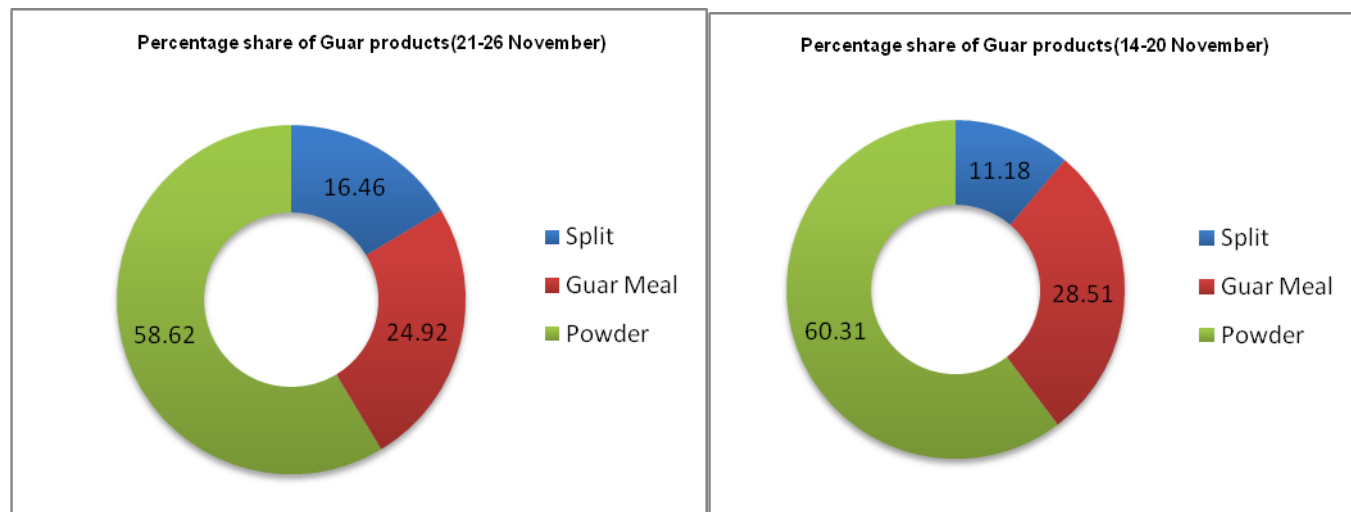
- In the week ended 12 May'17, Guar seed weekly average prices decreased by Rs 19.17 /- qtl during the week compared to previous week and settled at Rs 3893 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 300/- qtl and settled at Rs. 7950 per quintal. Weak demand for guar gum from domestic as well as overseas market led the prices down this week.
- According to third advance estimate for 2016-17 issued by Rajasthan's Department of Agriculture for Guar seed the area, production and yield are 3530007 hectares, 1404819 tonnes and 398 kg/hectare respectively. As compared to first advance estimate for 2016-17, the area, production and yield have decreased by 46932 hectares, 557605 tonnes and 151 kg/hectare respectively.
- According to third 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 (21<sup>st</sup> - 26<sup>th</sup> November 2016)

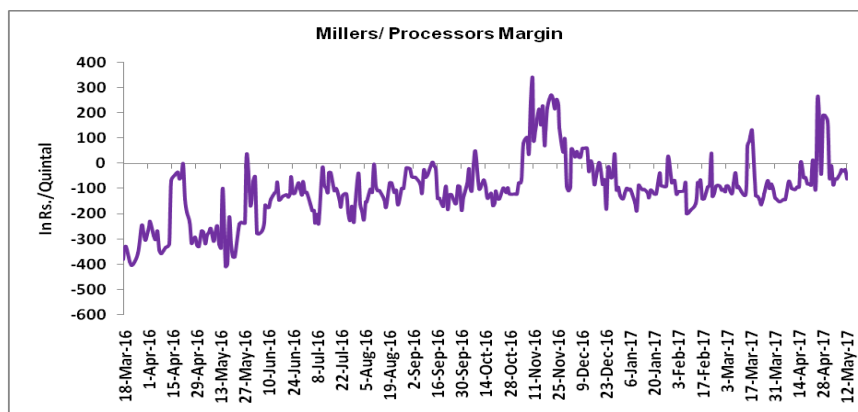
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



## Millers/Processors Margin

In the week ended 12 May '17, average crush margin is Rs. -40.68/Quintal, compared to last week's 23.95/Quintal. Therefore crushing is favorable for Millers/Processors.

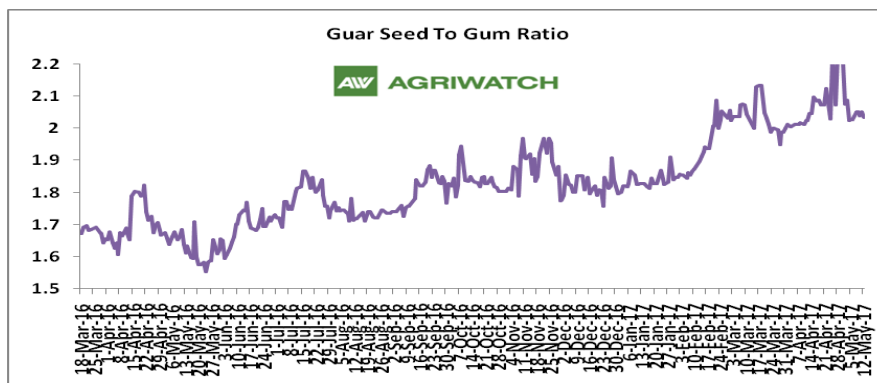
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



## Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 12 May'17 is 2.04, lower compared to last week's 2.11

Weak overseas demand of gum and good demand of seed from millers has decreased the overall ratio.





### Technical Analysis (Guar Seed)

Commodity: Guar Seed  
Contract: June

Exchange: NCDEX  
Expiry: June 20, 2017



#### Technical Commentary:

- Fall in price and rise in open interest indicates short buildup.
- RSI is moving down in neutral region.
- Last candlestick depicts bearishness in market.
- Prices closed below 9 and 18 day EMAs

#### Strategy: Sell

| Weekly Supports & Resistances |       |      | S1          | S2         | PCP  | R1   | R2   |
|-------------------------------|-------|------|-------------|------------|------|------|------|
| Guar Seed 10MT                | NCDEX | June | 3525        | 3485       | 3705 | 3810 | 3855 |
| Weekly Trade Call             |       |      | Call        | Entry      | T1   | T2   | SL   |
| Guar Seed 10MT                | NCDEX | June | <b>Sell</b> | Below 3710 | 3635 | 3570 | 3755 |

### Technical Analysis (Guar Gum)

**Commodity: Guar Gum**  
**Contract: June**

**Exchange: NCDEX**  
**Expiry: June 20, 2017**

#### Guar Gum (June Weekly Chart)



#### Technical Commentary:

- Fall in price and rise in open interest indicates short buildup.
- Prices closed below 9 and 18 days EMAs.
- RSI is moving in neutral region.
- Last candlestick depicts bearishness in market.

#### Strategy: Sell

| Weekly Supports & Resistances |       |      | S1          | S2         | PCP  | R1   | R2   |
|-------------------------------|-------|------|-------------|------------|------|------|------|
| Guar Gum                      | NCDEX | June | 7510        | 7395       | 7924 | 8185 | 8310 |
| Weekly Trade Call             |       |      | Call        | Entry      | T1   | T2   | SL   |
| Guar Gum                      | NCDEX | June | <b>Sell</b> | Below 7930 | 7775 | 7640 | 8023 |



**Guar Seed & Gum Prices at Key Spot Markets**

| <b>Guar by – Products Weekly Average Prices: Prices in Rs/75kg)</b> |                |                            |                                  |               |
|---|----------------|----------------------------|----------------------------------|---------------|
| <b>Commodity</b>  | <b>Centre</b>  | <b>06th to 12th May.17</b> | <b>29th April to 05th May.17</b> | <b>Change</b> |
| <b>Churi</b>  | Jodhpur        | 1522                       | 1515                             | <b>7</b>      |
| <b>Korma</b>  | Jodhpur        | 1938                       | 1925                             | <b>13</b>     |
| <b>Churi</b>  | Sri-Ganganagar | 1363                       | 1347                             | <b>16</b>     |
| <b>Korma</b>  | Sri-Ganganagar | 1806                       | 1800                             | <b>6</b>      |

| <b>Guar Export Weekly Average Prices: Prices in \$/MT)</b> |                   |                            |                                  |               |
|--|-------------------|----------------------------|----------------------------------|---------------|
| <b>Commodity</b>   | <b>Variety</b>    | <b>06th to 12th May.17</b> | <b>29th April to 05th May.17</b> | <b>Change</b> |
| <b>Guargum Split</b>                                       |                   | 1224                       | 1279                             | <b>-55</b>    |
| <b>Guargum Powder</b>                                      | 200 Mesh 5000 CPS | 1535                       | 1591                             | <b>-56</b>    |
|  | 200 Mesh 3500 CPS | 1457                       | 1513                             | <b>-56</b>    |
| <b>Guargum Meal</b>  | 40%               | 326                        | 327                              | <b>-1</b>     |
|  | 50%               | 404                        | 405                              | <b>-1</b>     |

| <b>Guar Seed Weekly Average Prices:</b> |                       |                           |  |                                  |               |
|---|-----------------------|---------------------------|--|----------------------------------|---------------|
| <b>Commodity</b>                        | <b>District</b>       | <b>Centre</b>             | <b>Weekly Prices (Average ) (Rs/Qtl)</b> |                                  | <b>Change</b> |
| <b>Guar Seed</b>                        |                       |                           | <b>06th to 12th May.17</b>               | <b>29th April to 05th May.17</b> |               |
| <b>Rajasthan</b>                        | <b>Jodhpur</b>        | Jodhpur (Loose)           | 3743                                     | 3763                             | <b>-19</b>    |
|   |                       | Jodhpur(Delivery)         | 3893                                     | 3913                             | <b>-19</b>    |
|   | <b>Sri-Ganganagar</b> | Sri-Ganganagar(Loose)     | 3608                                     | 3634                             | <b>-26</b>    |
|   |                       | Sri-Ganganagar (Delivery) | 3750                                     | 3754                             | <b>-4</b>     |
|   |                       | Rawla (Loose)             | 3510                                     | 3630                             | <b>-120</b>   |
|   |                       | Gharsana (Loose)          | 3550                                     | 3600                             | <b>-50</b>    |
|   |                       | Raisinghnagar (Loose)     | 3543                                     | 3597                             | <b>-54</b>    |
|   | <b>Bikaner</b>        | Bikaner (Loose)           | 3583                                     | 3646                             | <b>-63</b>    |
|   |                       | Bikaner (Delivery)        | 3733                                     | 3796                             | <b>-63</b>    |
|   |                       | Nokha(Loose)              | 3552                                     | 3590                             | <b>-38</b>    |
|   |                       | Nokha (Delivery)          | 3680                                     | 3719                             | <b>-40</b>    |
|   |                       | Khajuwala (Loose)         | 3583                                     | 3652                             | <b>-70</b>    |
|   |                       | Khajuwala (Delivery)      | 3726                                     | 3798                             | <b>-72</b>    |
|   |                       | Lunkaransar (Loose)       | 3510                                     | 3592                             | <b>-82</b>    |
|   | <b>Hanumangarh</b>    | Hanumangarh (Loose)       | 3560                                     | 3668                             | <b>-108</b>   |
|   |                       | Hanumangarh (Delivery)    | 3710                                     | 3818                             | <b>-108</b>   |
|   |                       | Nohar (Loose)             | 3571                                     | 3671                             | <b>-100</b>   |



|                       |                    |                     |      |      |             |
|-----------------------|--------------------|---------------------|------|------|-------------|
|                       |                    | Pilibanga (Loose)   | 3542 | 3663 | <b>-121</b> |
|                       | <b>Nagaur</b>      | Nagaur (Loose)      | 3347 | 3475 | <b>-128</b> |
|                       | <b>Churu</b>       | Churu (Delivery)    | 3663 | 3750 | <b>-88</b>  |
|                       | <b>Alwar</b>       | Alwar (Loose)       | 3415 | 3525 | <b>-110</b> |
| <b>Haryana</b>        | <b>Hisar</b>       | Adampur (Loose)     | 3600 | 3688 | <b>-88</b>  |
|                       |                    | Adampur (Delivery)  | 3750 | 3838 | <b>-88</b>  |
|                       | <b>Bhiwani</b>     | Bhiwani (Delivery)  | 3708 | 3762 | <b>-53</b>  |
|                       |                    | Siwani (Loose)      | 3683 | 3736 | <b>-53</b>  |
|                       | <b>Sirsa</b>       | Sirsa (Loose)       | 3612 | 3681 | <b>-69</b>  |
|                       |                    | Dhabwali (Loose)    | 3529 | 3604 | <b>-75</b>  |
|                       |                    | Dhabwali (Delivery) | 3679 | 3754 | <b>-75</b>  |
|                       |                    | Ellanabad (Loose)   | 3567 | 3638 | <b>-71</b>  |
|                       | <b>Fatehabad</b>   | Fatehabad (Loose)   | 3500 | NR   | -           |
| <b>Gujarat</b>        | <b>Banaskantha</b> | Deesa (Loose)       | 3411 | 3497 | <b>-86</b>  |
|                       | <b>Patan</b>       | Patan (Loose)       | 3405 | 3515 | <b>-110</b> |
|                       | <b>Rajkot</b>      | Rajkot (Loose)      | 3390 | 3493 | <b>-103</b> |
|                       | <b>Jamnagar</b>    | Dhrol (Loose)       | 3200 | 3208 | <b>-8</b>   |
| <b>Madhya Pradesh</b> | <b>Gwalior</b>     | Dabra (Loose)       | NA   | NA   | -           |
| <b>Guar Gum</b>       |                    |                     |      |      |             |
| <b>Rajasthan</b>      | <b>Jodhpur</b>     | Jodhpur             | 7950 | 8250 | <b>-300</b> |
|                       | <b>Alwar</b>       | Alwar               | 7880 | 8167 | <b>-287</b> |
|                       | <b>Hanumangarh</b> | Nohar               | 8167 | 8083 | <b>83</b>   |
| <b>Haryana</b>        | <b>Bhiwani</b>     | Bhiwani             | 7988 | 8063 | <b>-74</b>  |
|                       | <b>Sirsa</b>       | Sirsa               | 7950 | 8192 | <b>-242</b> |
|                       |                    | Dhabwali            | 8083 | 8150 | <b>-67</b>  |
|                       |                    | Ellanabad           | 8000 | 8150 | <b>-150</b> |
|                       | <b>Fatehabad</b>   | Fatehabad           | 7900 | NR   | -           |

| <b>Week on Week Price: Scenario of Guarseed and Guargum:</b> |                       |                           |                  |                 |                  |                  |
|--|-----------------------|---------------------------|------------------|-----------------|------------------|------------------|
| <b>Commodity</b>   | <b>District</b>       | <b>Centre</b>             | <b>Today</b>     | <b>Week Ago</b> | <b>Month Ago</b> | <b>Year Ago</b>  |
| <b>Guar Seed</b>   |                       |                           | <b>12-May-17</b> | <b>5-May-17</b> | <b>12-Apr-17</b> | <b>12-May-16</b> |
| <b>Rajasthan</b>   | <b>Jodhpur</b>        | Jodhpur (Loose)           | 3760             | 3700            | 4000             | 3225             |
|  |                       | Jodhpur(Delivery)         | 3910             | 3850            | 4150             | 3375             |
|  | <b>Sri-Ganganagar</b> | Sri-Ganganagar(Loose)     | 3600             | 3450            | 3950             | 3150             |
|  |                       | Sri-Ganganagar (Delivery) | 3750             | 3600            | 4150             | 3250             |
|  |                       | Rawla (Loose)             | 3550             | 3550            | 3850             | 3040             |
|  |                       | Gharsana (Loose)          | 3570             | 3500            | 3900             | 3020             |
|  |                       | Raisinghnagar (Loose)     | 3560             | 3500            | 3875             | 3020             |

|                  |                    |                        |      |      |      |      |
|------------------|--------------------|------------------------|------|------|------|------|
|                  | <b>Bikaner</b>     | Bikaner (Loose)        | 3600 | NR   | 3842 | 3065 |
|                  |                    | Bikaner (Delivery)     | 3750 | NR   | 3992 | 3215 |
|                  |                    | Nokha(Loose)           | 3550 | 3500 | 3710 | 3000 |
|                  |                    | Nokha (Delivery)       | 3678 | 3626 | 3844 | 3108 |
|                  |                    | Khajuwala (Loose)      | 3600 | 3600 | 3900 | 3060 |
|                  |                    | Khajuwala (Delivery)   | 3744 | 3744 | 4056 | 3182 |
|                  |                    | Lunkaransar (Loose)    | 3550 | 3450 | 3800 | 3050 |
|                  | <b>Hanumangarh</b> | Hanumangarh (Loose)    | 3505 | 3600 | 3850 | 2950 |
|                  |                    | Hanumangarh (Delivery) | 3655 | 3750 | 4000 | 3100 |
|                  |                    | Nohar (Loose)          | 3600 | 3525 | 3900 | 3100 |
|                  |                    | Pilibanga (Loose)      | 3550 | 3550 | 3800 | 3025 |
|                  | <b>Nagaur</b>      | Nagaur (Loose)         | 3450 | 3350 | 3900 | 2950 |
|                  | <b>Churu</b>       | Churu (Delivery)       | 3650 | 3700 | 3900 | 3100 |
|                  | <b>Alwar</b>       | Alwar (Loose)          | 3400 | 3450 | 3650 | 2950 |
| <b>Haryana</b>   | <b>Hisar</b>       | Adampur (Loose)        | 3600 | 3575 | 3950 | 3070 |
|                  |                    | Adampur (Delivery)     | 3750 | 3725 | 4100 | 3220 |
|                  | <b>Bhiwani</b>     | Bhiwani (Delivery)     | 3725 | 3570 | 3980 | 3225 |
|                  |                    | Siwani (Loose)         | 3700 | 3650 | 3970 | 3200 |
|                  | <b>Sirsa</b>       | Sirsa (Loose)          | 3600 | 3600 | 3850 | 3050 |
|                  |                    | Dhabwali (Loose)       | 3550 | 3500 | 3850 | 2950 |
|                  |                    | Dhabwali (Delivery)    | 3700 | 3650 | 4000 | 3100 |
|                  |                    | Ellanabad (Loose)      | 3575 | 3475 | 3825 | 3080 |
|                  | <b>Fatehabad</b>   | Fatehabad (Loose)      | 3500 | NR   | 3900 | 3600 |
| <b>Gujarat</b>   | <b>Banaskantha</b> | Deesa (Loose)          | 3415 | 3400 | 3725 | NA   |
|                  | <b>Patan</b>       | Patan (Loose)          | 3390 | 3400 | 3740 | 3050 |
|                  | <b>Rajkot</b>      | Rajkot (Loose)         | 3425 | 3400 | 3750 | 3090 |
|                  | <b>Jamnagar</b>    | Dhrol (Loose)          | 3200 | 3090 | 3730 | 2950 |
| <b>M.P.</b>      | <b>Gwalior</b>     | Dabra (Loose)          | NA   | NA   | NA   | NA   |
| <b>Guar Gum</b>  |                    |                        |      |      |      |      |
| <b>Rajasthan</b> | <b>Jodhpur</b>     | Jodhpur                | 7950 | 7800 | 8400 | 5525 |
|                  | <b>Alwar</b>       | Alwar                  | 7800 | 8000 | 8300 | 5400 |
|                  | <b>Hanumangarh</b> | Nohar                  | 8200 | 7800 | 8600 | 5700 |
| <b>Haryana</b>   | <b>Bhiwani</b>     | Bhiwani                | 7980 | 7750 | 8600 | 5650 |
|                  | <b>Sirsa</b>       | Sirsa                  | 8000 | 7900 | 8400 | 5450 |
|                  |                    | Dhabwali               | 8000 | 7900 | 8400 | 5400 |
|                  |                    | Ellanabad              | 8000 | 7800 | 8500 | 5550 |
|                  | <b>Fatehabad</b>   | Fatehabad              | 7900 | NR   | 8400 | 6000 |

| Guar Cumulative Arrivals in Key Centers: |                |                |                            |                           |        |
|--|----------------|----------------|----------------------------|---------------------------|--------|
| Commodity                                | District       | Centre         | Weekly Arrivals (Quintals) |                           | Change |
| Guar Seed                                |                |                | 06th to 12th May.17        | 29th April to 05th May.17 |        |
| Rajasthan                                | Jodhpur        | Jodhpur        | 1436                       | 723                       | 713    |
|  | Sri-Ganganagar | Sri-Ganganagar | 2530                       | 2500                      | 30     |
|  |                | Rawla          | 750                        | 850                       | -100   |
|  |                | Gharsana       | 420                        | 520                       | -100   |
|  |                | Raisinghnagar  | 950                        | 1100                      | -150   |
|  | Bikaner        | Bikaner        | 1200                       | 1800                      | -600   |
|  |                | Nokha          | 2400                       | 3000                      | -600   |
|  |                | Khajuwala      | 650                        | 1400                      | -750   |
|  |                | Lunkaransar    | 900                        | 2300                      | -1400  |
|  | Hanumangarh    | Hanumangarh    | 283                        | 255                       | 28     |
|  |                | Nohar          | 4200                       | 6800                      | -2600  |
|  |                | Pilibanga      | 1100                       | 790                       | 310    |
|  | Nagaur         | Nagaur         | 410                        | 360                       | 50     |
|  | Churu          | Churu          | 4000                       | 4700                      | -700   |
|  | Alwar          | Alwar          | 1900                       | 2150                      | -250   |
| Haryana                                  | Hisar          | Adampur        | 3000                       | 1850                      | 1150   |
|  | Bhiwani        | Bhiwani        | 6600                       | 6000                      | 600    |
|  |                | Siwani         | 3600                       | 3600                      | Unch   |
|  | Sirsa          | Sirsa          | 2400                       | 2450                      | -50    |
|  |                | Dhabwali       | 900                        | 500                       | 400    |
|  |                | Ellanabad      | 550                        | 420                       | 130    |
|  | Fatehabad      | Fatehabad      | 40                         | NR                        | -      |
| Gujarat                                  | Banaskantha    | Deesa          | 456                        | 359                       | 97     |
|  | Patan          | Patan          | 310                        | 554                       | -244   |
|  | Rajkot         | Rajkot         | 950                        | 350                       | 600    |
|  | Jamnagar       | Dhrol          | 6                          | 23                        | -17    |
| Madhya Pradesh                           | Gwalior        | Dabra          | NA                         | NA                        | -      |
| Total Arrivals/Above Markets             |                |                | 41941                      | 45354                     | -3413  |

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