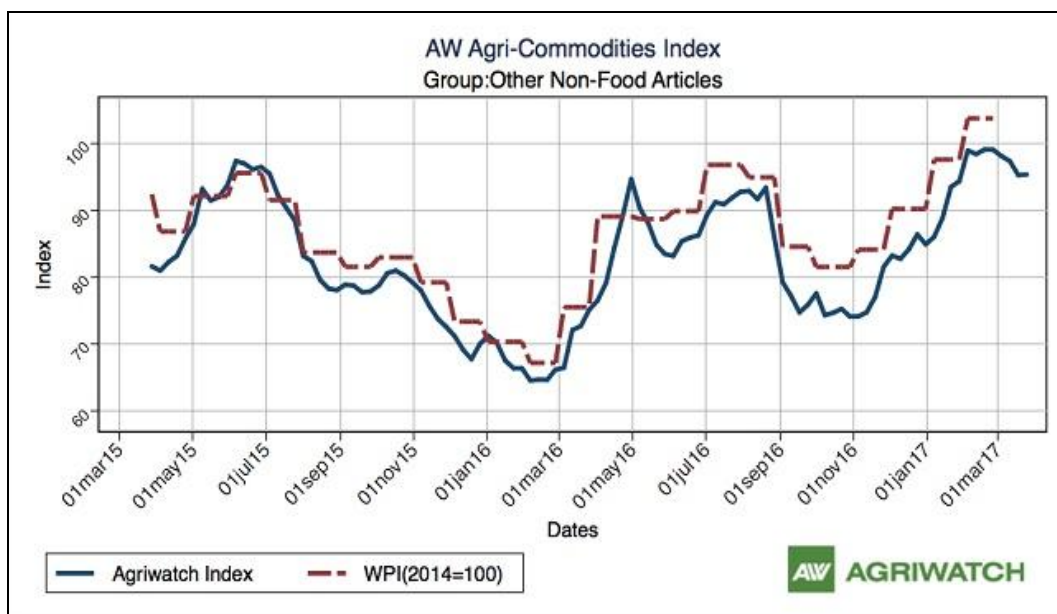


Guar Weekly Research Report

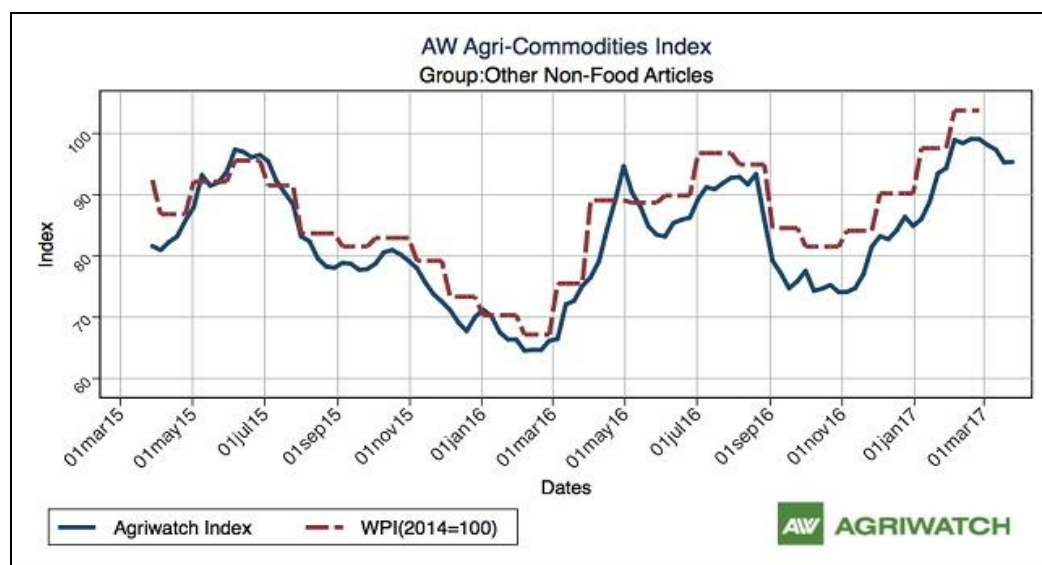
Contents

- ❖ Agriwatch Agri Commodity Index
- ❖ Executive Summary
- ❖ Recommendations
- ❖ Domestic Market Fundamentals
- ❖ Export Scenario
- ❖ Processing Margins
- ❖ Technical Analysis (Futures Market)
- ❖ Guar Seed & Gum Prices at Key Spot Markets

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. The daily indices are available on subscription. Please contact for more details.

Executive Summary

Domestic Guar Seed Market Summary

Haryana has reduced its sowing target of guar to 3 lakh hectares down by around 1 lakh hectares. Normally Haryana sows 4.09 lakh hectares of guar but due to low prices in the last two years, farmers have shifted their interest to cotton in hope of better prices as MSP cotton can be increased by Rs. 160 per quintal. In Haryana, around sixty percent (3.81 lakh hectares) cotton area has been sowed in the last three weeks and if the sowing crosses the target area of government (6.35 lakh hectares) guar area is bound to fall in the upcoming season.

All India weekly average prices decreased by 2.12 percent to Rs. 3354.01 per quintal during the week ended 15th May 2017. Guar seed average price were ruling at Rs 3426.77 per quintal during 01-08 May 2017. As compared to prices in the week 09-15 May 2016, the prices are firm by 19.45 percent. Prices are expected to remain range bound to weak in coming days.

Monsoon is likely to arrive early this year and is expected to hit south Kerala coast on 30th May'17, early by around two days. Furthermore, India may receive higher monsoon rainfall this year compared to previous forecast as probability of El Nino has been reduced. Monsoon rains, which arrive in Andaman & Nicobar around May 20th, have already reached on 14th May, around six days ahead of schedule.

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 oilrigs is increasing demand for guar gum is also expected to increase further.

As per data released by baker hughes the number of oil rigs in USA has increased to 901 until 19th May up by 16 compared to last week and by 497 compared to 20th May 2016. Guar gum is used in hydraulic fracturing for extracting oil and gas; therefore, as the number of oilrigs is increasing demand for guar gum is also expected to increase. The number of oilrigs is expected to increase further in coming months which will provide support to guar gum prices.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (4400 quintals) compared to previous week 3000 quintals.

As far as arrivals are concerned Bikaner market, reported higher arrivals (1700 Quintals), arrivals compared to previous week 1200 quintals.

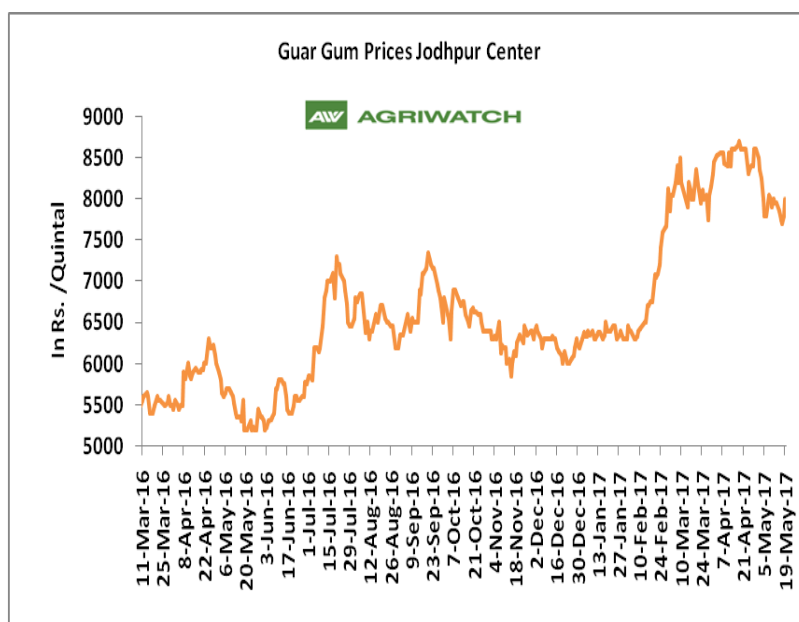
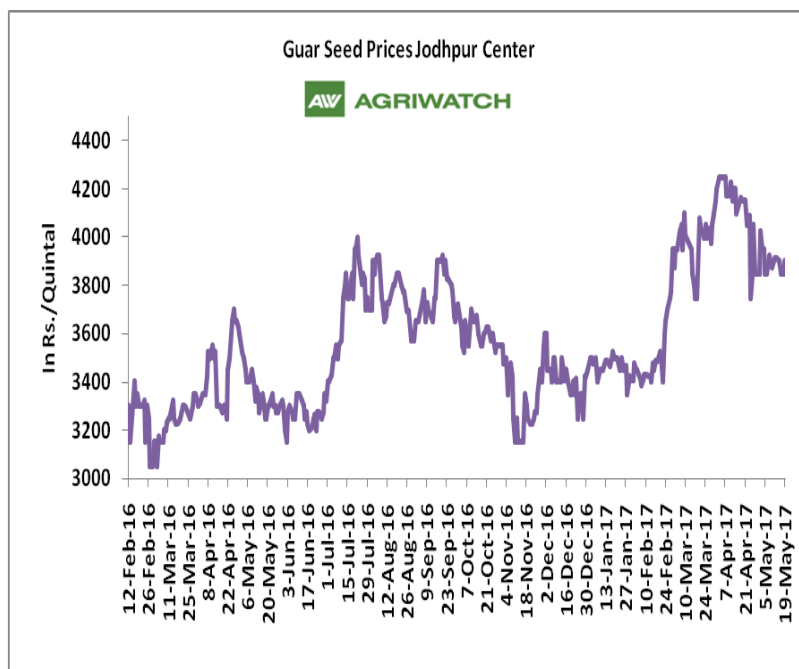
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 3680 levels for a target of 3510 with a stop loss at 3737 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

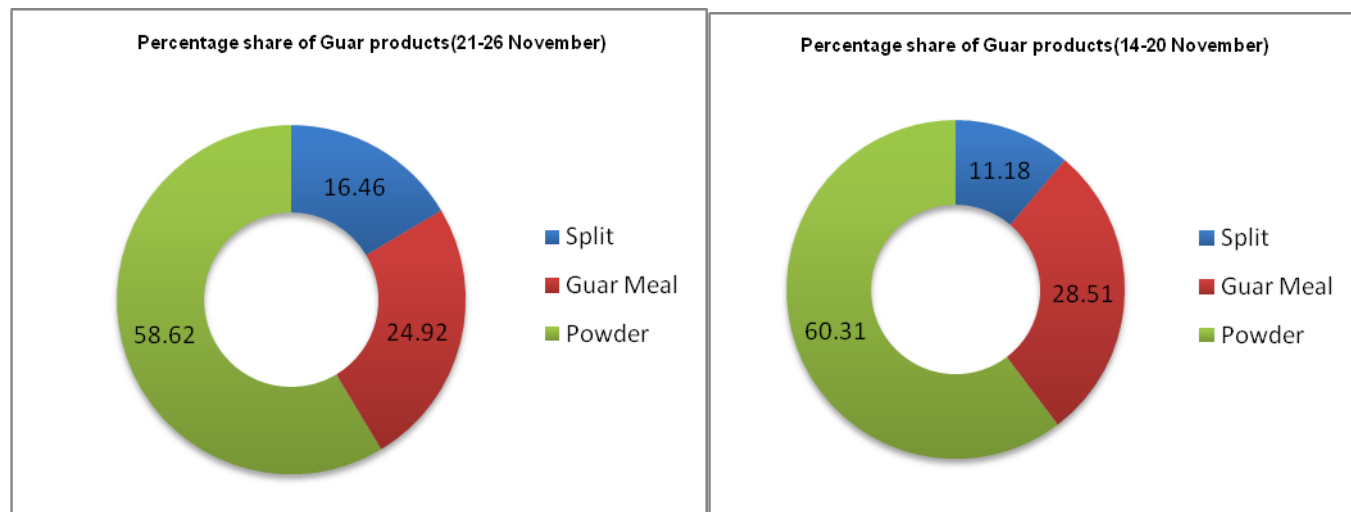
- In the week ended 19 May'17, Guar seed weekly average prices decreased by Rs 16.67 /- qtl during the week compared to previous week and settled at Rs 3877 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 108.33/- qtl and settled at Rs. 7842 per quintal. Weak demand for guar 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 (21st - 26th November 2016)

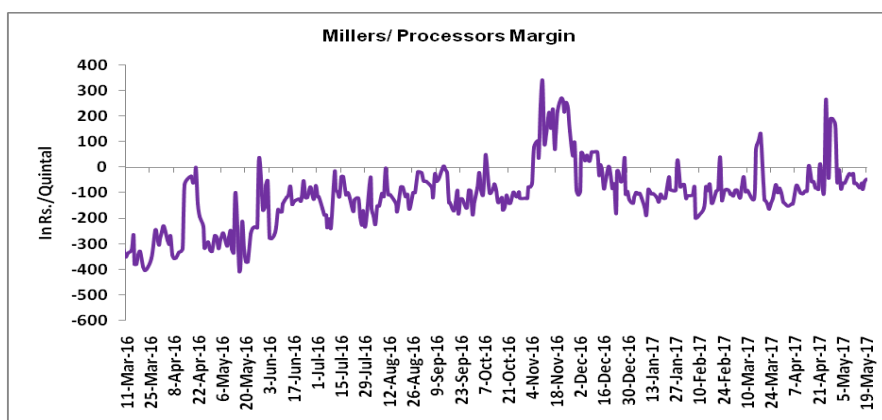
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



Millers/Processors Margin

In the week ended 19 May '17, average crush margin is Rs. -65.46/Quintal, compared to last week's -40.68/Quintal. Therefore crushing is favorable for Millers/Processors.

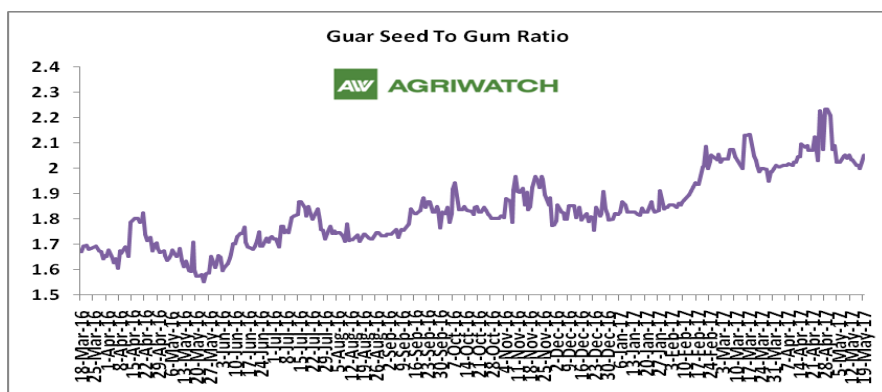
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 19 May'17 is 2.02, lower compared to last week's 2.04

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 open interest indicates long liquidation.
- 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	3445	3390	3672	3810	3865
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	June	Sell	Below 3680	3585	3510	3737

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 open interest indicates long liquidation.
- 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	7250	7105	7888	8215	8390
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	Sell	Below 7895	7625	7410	8057

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	13th to 19th May 17	06th to 12th May 17	Change
Churi	Jodhpur	1507	1522	-15
Korma	Jodhpur	1934	1938	-3
Churi	Sri-Ganganagar	1347	1363	-16
Korma	Sri-Ganganagar	1791	1806	-16

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	13th to 19th May 17	06th to 12th May 17	Change
Guargum Split		1208	1224	-16
Guargum Powder	200 Mesh 5000 CPS	1519	1535	-16
	200 Mesh 3500 CPS	1441	1457	-16
Guargum Meal	40%	327	326	1
	50%	404	404	1

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			13th to 19th May 17	06th to 12th May 17	
Rajasthan	Jodhpur	Jodhpur (Loose)	3727	3743	-17
		Jodhpur(Delivery)	3877	3893	-17
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3567	3608	-42
		Sri-Ganganagar (Delivery)	3708	3750	-42
		Rawla (Loose)	3509	3510	-1
		Gharsana (Loose)	3510	3550	-40
		Raisinghnagar (Loose)	3522	3543	-22
	Bikaner	Bikaner (Loose)	3555	3583	-28
		Bikaner (Delivery)	3705	3733	-28
		Nokha(Loose)	3509	3552	-43
		Nokha (Delivery)	3635	3680	-44
		Khajuwala (Loose)	3571	3583	-12
		Khajuwala (Delivery)	3714	3726	-12
		Lunkaransar (Loose)	3600	3510	90
	Hanumangarh	Hanumangarh (Loose)	3602	3560	42
		Hanumangarh (Delivery)	3752	3710	42
		Nohar (Loose)	3555	3571	-16

		Pilibanga (Loose)	3578	3542	36
	Nagaur	Nagaur (Loose)	3408	3347	62
	Churu	Churu (Delivery)	3690	3663	28
	Alwar	Alwar (Loose)	3410	3415	-5
Haryana	Hisar	Adampur (Loose)	3558	3600	-42
		Adampur (Delivery)	3708	3750	-42
	Bhiwani	Bhiwani (Delivery)	3679	3708	-29
		Siwani (Loose)	3663	3683	-20
	Sirsa	Sirsa (Loose)	3558	3612	-53
		Dhabwali (Loose)	3517	3529	-13
		Dhabwali (Delivery)	3667	3679	-13
		Ellanabad (Loose)	3525	3567	-42
	Fatehabad	Fatehabad (Loose)	3500	3500	Unch
Gujarat	Banaskantha	Deesa (Loose)	3282	3411	-129
	Patan	Patan (Loose)	3383	3405	-23
	Rajkot	Rajkot (Loose)	3392	3390	2
	Jamnagar	Dhrol (Loose)	3320	3200	120
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7842	7950	-108
	Alwar	Alwar	7880	7880	Unch
	Hanumangarh	Nohar	8000	8167	-167
Haryana	Bhiwani	Bhiwani	7950	7988	-38
	Sirsa	Sirsa	7817	7950	-133
		Dhabwali	7867	8083	-217
		Ellanabad	7858	8000	-142
	Fatehabad	Fatehabad	7540	7900	-360

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			19-May-17	12-May-17	19-Apr-17	19-May-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3750	3760	4000	3100
		Jodhpur(Delivery)	3900	3910	4150	3250
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3550	3600	3950	2925
		Sri-Ganganagar (Delivery)	3700	3750	4150	3075
		Rawla (Loose)	3530	3550	3800	2950
		Gharsana (Loose)	3500	3570	3840	2940
		Raisinghnagar (Loose)	3570	3560	3850	2925

	Bikaner	Bikaner (Loose)	3600	3600	3850	2950
		Bikaner (Delivery)	3750	3750	4000	3100
		Nokha(Loose)	3550	3550	3800	2970
		Nokha (Delivery)	3678	3678	3937	3077
		Khajuwala (Loose)	3625	3600	3850	2960
		Khajuwala (Delivery)	3770	3744	4004	3078
		Lunkaransar (Loose)	3800	3550	3750	2900
	Hanumangarh	Hanumangarh (Loose)	3600	3505	3927	2820
		Hanumangarh (Delivery)	3750	3655	4077	2970
		Nohar (Loose)	3600	3600	3900	2900
		Pilibanga (Loose)	3625	3550	3900	2930
	Nagaur	Nagaur (Loose)	3500	3450	3900	2800
	Churu	Churu (Delivery)	3650	3650	4000	3100
	Alwar	Alwar (Loose)	3400	3400	3800	2900
Haryana	Hisar	Adampur (Loose)	3550	3600	3900	2935
		Adampur (Delivery)	3700	3750	4050	3085
	Bhiwani	Bhiwani (Delivery)	3725	3725	3970	3125
		Siwani (Loose)	3675	3700	3900	3100
	Sirsa	Sirsa (Loose)	3550	3600	3900	2970
		Dhabwali (Loose)	3600	3550	3850	2978
		Dhabwali (Delivery)	3750	3700	4000	3128
		Ellanabad (Loose)	3550	3575	3900	3050
	Fatehabad	Fatehabad (Loose)	NR	3500	4000	3600
	Gujarat	Banaskantha	Deesa (Loose)	3275	3415	3725
Patan		Patan (Loose)	3425	3390	3705	2940
Rajkot		Rajkot (Loose)	3425	3425	3725	3045
Jamnagar		Dhrol (Loose)	NA	3200	3330	2890
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8000	7950	8600	5200
	Alwar	Alwar	7900	7800	8600	5100
	Hanumangarh	Nohar	8100	8200	8600	5400
Haryana	Bhiwani	Bhiwani	8150	7980	8125	5100
	Sirsa	Sirsa	8000	8000	8650	5100
		Dhabwali	8000	8000	8600	5350
		Ellanabad	8000	8000	8500	5500
	Fatehabad	Fatehabad	NR	7900	8600	6000

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			13th to 19th May 17	06th to 12th May 17	
Rajasthan	Jodhpur	Jodhpur	634	1436	-802
	Sri-Ganganagar	Sri-Ganganagar	2755	2530	225
		Rawla	550	750	-200
		Gharsana	410	420	-10
		Raisinghnagar	1040	950	90
	Bikaner	Bikaner	1700	1200	500
		Nokha	1900	2400	-500
		Khajuwala	2300	650	1650
		Lunkaransar	1400	900	500
	Hanumangarh	Hanumangarh	382	283	99
		Nohar	4800	4200	600
		Pilibanga	950	1100	-150
	Nagaur	Nagaur	965	410	555
	Churu	Churu	2100	4000	-1900
	Alwar	Alwar	550	1900	-1350
Haryana	Hisar	Adampur	4400	3000	1400
	Bhiwani	Bhiwani	5800	6600	-800
		Siwani	3500	3600	-100
	Sirsa	Sirsa	2850	2400	450
		Dhabwali	250	900	-650
		Ellanabad	708	550	158
	Fatehabad	Fatehabad	50	40	10
Gujarat	Banaskantha	Deesa	421	456	-35
	Patan	Patan	351	310	41
	Rajkot	Rajkot	830	950	-120
	Jamnagar	Dhrol	66	6	60
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			41662	41941	-279

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