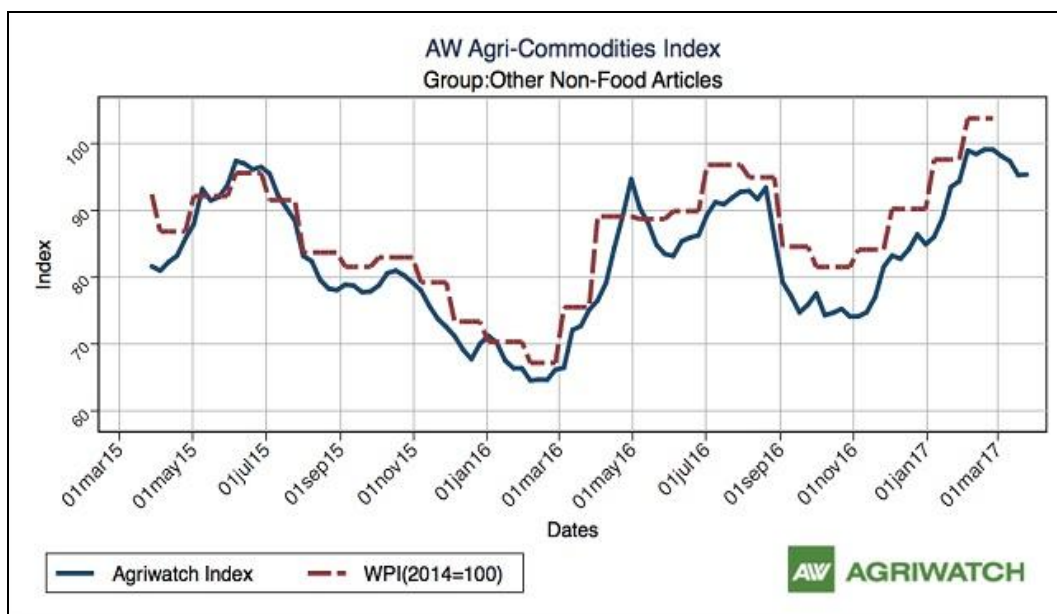


# Guar Weekly Research Report

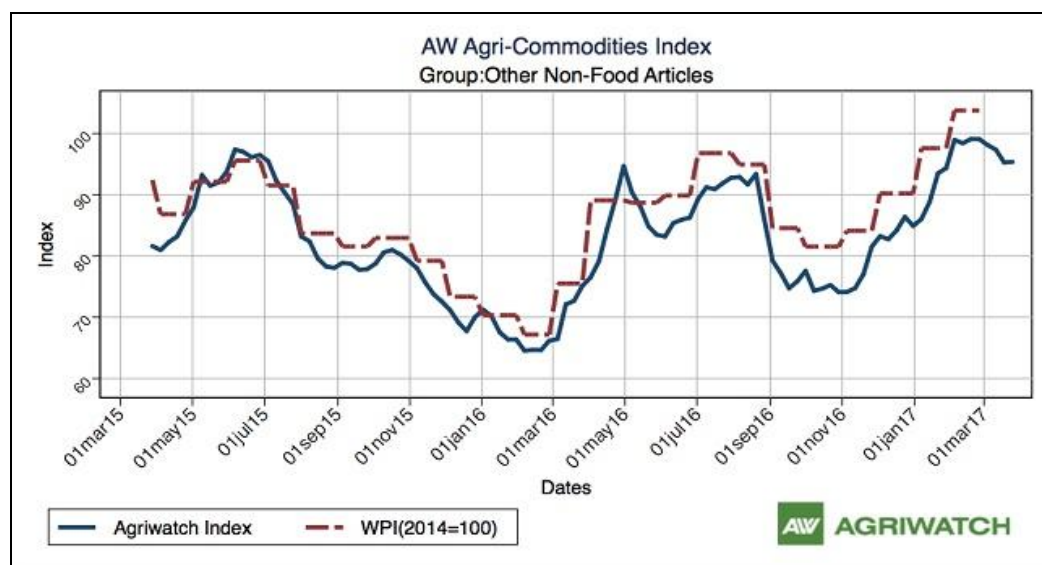
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### Agriwatch Agri Commodity Index



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

All India weekly average prices decreased by 4.09 percent to Rs. 3216.87 per quintal during the week ended 23rd May 2017. Guar seed average price were ruling at Rs 3354.01 per quintal during 09-15 May 2017. As compared to prices in the week 16-23 May 2016, the prices are firm by 16.15 percent. Prices are expected to remain range bound to slightly weak in coming days.

Normal monsoon rains are expected now as adverse El Niño weather condition has weakened. After its likely onset on May 29-30, the southwest monsoon June may receive 164 mm, July-289 mm and Aug-269 mm rains. Chhattisgarh and Vidarbha were expected to get a good amount of pre-monsoon showers during June, where the usual onset date is late June or early July.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 908 until 26<sup>th</sup> May up by 7 compared to last week and by 504 compared to 27<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.

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 eighty-four percent (5.33 lakh hectares) cotton area has been sowed until 23 May and if the sowing crosses, the target area of government (6.35 lakh hectares) guar area is bound to fall in the upcoming season.

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.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (5600 quintals) compared to previous week 4400 quintals.

As far as arrivals are concerned Bikaner market, reported higher arrivals (2300 Quintals), arrivals compared to previous week 1700 quintals.

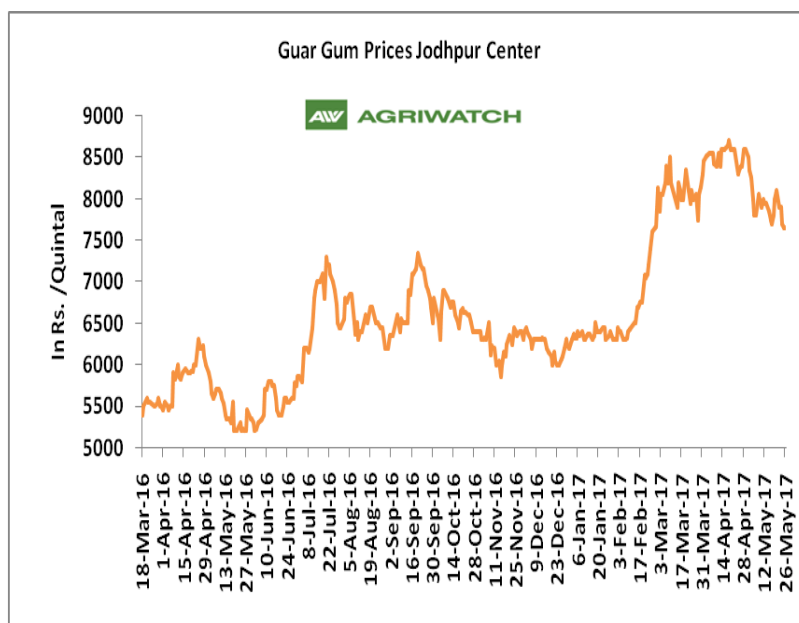
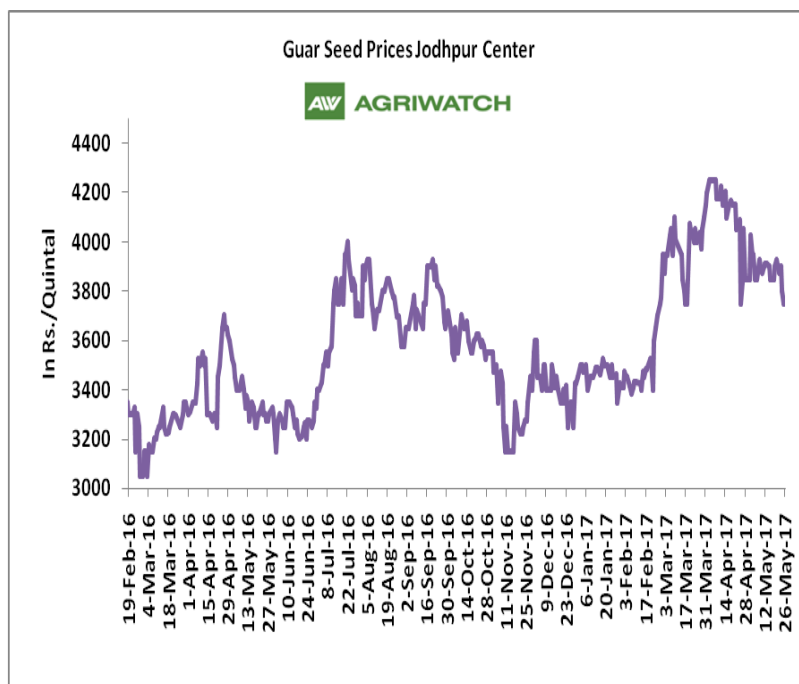
### Recommendation:

**Weekly Call - : Market participants are advised to Sell Guar seed at 3545 levels for a target of 3325 with a stop loss at 3620 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

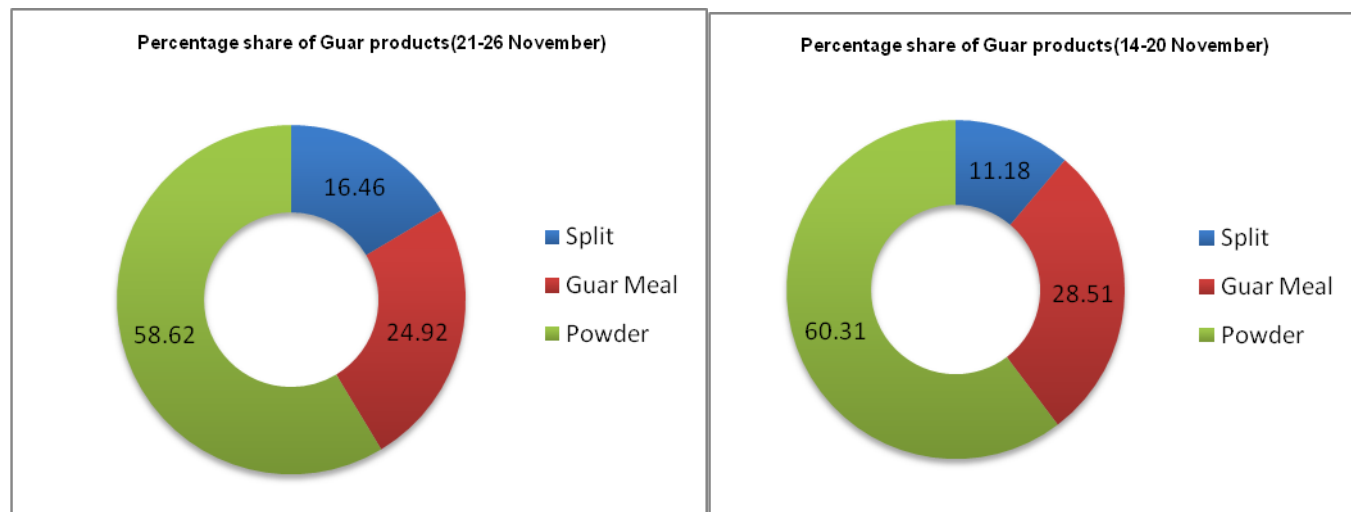
- In the week ended 26 May'17, Guar seed weekly average prices decreased by Rs 43.33 /- qtl during the week compared to previous week and settled at Rs 3833 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 25/- qtl and settled at Rs. 7817 per quintal. Weak demand for guar gum 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)

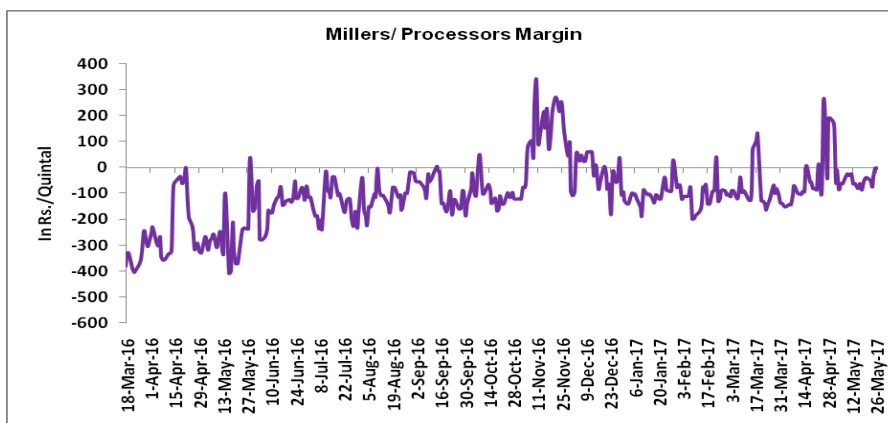
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



## Millers/Processors Margin

In the week ended 26 May '17, average crush margin is Rs. -34.09/Quintal, compared to last week's -65.46/Quintal. Therefore crushing is favorable for Millers/Processors.

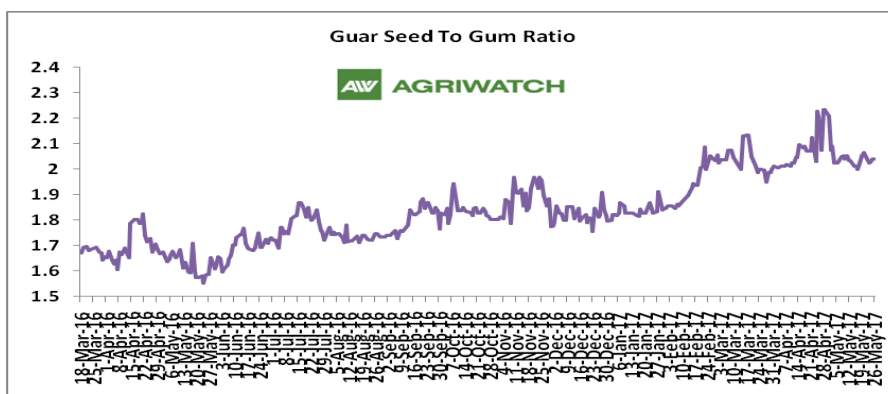
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



## Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 26 May'17 is 2.04, higher compared to last week's 2.02

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  
Contract: June

Exchange: NCDEX  
Expiry: June 20, 2017

#### Guar Seed (June Weekly Chart)



#### 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	3210	3125	3538	3735	3810
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed 10MT	NCDEX	June	<b>Sell</b>	Below 3545	3420	3325	3620

### Technical Analysis (Guar Gum)

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

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



#### 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	7090	6945	7673	8015	8190
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	<b>Sell</b>	Below 7685	7455	7275	7823

**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>20th to 26th May 17</b>	<b>13th to 19th May 17</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1500	1507	<b>-7</b>
<b>Korma</b>	Jodhpur	1931	1934	<b>-3</b>
<b>Churi</b>	Sri-Ganganagar	1343	1347	<b>-4</b>
<b>Korma</b>	Sri-Ganganagar	1781	1791	<b>-10</b>

<b>Guar Export Weekly Average Prices (Prices in \$/MT)</b>				
<b>Commodity</b>	<b>Variety</b>	<b>20th to 26th May 17</b>	<b>13th to 19th May 17</b>	<b>Change</b>
<b>Guargum Split</b>		1191	1208	<b>-17</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1501	1519	<b>-18</b>
	200 Mesh 3500 CPS	1423	1441	<b>-18</b>
<b>Guargum Meal</b>	40%	325	327	<b>-2</b>
	50%	402	404	<b>-2</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>20th to 26th May 17</b>	<b>13th to 19th May 17</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3683	3727	<b>-43</b>
		Jodhpur(Delivery)	3833	3877	<b>-43</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3525	3567	<b>-42</b>
		Sri-Ganganagar (Delivery)	3683	3708	<b>-25</b>
		Rawla (Loose)	3471	3509	<b>-38</b>
		Gharsana (Loose)	3404	3510	<b>-106</b>
		Raisinghnagar (Loose)	3467	3522	<b>-55</b>
	<b>Bikaner</b>	Bikaner (Loose)	3464	3555	<b>-91</b>
		Bikaner (Delivery)	3614	3705	<b>-91</b>
		Nokha(Loose)	3430	3509	<b>-79</b>
		Nokha (Delivery)	3553	3635	<b>-82</b>
		Khajuwala (Loose)	3507	3571	<b>-64</b>
		Khajuwala (Delivery)	3647	3714	<b>-67</b>
		Lunkaransar (Loose)	3483	3600	<b>-117</b>
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3527	3602	<b>-74</b>
		Hanumangarh (Delivery)	3677	3752	<b>-74</b>
		Nohar (Loose)	3503	3555	<b>-52</b>

		Pilibanga (Loose)	3525	3578	<b>-53</b>
	<b>Nagaur</b>	Nagaur (Loose)	3422	3408	<b>13</b>
	<b>Churu</b>	Churu (Delivery)	3575	3690	<b>-115</b>
	<b>Alwar</b>	Alwar (Loose)	3333	3410	<b>-77</b>
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3480	3558	<b>-78</b>
		Adampur (Delivery)	3630	3708	<b>-78</b>
	<b>Bhiwani</b>	Bhiwani (Delivery)	3628	3679	<b>-51</b>
		Siwani (Loose)	3585	3663	<b>-78</b>
	<b>Sirsa</b>	Sirsa (Loose)	3483	3558	<b>-76</b>
		Dhabwali (Loose)	3471	3517	<b>-46</b>
		Dhabwali (Delivery)	3621	3667	<b>-46</b>
		Ellanabad (Loose)	3438	3525	<b>-87</b>
	<b>Fatehabad</b>	Fatehabad (Loose)	3500	3500	<b>Unch</b>
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	3213	3282	<b>-69</b>
	<b>Patan</b>	Patan (Loose)	3376	3383	<b>-7</b>
	<b>Rajkot</b>	Rajkot (Loose)	3373	3392	<b>-19</b>
	<b>Jamnagar</b>	Dhrol (Loose)	3215	3320	<b>-105</b>
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	<b>-</b>
<b>Guar Gum</b>					
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	7817	7842	<b>-25</b>
	<b>Alwar</b>	Alwar	7750	7880	<b>-130</b>
	<b>Hanumangarh</b>	Nohar	7850	8000	<b>-150</b>
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	7890	7950	<b>-60</b>
	<b>Sirsa</b>	Sirsa	7767	7817	<b>-50</b>
		Dhabwali	7733	7867	<b>-133</b>
		Ellanabad	7825	7858	<b>-33</b>
	<b>Fatehabad</b>	Fatehabad	7000	7540	<b>-540</b>

<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>26-May-17</b>	<b>19-May-17</b>	<b>26-Apr-17</b>	<b>26-May-16</b>
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3600	3750	3690	3125
		Jodhpur(Delivery)	3750	3900	3840	3275
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3500	3550	3750	2900
		Sri-Ganganagar (Delivery)	3650	3700	3850	3050
		Rawla (Loose)	3400	3530	3700	2925
		Gharsana (Loose)	3300	3500	3700	2860

		Raisinghnagar (Loose)	3400	3570	3750	2940
	<b>Bikaner</b>	Bikaner (Loose)	3370	3600	3750	2950
		Bikaner (Delivery)	3520	3750	3900	3100
		Nokha(Loose)	3300	3550	3725	2950
		Nokha (Delivery)	3419	3678	3859	3056
		Khajuwala (Loose)	3400	3625	3730	2925
		Khajuwala (Delivery)	3536	3770	3879	3042
		Lunkaransar (Loose)	3400	3800	3700	2925
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3416	3600	3600	2860
		Hanumangarh (Delivery)	3566	3750	3750	3010
		Nohar (Loose)	3450	3600	3830	2950
		Pilibanga (Loose)	3450	3625	3660	2890
	<b>Nagaur</b>	Nagaur (Loose)	3300	3500	3750	2800
	<b>Churu</b>	Churu (Delivery)	3500	3650	3900	3050
	<b>Alwar</b>	Alwar (Loose)	3300	3400	3600	2900
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3410	3550	3825	2950
		Adampur (Delivery)	3560	3700	3975	3100
	<b>Bhiwani</b>	Bhiwani (Delivery)	3500	3725	3900	3150
		Siwani (Loose)	3500	3675	3850	3080
	<b>Sirsa</b>	Sirsa (Loose)	3440	3550	3750	2970
		Dhabwali (Loose)	3350	3600	3900	2860
		Dhabwali (Delivery)	3500	3750	4050	3010
		Ellanabad (Loose)	3400	3550	3800	3050
	<b>Fatehabad</b>	Fatehabad (Loose)	NR	3500	3900	3000
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	3250	3275	3600	NA
	<b>Patan</b>	Patan (Loose)	3365	3425	3580	2880
	<b>Rajkot</b>	Rajkot (Loose)	3300	3425	3590	3000
	<b>Jamnagar</b>	Dhrol (Loose)	3120	3250	3460	2775
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	7650	8000	8400	5200
	<b>Alwar</b>	Alwar	7600	7900	8300	5100
	<b>Hanumangarh</b>	Nohar	7700	8100	8500	5200
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	7600	8150	8300	5100
	<b>Sirsa</b>	Sirsa	7650	8000	8500	5150
		Dhabwali	7500	8000	8550	5150
		Ellanabad	7750	8000	8400	5500
	<b>Fatehabad</b>	Fatehabad	NR	7000	8600	5500

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			20th to 26th May 17	13th to 19th May 17	
Rajasthan	Jodhpur	Jodhpur	765	634	131
	Sri-Ganganagar	Sri-Ganganagar	10000	2755	7245
		Rawla	920	550	370
		Gharsana	520	410	110
		Raisinghnagar	1750	1040	710
	Bikaner	Bikaner	2300	1700	600
		Nokha	2300	1900	400
		Khajuwala	1950	2300	-350
		Lunkaransar	1700	1400	300
	Hanumangarh	Hanumangarh	610	382	228
		Nohar	6000	4800	1200
		Pilibanga	2700	950	1750
	Nagaur	Nagaur	2270	965	1305
	Churu	Churu	2950	2100	850
	Alwar	Alwar	930	550	380
Haryana	Hisar	Adampur	5600	4400	1200
	Bhiwani	Bhiwani	21000	5800	15200
		Siwani	3500	3500	Unch
	Sirsa	Sirsa	5300	2850	2450
		Dhabwali	770	250	520
		Ellanabad	1150	708	442
	Fatehabad	Fatehabad	45	50	-5
Gujarat	Banaskantha	Deesa	1450	421	1029
	Patan	Patan	270	351	-81
	Rajkot	Rajkot	842	830	12
	Jamnagar	Dhrol	26	66	-40
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			77618	41662	35956

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