

Guar Weekly Research Report

Contents

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

Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices increased by 5.06 percent to Rs. 3385.90 per quintal during the week ended 15th August 2017. Guar seed average price were ruling at Rs 3222.89 per quintal during 01-08 August 2017. As compared to prices in the week 09-15 August 2016, the prices are firm by 2.48 percent. Prices are expected to remain steady to firm in coming days.

As per latest update by Rajasthan agriculture department, guar seed has been sown in 2826.5 thousand hectares until 15th August 2017 against a target of 3800 thousand hectares for current Kharif season. As compared to last year for the same date, area is up 116.5 thousand hectares. Last Kharif season guar was sown in 3530 thousand hectares. The last five year average area ending 2011-15 for guar seed in Rajasthan is 4424 thousand hectares.

As per data released by baker hughes the number of oil rigs in USA has decreased to 946 until 18th August 2017 down by 3 compared to last week and up by 455 compared to 19th August 2016. Guar gum is used in hydraulic fracturing for extracting oil and gas; therefore, as the number of oilrigs increases or decreases the demand for guar gum is also affected.

According to latest update, area sown in Gujarat until 14th August 2017 is 180800 hectares compared to 119500 hectares in the previous Kharif season. Area of guar is expected to be lower this season due to recent crop loss. Furthermore farmers are also shifting to other crops like cotton in irrigated areas and pulses in rain fed areas as these crops are fetching more returns. The last three year average normal area for guar seed in Gujarat is 292400 hectares.

As per market sources, in the month of May 2017 India has exported around 52983 tonnes of guar seed products in May compared to around 54389 tonnes in April 2017. For financial year 2016-17, India exported around 3.64 lakh tonnes of guar seed products have been exported compared to 2.03 lakh tonnes in financial year 2015-16 for the same period. The highest share was of USA followed by Norway and China.

The wholesale price index of guar seed has decreased from 78.5 in June 2017 to 76.8 in July 2017. The WPI for July 2017 is lower by 3.15 compared to last year for the same month and by 2.5 compared to July 2015.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (1700 quintals) compared to previous week 2900 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (800 quintals) compared to previous week 1350 quintals.

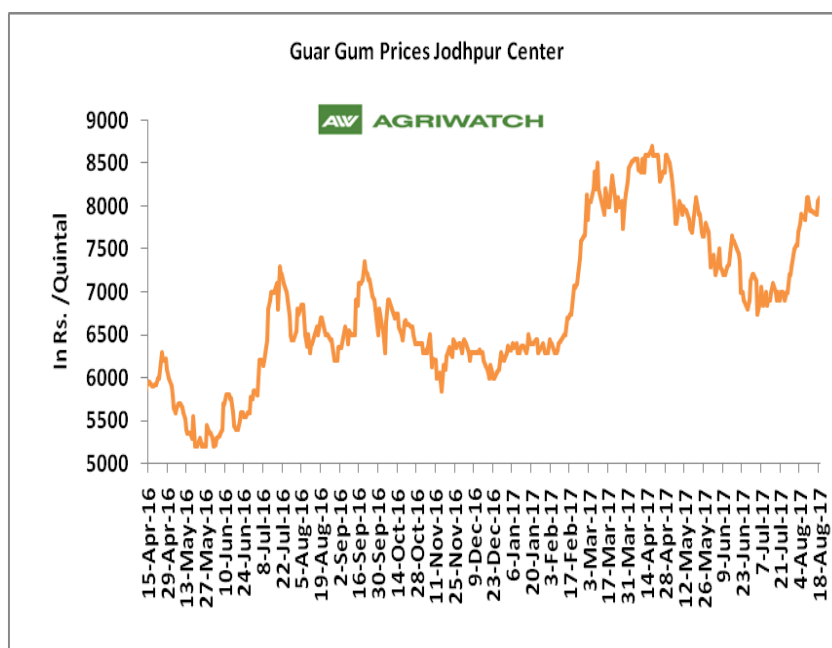
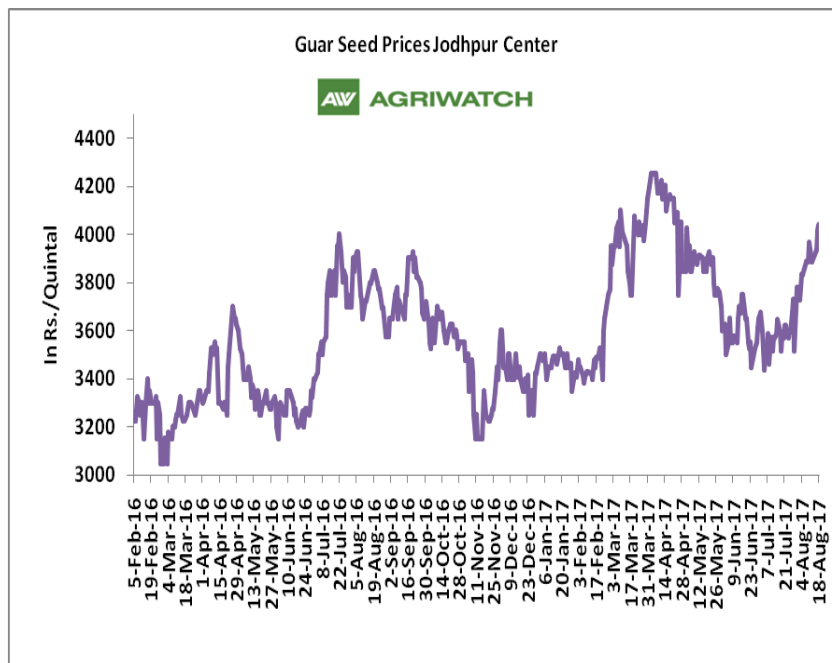
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 3915 levels for a target of 4080 with a stop loss at 3855 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

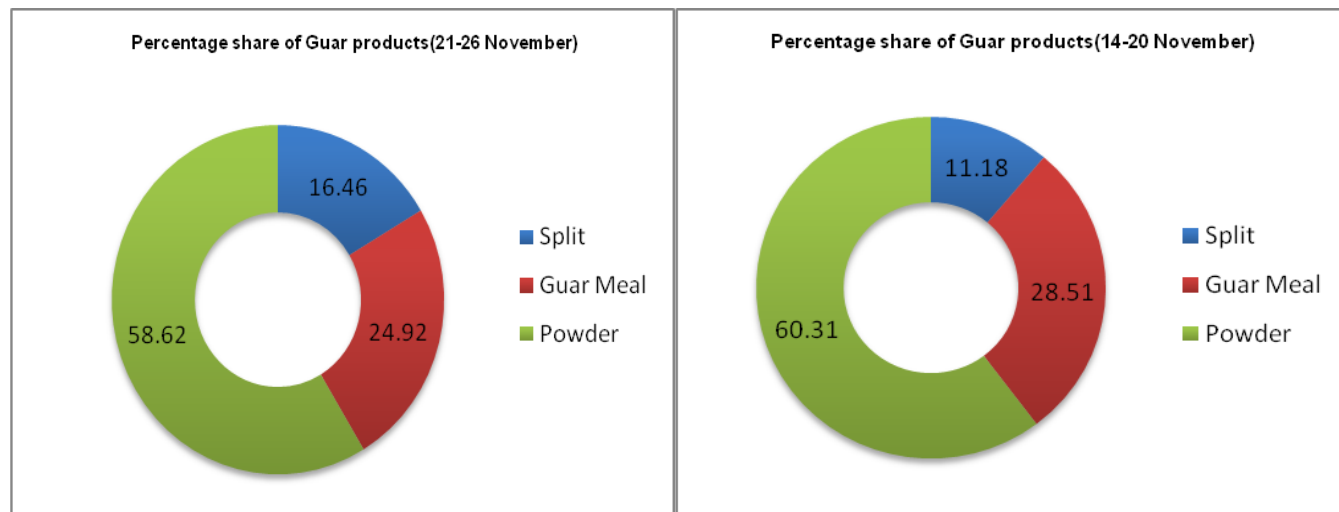
- In the week ended 18th August'17, Guar seed weekly average prices increased by Rs 69.56 /- qtl during the week compared to previous week and settled at Rs 3970 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 20/- qtl and settled at Rs. 8000 per quintal. Firm demand for guar gum from domestic as well as overseas market led the prices up 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 for 2016-17 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. There is no change in figures of second and third advance estimates released by Gujarat's Department of Agriculture for Guar.



Export Scenario

Export Scenario (21st - 26th November 2016)

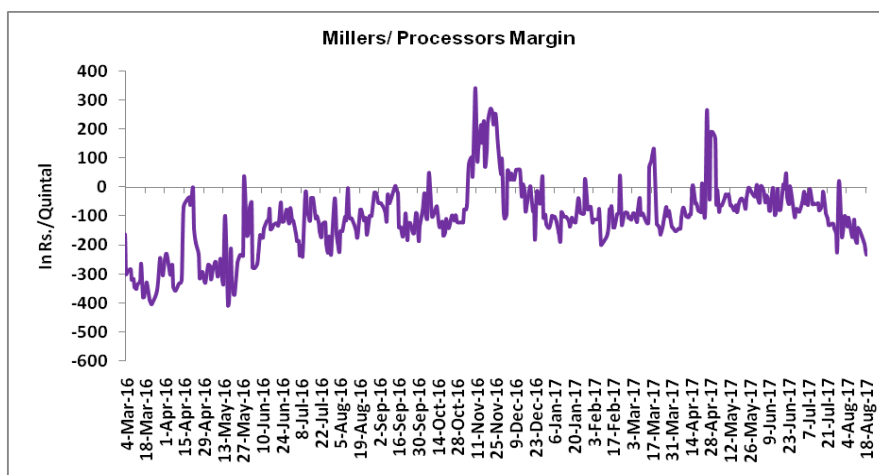
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



Millers/Processors Margin

In the week ended 18 August'17, average crush margin is Rs. -194.50/Quintal, compared to last week's -151.05/Quintal. Therefore crushing is not favorable for Millers/Processors.

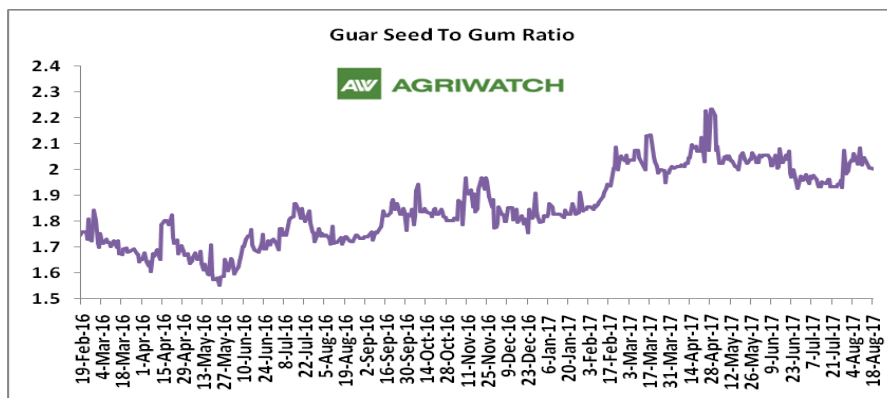
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 18 August'17 is 2.02, lower compared to last week's 2.05

Overall, weak demand of gum from overseas and good demand of seed from millers has decreased the overall ratio.





Technical Analysis (Guar Seed)

Commodity: Guar Seed
Contract: October

Exchange: NCDEX
Expiry: October 18, 2017



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- RSI is moving in neutral region.
- Last candlestick depicts bullishness in market.
- Prices closed above 9 and 18 day EMAs.

Strategy: Buy

| Weekly Supports & Resistances | | | S1 | S2 | PCP | R1 | R2 |
|-------------------------------|-------|---------|------|------------|------|------|------|
| Guar Seed | NCDEX | October | 3780 | 3735 | 3932 | 4145 | 4190 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Seed | NCDEX | October | Buy | Above 3915 | 4015 | 4080 | 3855 |



Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: October

Exchange: NCDEX
Expiry: October 18, 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.

Strategy: Buy

| Weekly Supports & Resistances | | | S1 | S2 | PCP | R1 | R2 |
|-------------------------------|-------|---------|------|------------|------|------|------|
| Guar Gum | NCDEX | October | 7910 | 7795 | 8177 | 8595 | 8690 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Gum | NCDEX | October | Buy | Above 8150 | 8325 | 8480 | 8045 |

Guar Seed & Gum Prices at Key Spot Markets

| Guar by – Products Weekly Average Prices (Prices in Rs/75kg) | | | | |
|---|----------------|---------------------------------|---------------------------------|---------------|
| Commodity | Centre | 12nd to 18th August 2017 | 05th to 11th August 2017 | Change |
| Churi | Jodhpur | 1422 | 1410 | 12 |
| Korma | Jodhpur | 1814 | 1775 | 39 |
| Churi | Sri-Ganganagar | 1221 | 1223 | -2 |
| Korma | Sri-Ganganagar | 1603 | 1597 | 6 |

| Guar Export Weekly Average Prices (Prices in \$/MT) | | | | |
|--|-------------------|---------------------------------|---------------------------------|---------------|
| Commodity | Variety | 12nd to 18th August 2017 | 05th to 11th August 2017 | Change |
| Guargum Split | | 1236 | 1243 | -8 |
| Guargum Powder | 200 Mesh 5000 CPS | 1536 | 1547 | -12 |
| | 200 Mesh 3500 CPS | 1458 | 1469 | -11 |
| Guargum Meal | 40% | 312 | 323 | -11 |
| | 50% | 359 | 370 | -11 |

| Guar Seed Weekly Average Prices: | | | | | |
|---|-----------------------|---------------------------|--|---------------------------------|---------------|
| Commodity | District | Centre | Weekly Prices (Average) (Rs/Qtl) | | Change |
| Guar Seed | | | 12nd to 18th August 2017 | 05th to 11th August 2017 | |
| Rajasthan | Jodhpur | Jodhpur (Loose) | 3781 | 3715 | 66 |
| | | Jodhpur(Delivery) | 3970 | 3901 | 70 |
| | Sri-Ganganagar | Sri-Ganganagar(Loose) | 3563 | 3450 | 113 |
| | | Sri-Ganganagar (Delivery) | 3750 | 3650 | 100 |
| | | Rawla (Loose) | 3623 | 3552 | 71 |
| | | Gharsana (Loose) | 3493 | 3504 | -12 |
| | | Raisinghnagar (Loose) | 3725 | 3579 | 146 |
| | Bikaner | Bikaner (Loose) | 3695 | 3564 | 131 |
| | | Bikaner (Delivery) | 3880 | 3742 | 138 |
| | | Nokha(Loose) | 3593 | 3516 | 77 |
| | | Nokha (Delivery) | 3773 | 3692 | 81 |
| | | Khajuwala (Loose) | 3700 | 3613 | 87 |
| | | Khajuwala (Delivery) | 3885 | 3794 | 91 |
| | | Lunkaransar (Loose) | 3613 | 3540 | 73 |
| | Hanumangarh | Hanumangarh (Loose) | 3458 | 3400 | 58 |
| | | Hanumangarh (Delivery) | 3631 | 3570 | 61 |

| | | | | | |
|-----------------------|--------------------|---------------------|------|------|-------------|
| | | Nohar (Loose) | 3590 | 3600 | -10 |
| | | Pilibanga (Loose) | NA | 3400 | - |
| | Nagaur | Nagaur (Loose) | 3563 | 3345 | 218 |
| | Churu | Churu (Delivery) | 3800 | 3710 | 90 |
| | Alwar | Alwar (Loose) | 3500 | 3450 | 50 |
| Haryana | Hisar | Adampur (Loose) | 3531 | 3499 | 32 |
| | | Adampur (Delivery) | 3708 | 3674 | 34 |
| | Bhiwani | Bhiwani (Delivery) | 3688 | 3650 | 38 |
| | | Siwani (Loose) | 3665 | 3595 | 70 |
| | Sirsa | Sirsa (Loose) | 3579 | 3486 | 93 |
| | | Dhabwali (Loose) | 3513 | 3515 | -3 |
| | | Dhabwali (Delivery) | 3688 | 3691 | -3 |
| | | Ellanabad (Loose) | 3475 | 3460 | 15 |
| | Fatehabad | Fatehabad (Loose) | 3500 | NR | - |
| | | | | | |
| Gujarat | Banaskantha | Deesa (Loose) | 3450 | 3435 | 15 |
| | Patan | Patan (Loose) | 3420 | 3391 | 29 |
| | Rajkot | Rajkot (Loose) | 3488 | 3401 | 87 |
| | Jamnagar | Dhrol (Loose) | NA | 3043 | - |
| Madhya Pradesh | Gwalior | Dabra (Loose) | 3240 | 3355 | -115 |
| Guar Gum | | | | | |
| Rajasthan | Jodhpur | Jodhpur | 8000 | 7980 | 20 |
| | Alwar | Alwar | 8050 | 7880 | 170 |
| | Hanumangarh | Nohar | 7950 | 7933 | 17 |
| Haryana | Bhiwani | Bhiwani | 8193 | 8050 | 143 |
| | Sirsa | Sirsa | 8050 | 8050 | Unch |
| | | Dhabwali | 8088 | 8120 | -33 |
| | | Ellanabad | 7975 | 7950 | 25 |
| | Fatehabad | Fatehabad | 7600 | NR | - |

| Week on Week Price: Scenario of Guarseed and Guargum: | | | | | | |
|---|-----------------------|---------------------------|-----------|-----------|-----------|-----------|
| Commodity | District | Centre | Today | Week Ago | Month Ago | Year Ago |
| Guar Seed | | | 18-Aug-17 | 11-Aug-17 | 18-Jul-17 | 17-Aug-16 |
| Rajasthan | Jodhpur | Jodhpur (Loose) | 3850 | 3750 | 3350 | 3650 |
| | | Jodhpur(Delivery) | 4043 | 3938 | 3518 | 3800 |
| | Sri-Ganganagar | Sri-Ganganagar(Loose) | 3550 | 3500 | 3200 | 3500 |
| | | Sri-Ganganagar (Delivery) | 3800 | 3700 | 3350 | 3650 |
| | | Rawla (Loose) | 3640 | 3560 | 3190 | 3430 |
| | | Gharsana (Loose) | NA | 3550 | 3150 | 3430 |

| | | | | | | |
|----------------|------------------|------------------------|------|------|------|------|
| | | Raisinghnagar (Loose) | NR | 3725 | 3165 | 3500 |
| | Bikaner | Bikaner (Loose) | 3700 | 3620 | 3220 | 3500 |
| | | Bikaner (Delivery) | 3885 | 3801 | 3381 | 3650 |
| | | Nokha(Loose) | 3600 | 3560 | 3200 | 3460 |
| | | Nokha (Delivery) | 3780 | 3738 | 3360 | 3585 |
| | | Khajuwala (Loose) | 3650 | 3640 | 3250 | 3500 |
| | | Khajuwala (Delivery) | 3833 | 3822 | 3413 | 3640 |
| | | Lunkaransar (Loose) | 3600 | 3600 | 3200 | 3650 |
| | Hanumangarh | Hanumangarh (Loose) | 3450 | NA | 3200 | 3400 |
| | | Hanumangarh (Delivery) | 3623 | NA | 3360 | 3550 |
| | | Nohar (Loose) | 3635 | 3600 | 3250 | 3525 |
| | | Pilibanga (Loose) | NA | NA | 3200 | 3420 |
| | Nagaur | Nagaur (Loose) | 3700 | 3350 | 3225 | 3200 |
| Churu | Churu (Delivery) | 3900 | 3800 | 3250 | 3600 | |
| Alwar | Alwar (Loose) | 3400 | 3600 | 3100 | 3450 | |
| Haryana | Hisar | Adampur (Loose) | 3525 | 3500 | 3250 | 3525 |
| | | Adampur (Delivery) | 3701 | 3675 | 3413 | 3675 |
| | Bhiwani | Bhiwani (Delivery) | 3650 | 3700 | 3350 | 3625 |
| | | Siwani (Loose) | 3700 | 3600 | 3350 | 3625 |
| | Sirsa | Sirsa (Loose) | 3625 | 3500 | 3235 | 3500 |
| | | Dhabwali (Loose) | 3525 | 3500 | 3050 | 3460 |
| | | Dhabwali (Delivery) | 3701 | 3675 | 3203 | 3610 |
| | | Ellanabad (Loose) | 3500 | 3500 | 3175 | 3500 |
| | Fatehabad | Fatehabad (Loose) | NR | NR | NR | 3550 |
| Gujarat | Banaskantha | Deesa (Loose) | 3400 | 3475 | 3200 | 3325 |
| | Patan | Patan (Loose) | NR | 3400 | 3105 | 3465 |
| | Rajkot | Rajkot (Loose) | 3450 | 3475 | 3100 | 3495 |
| | Jamnagar | Dhrol (Loose) | NA | NA | NA | 3290 |
| Madhya Pradesh | Gwalior | Dabra (Loose) | NA | 3355 | NA | 3400 |
| Guar Gum | | | | | | |
| Rajasthan | Jodhpur | Jodhpur | 8100 | 7950 | 6900 | 6500 |
| | Alwar | Alwar | 8100 | 8050 | 6800 | 6500 |
| | Hanumangarh | Nohar | 8100 | 8000 | 7000 | 6500 |
| Haryana | Bhiwani | Bhiwani | 8050 | 8200 | 7000 | 6450 |
| | Sirsa | Sirsa | 8100 | 8100 | 7000 | 6450 |
| | | Dhabwali | 8100 | 8000 | 7000 | 6500 |
| | | Ellanabad | 8000 | 8100 | 6900 | 6500 |
| | Fatehabad | Fatehabad | NR | NR | NR | 6450 |

| Guar Cumulative Arrivals in Key Centers: | | | | | |
|--|----------------|----------------|----------------------------|--------------------------|--------|
| Commodity | District | Centre | Weekly Arrivals (Quintals) | | Change |
| Guar Seed | | | 12nd to 18th August 2017 | 05th to 11th August 2017 | |
| Rajasthan | Jodhpur | Jodhpur | 126 | 657 | -531 |
| | Sri-Ganganagar | Sri-Ganganagar | 2300 | 2300 | Unch |
| | | Rawla | 350 | 750 | -400 |
| | | Gharsana | 140 | 270 | -130 |
| | | Raisinghnagar | 600 | 1100 | -500 |
| | Bikaner | Bikaner | 850 | 1350 | -500 |
| | | Nokha | 1200 | 1650 | -450 |
| | | Khajuwala | 1450 | 1550 | -100 |
| | | Lunkaransar | 1100 | 950 | 150 |
| | Hanumangarh | Hanumangarh | 155 | 60 | 95 |
| | | Nohar | 1850 | 1800 | 50 |
| | | Pilibanga | NA | 100 | - |
| | Nagaur | Nagaur | 1050 | 580 | 470 |
| | Churu | Churu | 1700 | 5400 | -3700 |
| | Alwar | Alwar | 750 | 800 | -50 |
| Haryana | Hisar | Adampur | 1700 | 2900 | -1200 |
| | Bhiwani | Bhiwani | 5000 | 8100 | -3100 |
| | | Siwani | 1900 | 3500 | -1600 |
| | Sirsa | Sirsa | 1250 | 2200 | -950 |
| | | Dhabwali | 600 | 525 | 75 |
| | | Ellanabad | 200 | 355 | -155 |
| | Fatehabad | Fatehabad | NA | NA | - |
| Gujarat | Banaskantha | Deesa | 950 | 1860 | -910 |
| | Patan | Patan | 44 | 358 | -314 |
| | Rajkot | Rajkot | 500 | 1050 | -550 |
| | Jamnagar | Dhrol | NA | 7 | - |
| Madhya Pradesh | Gwalior | Dabra | 135 | 10 | 125 |
| Total Arrivals/Above Markets | | | 25900 | 40182 | -14282 |

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2017 Indian Agribusiness Systems Pvt Ltd.