

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices decreased by 0.16 percent to Rs. 3076.47 per quintal during the week ended 31st July 2017. Guar seed average price were ruling at Rs 3081.28 per quintal during 16-23 July 2017. As compared to prices in the week 24-31 July 2016, the prices are weak by 6.86 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 2406.6 thousand hectares until 31st July 2017 against a target of 3800 thousand hectares for current Kharif season. As compared to last year for the same date, area is up 815.3 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 954 until 04th August 2017 down by 4 compared to last week and up by 490 compared to 05th August 2016. Guar gum is used in hydraulic fracturing for extracting oil and gas; therefore, as the number of oil rigs increases or decreases the demand for guar gum is also affected.

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 84.9 in May 2017 to 78.5 in June 2017. The WPI for June 2017 is higher by 6.40 compared to last year for the same month and lower by 27.4 compared to June 2015.

Government has imposed 5 percent GST on guar meal making it less competitive compared to other cattle feeds available in the market. Furthermore a 5 percent GST on guar gum has also upset export demand for the commodity. Trading activities are sluggish as traders are still unclear regarding various aspects of GST.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (1700 quintals) compared to previous week 2400 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (1630 quintals) compared to previous week 1627 quintals.

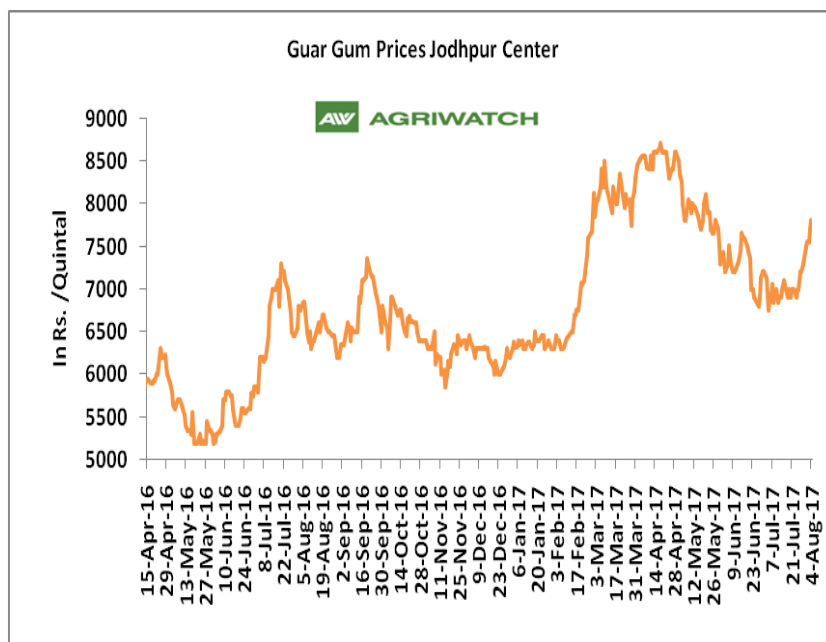
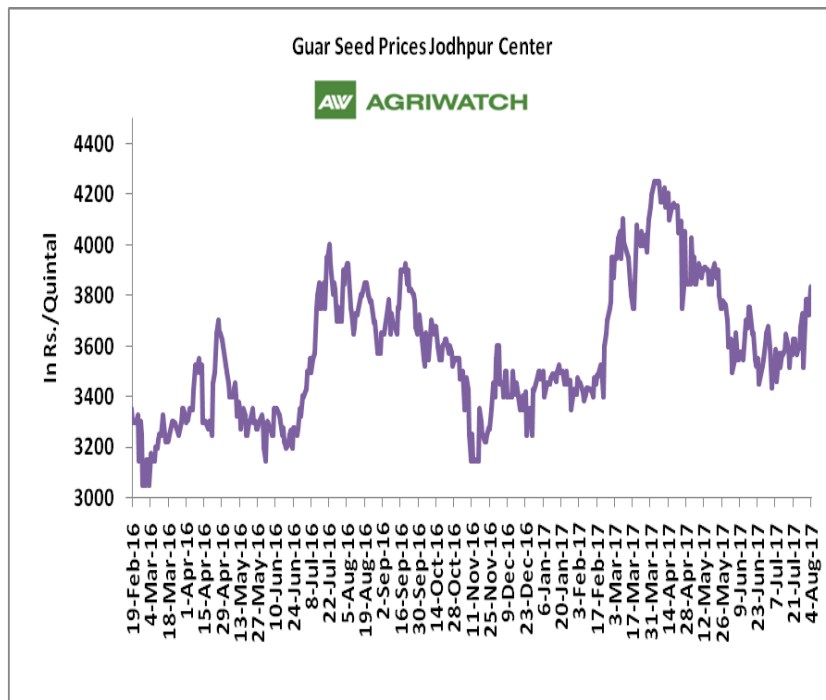
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 3675 levels for a target of 3890 with a stop loss at 3597 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

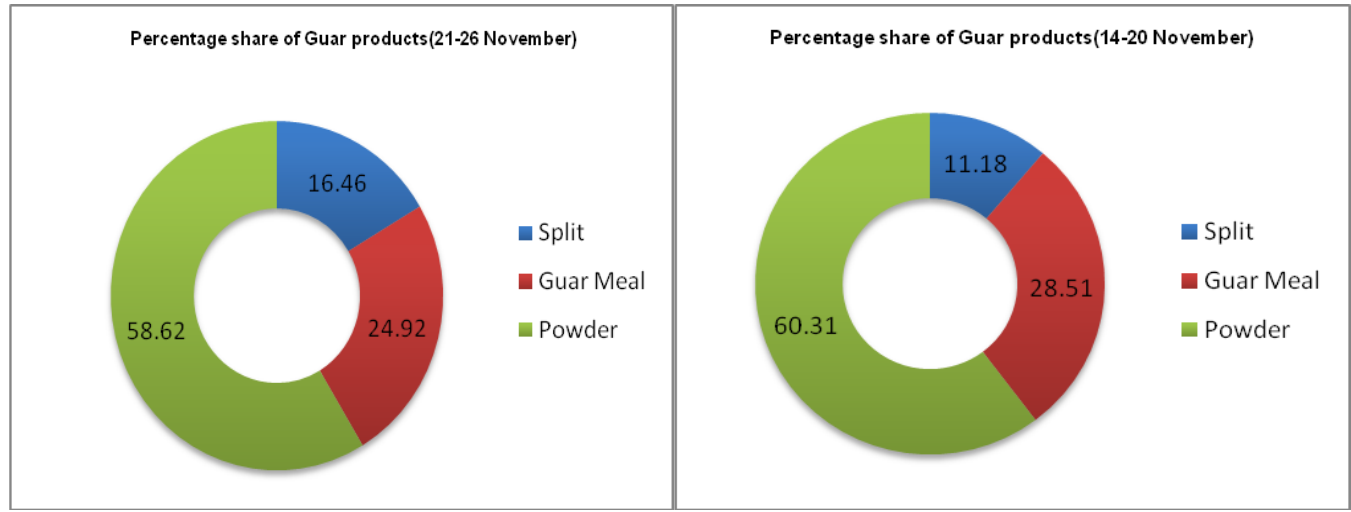
- In the week ended 04th August'17, Guar seed weekly average prices increased by Rs 104.13 /- qtl during the week compared to previous week and settled at Rs 3736 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 516.67/- qtl and settled at Rs. 7567 per quintal. Firm demand for 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 latest update, area sown in Gujarat until 31st July 2017 is 161200 hectares compared to 88400 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.



Export Scenario

Export Scenario (21st - 26th November 2016)

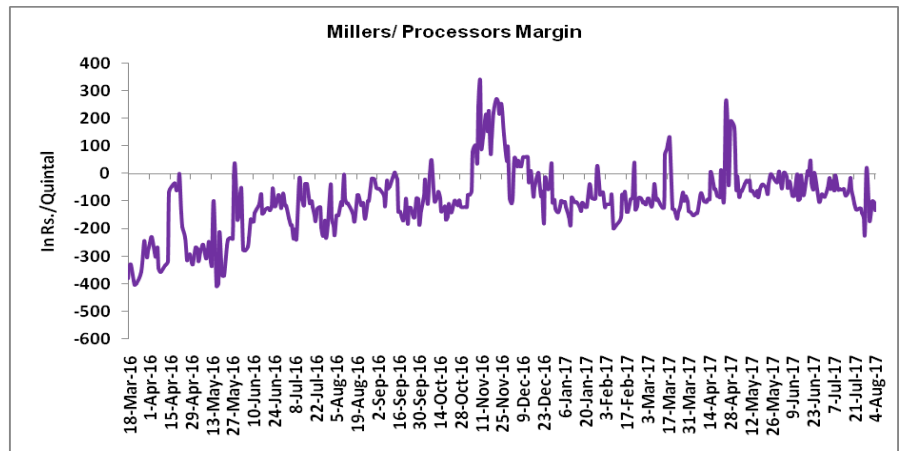
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



Millers/Processors Margin

In the week ended 04 August'17, average crush margin is Rs. -107.95/Quintal, compared to last week's -151.46/Quintal. Therefore crushing is not favorable for Millers/Processors.

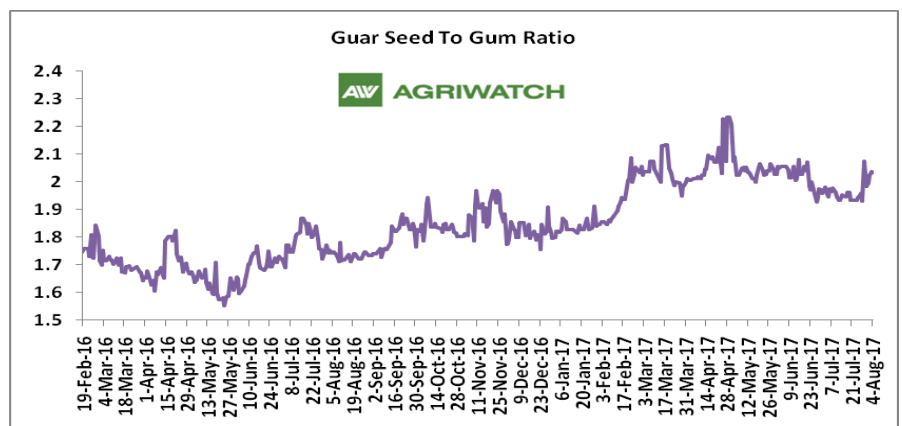
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 04 August'17 is 2.03, lower compared to last week's 1.94

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: 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	3522	3465	3730	3955	3995
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Buy	Above 3675	3805	3890	3597

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: October

Exchange: NCDEX
Expiry: October 18, 2017



Technical Commentary:

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

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	October	7405	7280	7942	8610	8730
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Buy	Above 7805	8217	8455	7558

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	29th July to 04th August 2017	22nd to 28th July 2017	Change
Churi	Jodhpur	1427	1433	-7
Korma	Jodhpur	1766	1785	-19
Churi	Sri-Ganganagar	1244	1294	-50
Korma	Sri-Ganganagar	1641	1648	-7

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	29th July to 04th August 2017	22nd to 28th July 2017	Change
Guargum Split		1168	1104	64
Guargum Powder	200 Mesh 5000 CPS	1478	1415	63
	200 Mesh 3500 CPS	1400	1337	62
Guargum Meal	40%	325	311	14
	50%	375	373	2

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			29th July to 04th August 2017	22nd to 28th July 2017	
Rajasthan	Jodhpur	Jodhpur (Loose)	3558	3459	99
		Jodhpur(Delivery)	3736	3632	104
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3367	3229	138
		Sri-Ganganagar (Delivery)	3544	3379	165
		Rawla (Loose)	3358	3245	114
		Gharsana (Loose)	3352	3224	128
		Raisinghnagar (Loose)	3438	3276	163
	Bikaner	Bikaner (Loose)	3367	3228	138
		Bikaner (Delivery)	3535	3390	145
		Nokha(Loose)	3353	3240	113
		Nokha (Delivery)	3521	3402	119
		Khajuwala (Loose)	3452	3283	169
		Khajuwala (Delivery)	3624	3447	178
		Lunkaransar (Loose)	3408	3275	133
	Hanumangarh	Hanumangarh (Loose)	3222	3191	31
		Hanumangarh (Delivery)	3383	3350	32
		Nohar (Loose)	3392	3304	88

		Pilibanga (Loose)	3218	3184	34
	Nagaur	Nagaur (Loose)	3233	3150	83
	Churu	Churu (Delivery)	3567	3350	217
	Alwar	Alwar (Loose)	3233	3100	133
Haryana	Hisar	Adampur (Loose)	3392	3252	140
		Adampur (Delivery)	3561	3414	147
	Bhiwani	Bhiwani (Delivery)	3442	3378	63
		Siwani (Loose)	3469	3370	99
	Sirsa	Sirsa (Loose)	3380	3243	138
		Dhabwali (Loose)	3315	3130	185
		Dhabwali (Delivery)	3481	3287	194
		Ellanabad (Loose)	3321	3217	104
	Fatehabad	Fatehabad (Loose)	3250	3240	10
Gujarat	Banaskantha	Deesa (Loose)	3400	NA	-
	Patan	Patan (Loose)	3227	2900	327
	Rajkot	Rajkot (Loose)	3219	3105	114
	Jamnagar	Dhrol (Loose)	2973	2820	153
Madhya Pradesh	Gwalior	Dabra (Loose)	3083	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7567	7050	517
	Alwar	Alwar	7483	6950	533
	Hanumangarh	Nohar	7400	7050	350
Haryana	Bhiwani	Bhiwani	7505	7046	459
	Sirsa	Sirsa	7500	7067	433
		Dhabwali	7525	7008	517
		Ellanabad	7483	7075	408
	Fatehabad	Fatehabad	7000	6980	20

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			4-Aug-17	28-Jul-17	4-Jul-17	4-Aug-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3650	3550	3275	3750
		Jodhpur(Delivery)	3833	3728	3439	3900
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3400	3300	3254	3650
		Sri-Ganganagar (Delivery)	3600	3450	3404	3800
		Rawla (Loose)	3350	3300	3200	3525
		Gharsana (Loose)	3380	3280	3190	3625
		Raisinghnagar (Loose)	3460	3350	3275	3600

	Bikaner	Bikaner (Loose)	3400	3330	3100	3650
		Bikaner (Delivery)	3570	3497	3255	3800
		Nokha(Loose)	3450	3300	3275	3550
		Nokha (Delivery)	3623	3465	3393	3678
		Khajuwala (Loose)	3520	3340	3130	3600
		Khajuwala (Delivery)	3696	3507	3287	3744
		Lunkaransar (Loose)	3450	3250	3100	3500
	Hanumangarh	Hanumangarh (Loose)	3250	3225	3150	3415
		Hanumangarh (Delivery)	3413	3386	3308	3565
		Nohar (Loose)	3500	3200	3170	3600
		Pilibanga (Loose)	3250	3210	3025	3450
	Nagaur	Nagaur (Loose)	3250	3200	3200	3450
	Churu	Churu (Delivery)	3500	3400	3350	3800
	Alwar	Alwar (Loose)	3200	3200	3100	3600
Haryana	Hisar	Adampur (Loose)	3400	3300	3100	3700
		Adampur (Delivery)	3570	3465	3255	3850
	Bhiwani	Bhiwani (Delivery)	3380	3425	3250	3750
		Siwani (Loose)	3525	3400	3225	3725
	Sirsa	Sirsa (Loose)	3440	3300	3100	3550
		Dhabwali (Loose)	3400	3200	3100	3600
		Dhabwali (Delivery)	3570	3360	3255	3750
		Ellanabad (Loose)	3350	3300	3050	3600
	Fatehabad	Fatehabad (Loose)	NR	3300	NA	3500
Gujarat	Banaskantha	Deesa (Loose)	3400	Closed	3140	3375
	Patan	Patan (Loose)	3285	2755	NA	3475
	Rajkot	Rajkot (Loose)	NA	3100	NA	3675
	Jamnagar	Dhrol (Loose)	2875	NA	NA	3505
Madhya Pradesh	Gwalior	Dabra (Loose)	3100	NA	NA	3700
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7800	7200	6750	6800
	Alwar	Alwar	7600	7000	7100	6850
	Hanumangarh	Nohar	7700	7100	6900	6700
Haryana	Bhiwani	Bhiwani	7790	7325	6900	6900
	Sirsa	Sirsa	7700	7250	6700	6800
		Dhabwali	7800	7100	6800	6900
		Ellanabad	7700	7300	6750	6800
	Fatehabad	Fatehabad	NR	7100	NR	6800

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			29th July to 04th August 2017	22nd to 28th July 2017	
Rajasthan	Jodhpur	Jodhpur	185	383	-198
	Sri-Ganganagar	Sri-Ganganagar	2950	4000	-1050
		Rawla	970	510	460
		Gharsana	270	350	-80
		Raisinghnagar	1550	1800	-250
	Bikaner	Bikaner	1630	1627	3
		Nokha	1500	1350	150
		Khajuwala	1500	1500	Unch
		Lunkaransar	1010	1200	-190
	Hanumangarh	Hanumangarh	260	164	96
		Nohar	3500	2250	1250
		Pilibanga	385	370	15
	Nagaur	Nagaur	685	875	-190
	Churu	Churu	1800	1800	Unch
	Alwar	Alwar	1000	700	300
Haryana	Hisar	Adampur	1700	2400	-700
	Bhiwani	Bhiwani	8200	5400	2800
		Siwani	3000	3900	-900
	Sirsa	Sirsa	3400	2900	500
		Dhabwali	580	600	-20
		Ellanabad	375	625	-250
	Fatehabad	Fatehabad	NA	NA	-
Gujarat	Banaskantha	Deesa	1422	NA	-
	Patan	Patan	127	14	113
	Rajkot	Rajkot	550	370	180
	Jamnagar	Dhrol	3	NA	-
Madhya Pradesh	Gwalior	Dabra	122	NA	-
Total Arrivals/Above Markets			38674	35088	3586

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