

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices increased by 4.76 percent to Rs. 3222.89 per quintal during the week ended 08th August 2017. Guar seed average price were ruling at Rs 3076.47 per quintal during 01-08 August 2017. As compared to prices in the week 01-08 August 2016, the prices are weak by 6.79 percent. Prices are expected to remain steady to firm in coming days.

Recent losses in Gujarat accompanied with low or no rains in parts of Haryana and Rajasthan has worsened the condition for the upcoming crop. If no rains occur in the next two weeks and easterly winds continues it will lead to yield loss.

As per latest update by Rajasthan agriculture department, guar seed has been sown in 2826.5 thousand hectares until 10th 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 431.0 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 949 until 11th August 2017 down by 5 compared to last week and up by 468 compared to 12th 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.

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.

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

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1350 quintals) compared to previous week 1630 quintals.

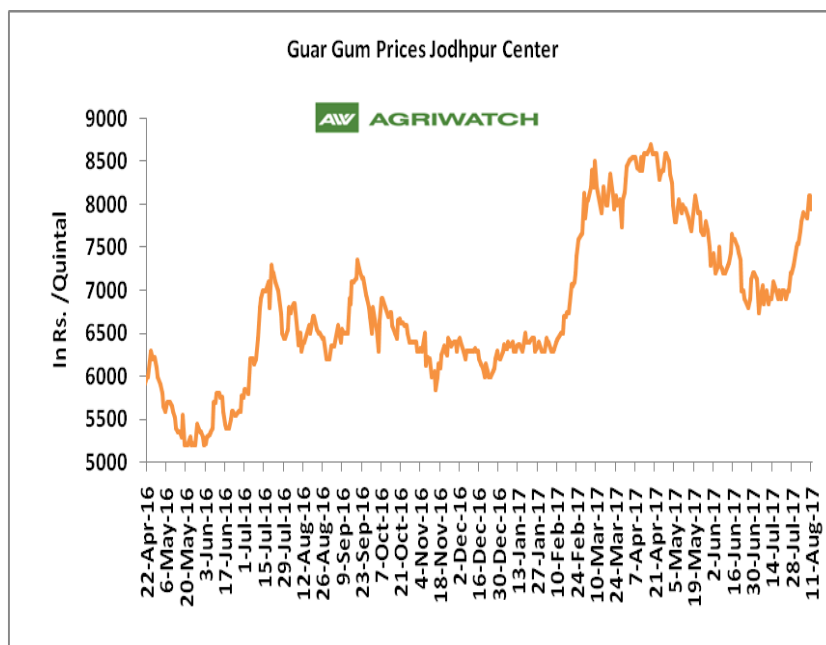
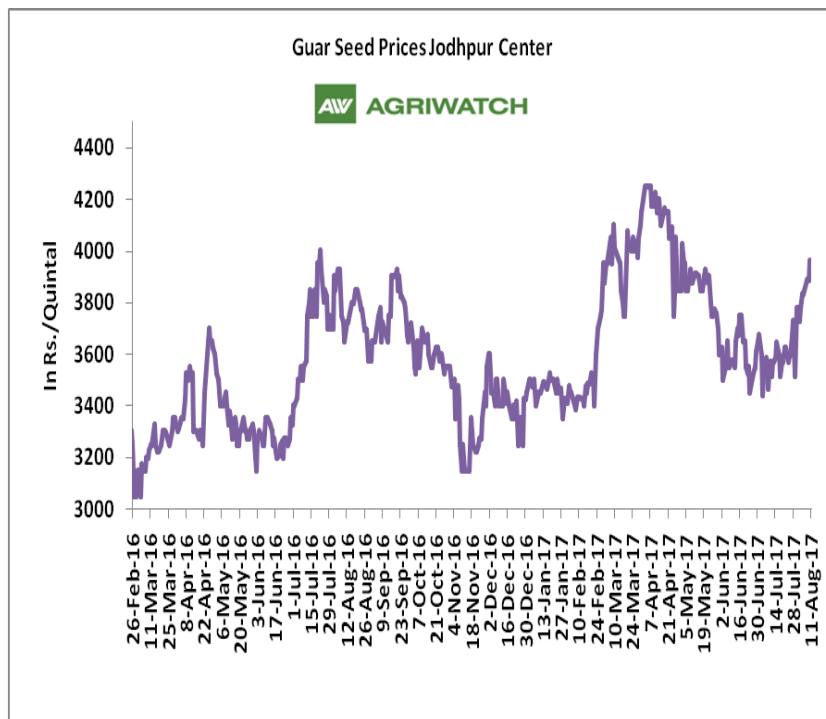
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 3890 levels for a target of 4145 with a stop loss at 3790 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

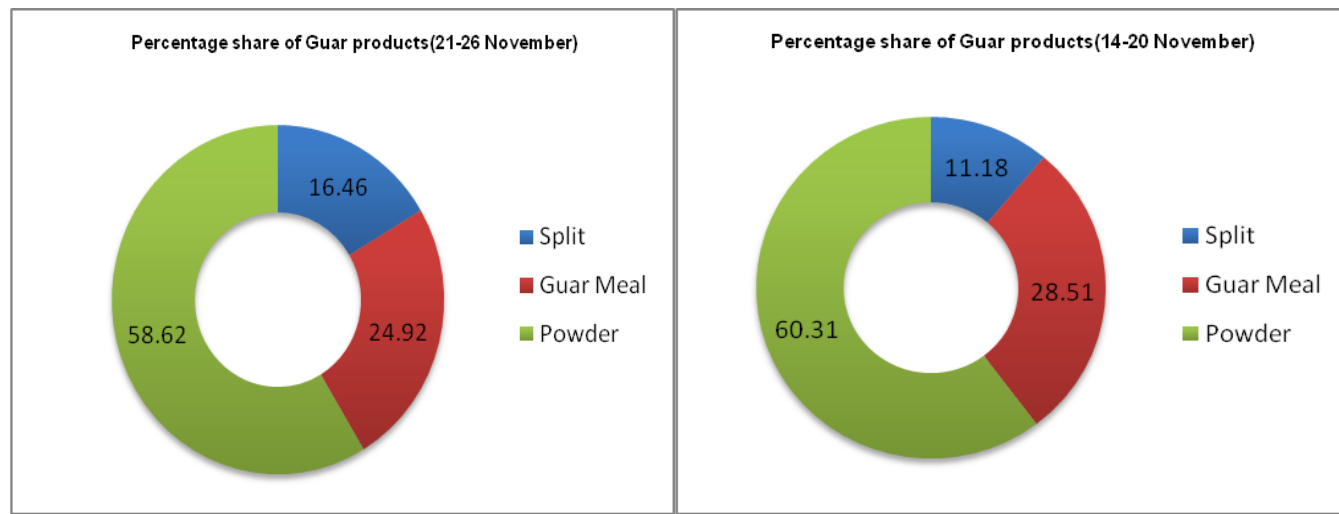
- In the week ended 11th August'17, Guar seed weekly average prices increased by Rs 164.50 /- qtl during the week compared to previous week and settled at Rs 3901 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 413.33/- qtl and settled at Rs. 7980 per quintal. Firm demand for 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 08th August 2017 is 167700 hectares compared to 116700 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)

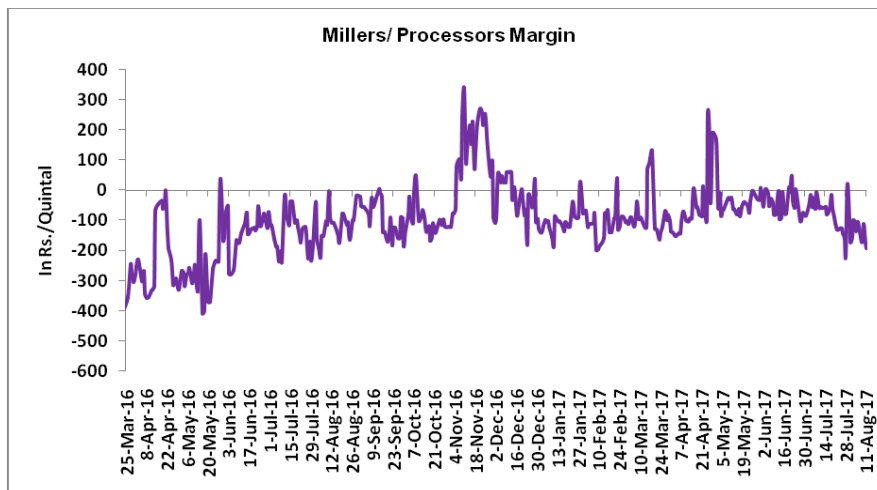
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



Millers/Processors Margin

In the week ended 11 August'17, average crush margin is Rs. -151.05/Quintal, compared to last week's -107.95/Quintal. Therefore crushing is not favorable for Millers/Processors.

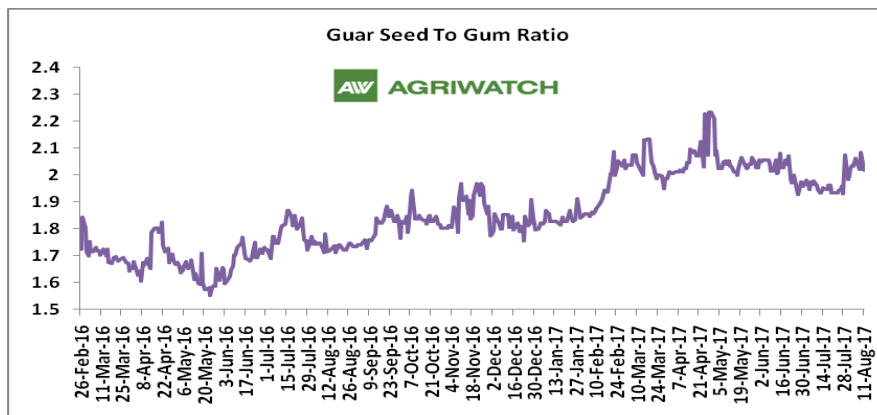
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 11 August'17 is 2.05, lower compared to last week's 2.03

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	3706	3625	3905	4225	4290
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Buy	Above 3890	4057	4145	3790



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	7585	7370	8181	8910	9015
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Buy	Above 8120	8485	8775	7901

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	05th to 11th August 2017	29th July to 04th August 2017	Change
Churi	Jodhpur	1410	1427	-17
Korma	Jodhpur	1775	1766	9
Churi	Sri-Ganganagar	1223	1244	-22
Korma	Sri-Ganganagar	1597	1641	-43

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	05th to 11th August 2017	29th July to 04th August 2017	Change
Guargum Split		1243	1168	75
Guargum Powder	200 Mesh 5000 CPS	1547	1478	70
	200 Mesh 3500 CPS	1469	1400	69
Guargum Meal	40%	323	325	-3
	50%	370	375	-5

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			05th to 11th August 2017	29th July to 04th August 2017	
Rajasthan	Jodhpur	Jodhpur (Loose)	3715	3558	157
		Jodhpur(Delivery)	3901	3736	165
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3450	3367	83
		Sri-Ganganagar (Delivery)	3650	3544	106
		Rawla (Loose)	3552	3358	194
		Gharsana (Loose)	3504	3352	152
		Raisinghnagar (Loose)	3579	3438	141
	Bikaner	Bikaner (Loose)	3564	3367	197
		Bikaner (Delivery)	3742	3535	207
		Nokha(Loose)	3516	3353	163
		Nokha (Delivery)	3692	3521	171
		Khajuwala (Loose)	3613	3452	161
		Khajuwala (Delivery)	3794	3624	169
		Lunkaransar (Loose)	3540	3408	132
	Hanumangarh	Hanumangarh (Loose)	3400	3222	178
		Hanumangarh (Delivery)	3570	3383	187
		Nohar (Loose)	3600	3392	208

		Pilibanga (Loose)	3400	3218	183
	Nagaur	Nagaur (Loose)	3345	3233	112
	Churu	Churu (Delivery)	3710	3567	143
	Alwar	Alwar (Loose)	3450	3233	217
Haryana	Hisar	Adampur (Loose)	3499	3392	107
		Adampur (Delivery)	3674	3561	113
	Bhiwani	Bhiwani (Delivery)	3650	3442	208
		Siwani (Loose)	3595	3469	126
	Sirsa	Sirsa (Loose)	3486	3380	106
		Dhabwali (Loose)	3515	3315	200
		Dhabwali (Delivery)	3691	3481	210
		Ellanabad (Loose)	3460	3321	139
	Fatehabad	Fatehabad (Loose)	NR	3250	-
Gujarat	Banaskantha	Deesa (Loose)	3435	3400	35
	Patan	Patan (Loose)	3391	3227	164
	Rajkot	Rajkot (Loose)	3401	3219	182
	Jamnagar	Dhrol (Loose)	3043	2973	71
Madhya Pradesh	Gwalior	Dabra (Loose)	3355	3083	272
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7980	7567	413
	Alwar	Alwar	7880	7483	397
	Hanumangarh	Nohar	7933	7400	533
Haryana	Bhiwani	Bhiwani	8050	7505	545
	Sirsa	Sirsa	8050	7500	550
		Dhabwali	8120	7525	595
		Ellanabad	7950	7483	467
	Fatehabad	Fatehabad	NR	7000	-

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			11-Aug-17	4-Aug-17	11-Jul-17	11-Aug-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3750	3650	3350	3525
		Jodhpur(Delivery)	3938	3833	3518	3675
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3500	3400	3200	3500
		Sri-Ganganagar (Delivery)	3700	3600	3300	3650
		Rawla (Loose)	3560	3350	3130	3390
		Gharsana (Loose)	3550	3380	3120	3400

		Raisinghnagar (Loose)	3725	3460	3200	3450
	Bikaner	Bikaner (Loose)	3620	3400	3180	3409
		Bikaner (Delivery)	3801	3570	3339	3559
		Nokha(Loose)	3560	3450	3200	3350
		Nokha (Delivery)	3738	3623	3360	3471
		Khajuwala (Loose)	3640	3520	3150	3425
		Khajuwala (Delivery)	3822	3696	3308	3562
		Lunkaransar (Loose)	3600	3450	3150	3400
	Hanumangarh	Hanumangarh (Loose)	NA	3250	3225	3507
		Hanumangarh (Delivery)	NA	3413	3386	3657
		Nohar (Loose)	3600	3500	3200	3400
		Pilibanga (Loose)	NA	3250	3050	3300
	Nagaur	Nagaur (Loose)	3350	3250	3150	3300
	Churu	Churu (Delivery)	3800	3500	3300	3700
	Alwar	Alwar (Loose)	3600	3200	3050	3500
Haryana	Hisar	Adampur (Loose)	3500	3400	3125	3450
		Adampur (Delivery)	3675	3570	3281	3600
	Bhiwani	Bhiwani (Delivery)	3700	3380	3300	3550
		Siwani (Loose)	3600	3525	3250	3500
	Sirsa	Sirsa (Loose)	3500	3440	3175	3425
		Dhabwali (Loose)	3500	3400	NR	3350
		Dhabwali (Delivery)	3675	3570	NR	3500
		Ellanabad (Loose)	3500	3350	3150	3350
	Fatehabad	Fatehabad (Loose)	NR	NR	3150	3450
Gujarat	Banaskantha	Deesa (Loose)	3475	3400	NR	3300
	Patan	Patan (Loose)	3400	3285	NR	3380
	Rajkot	Rajkot (Loose)	3475	NA	NR	3450
	Jamnagar	Dhrol (Loose)	NA	2875	NR	3255
Madhya Pradesh	Gwalior	Dabra (Loose)	3355	3100	NR	3100
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7950	7800	6850	6300
	Alwar	Alwar	8050	7600	7000	6400
	Hanumangarh	Nohar	8000	7700	6900	6400
Haryana	Bhiwani	Bhiwani	8200	7790	6950	6450
	Sirsa	Sirsa	8100	7700	6750	6300
		Dhabwali	8000	7800	NR	6300
		Ellanabad	8100	7700	6900	6300
	Fatehabad	Fatehabad	NR	NR	6600	6500

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			05th to 11th August 2017	29th July to 04th August 2017	
Rajasthan	Jodhpur	Jodhpur	657	185	472
	Sri-Ganganagar	Sri-Ganganagar	2300	2950	-650
		Rawla	750	970	-220
		Gharsana	270	270	Unch
		Raisinghnagar	1100	1550	-450
	Bikaner	Bikaner	1350	1630	-280
		Nokha	1650	1500	150
		Khajuwala	1550	1500	50
		Lunkaransar	950	1010	-60
	Hanumangarh	Hanumangarh	60	260	-200
		Nohar	1800	3500	-1700
		Pilibanga	100	385	-285
	Nagaur	Nagaur	580	685	-105
	Churu	Churu	5400	1800	3600
	Alwar	Alwar	800	1000	-200
Haryana	Hisar	Adampur	2900	1700	1200
	Bhiwani	Bhiwani	8100	8200	-100
		Siwani	3500	3000	500
	Sirsa	Sirsa	2200	3400	-1200
		Dhabwali	525	580	-55
		Ellanabad	355	375	-20
	Fatehabad	Fatehabad	NA	NA	-
Gujarat	Banaskantha	Deesa	1860	1422	438
	Patan	Patan	358	127	231
	Rajkot	Rajkot	1050	550	500
	Jamnagar	Dhrol	7	3	4
Madhya Pradesh	Gwalior	Dabra	10	122	-112
Total Arrivals/Above Markets			40182	38674	1508

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