



Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices increased by 3.82 percent to Rs. 3453.70 per quintal during the week ended 08th September 2017. Guar seed average price were ruling at Rs 3326.68 per quintal during 24-31 August 2017. As compared to prices in the week 01-08 September 2016, the prices are firm by 13.11 percent. Prices are expected to remain steady to weak in coming days.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 944 until 08th September 2017 up by 1 compared to last week and by 436 compared to 09th September 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.

According to latest update, area sown in Gujarat until 04th September 2017 is 189200 hectares compared to 209500 hectares in the previous Kharif season. Area of guar is expected to be lower this season due to 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 June 2017 India has exported around 38405 tonnes of guar seed products in May compared to around 52983 tonnes in May 2017. For financial year 2016-17, India exported around 3.64 lakh tonnes of guar seed products has 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.

As per latest update by Rajasthan agriculture department, guar seed has been sown in 2744.9 thousand hectares until 17th 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 6.4 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 far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (2000 quintals) compared to previous week 1200 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (645 quintals) compared to previous week 1000 quintals.

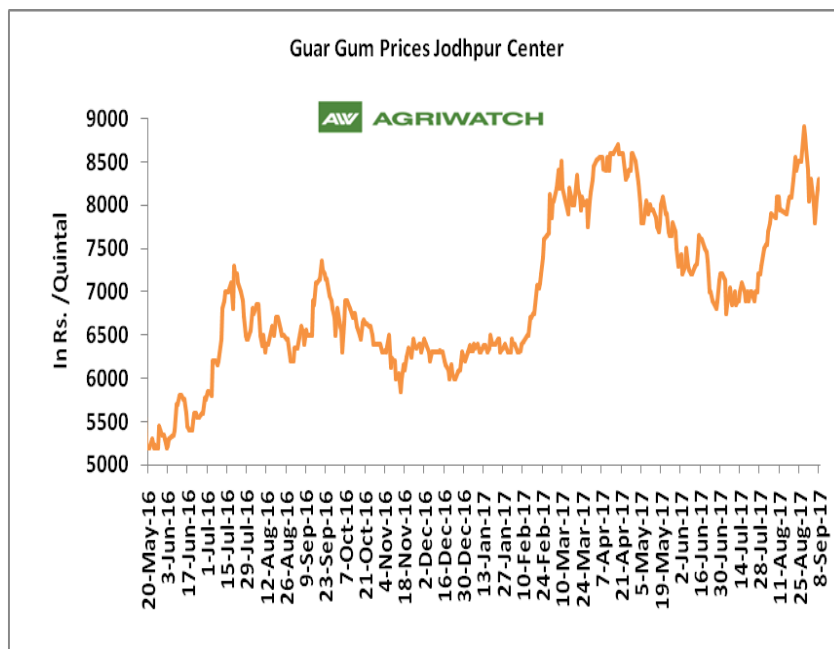
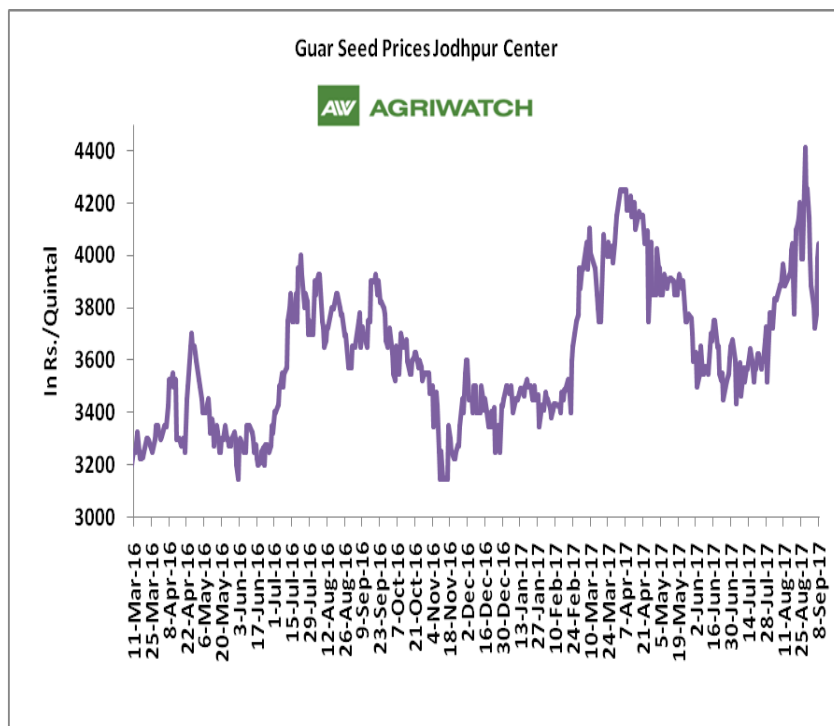
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 3920 levels for a target of 3685 with a stop loss at 3998 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

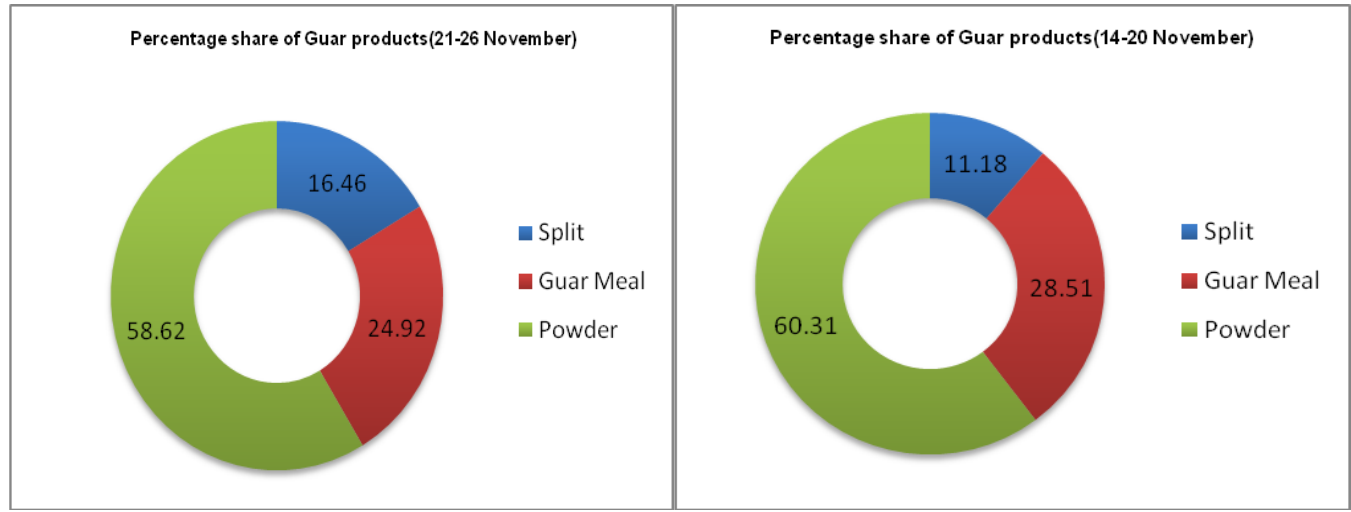
- In the week ended 08th September'17, Guar seed weekly average prices decreased by Rs 268.13 /- qtl during the week compared to previous week and settled at Rs 3872 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 426.19/- qtl and settled at Rs. 8117 per quintal. Weak demand 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 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)

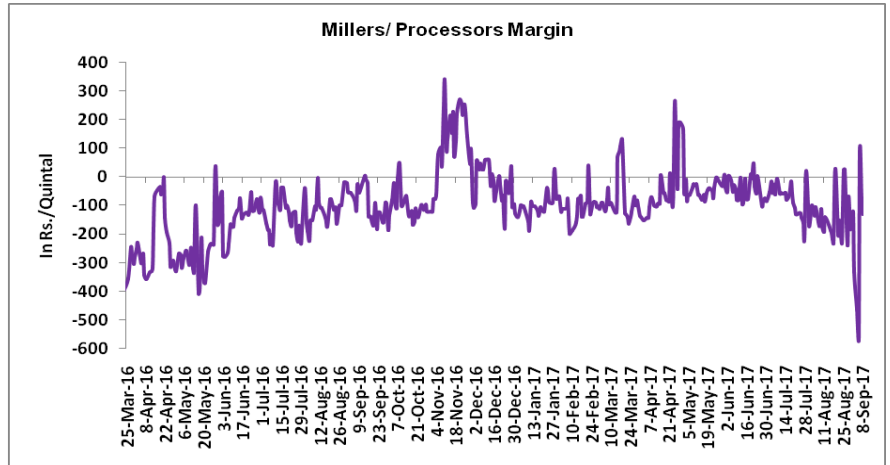
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



Millers/Processors Margin

In the week ended 08th September'17, average crush margin is Rs. -246.10 Quintal, compared to last week's -102.95/Quintal. Therefore crushing is not favorable for Millers/Processors.

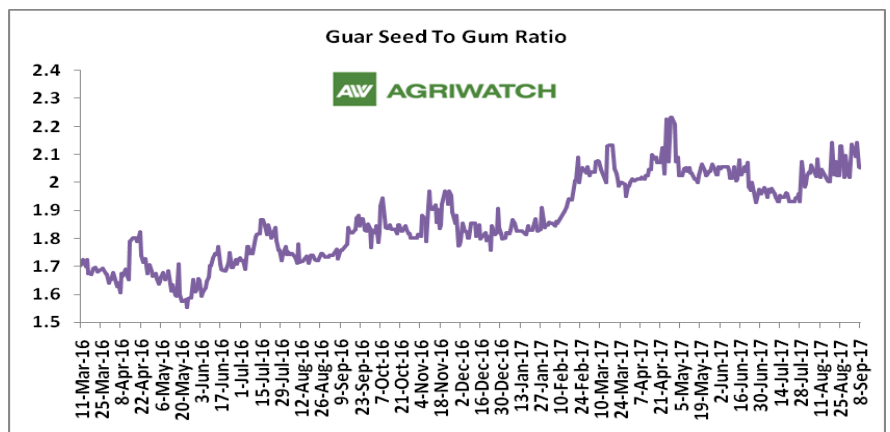
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 08th September'17 is 2.10, lower compared to last week's 2.06

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 fall in open interest indicates short covering.
- RSI is moving in neutral region.
- Last candlestick depicts bearishness in market.
- Prices closed above 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	October	3600	3535	3876	4115	4170
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Sell	Below 3920	3810	3685	3998

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: October

Exchange: NCDEX
Expiry: October 18, 2017



Technical Commentary:

- Rise in price and fall in open interest indicates short covering.
- Prices closed above 9 and 18 days EMAs.
- RSI is moving in neutral region.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	October	7535	7410	8279	8790	8965
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Sell	Below 8290	7905	7710	8521

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	02nd to 08th September 2017	26th August to 1st September 2017	Change
Churi	Jodhpur	1442	1463	-21
Korma	Jodhpur	1871	1896	-25
Churi	Sri-Ganganagar	1313	1332	-20
Korma	Sri-Ganganagar	1788	1785	3
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	02nd to 08th September 2017	26th August to 1st September 2017	Change
Guargum Split		1268	1326	-58
Guargum Powder	200 Mesh 5000 CPS	1580	1639	-58
	200 Mesh 3500 CPS	1502	1561	-58
Guargum Meal	40%	315	315	Unch
	50%	393	388	5
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			02nd to 08th September 2017	26th August to 1st September 2017	
Rajasthan	Jodhpur	Jodhpur (Loose)	3688	3967	-279
		Jodhpur(Delivery)	3872	4165	-293
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3583	3827	-244
		Sri-Ganganagar (Delivery)	3717	3917	-200
		Rawla (Loose)	3570	3740	-170
		Gharsana (Loose)	3496	3770	-274
		Raisinghnagar (Loose)	3580	3825	-245
	Bikaner	Bikaner (Loose)	3627	3855	-228
		Bikaner (Delivery)	3808	4048	-239
		Nokha(Loose)	3551	3806	-255
		Nokha (Delivery)	3728	3996	-268
		Khajuwala (Loose)	3552	3838	-286
		Khajuwala (Delivery)	3729	4030	-301
		Lunkaransar (Loose)	3550	3810	-260
	Hanumangarh	Hanumangarh (Loose)	3507	3632	-125

		Hanumangarh (Delivery)	3682	3814	-132
		Nohar (Loose)	3580	3757	-177
		Pilibanga (Loose)	3564	3683	-119
	Nagaur	Nagaur (Loose)	3600	3825	-225
	Churu	Churu (Delivery)	3850	3913	-63
	Alwar	Alwar (Loose)	3450	3567	-117
Haryana	Hisar	Adampur (Loose)	3605	3725	-120
		Adampur (Delivery)	3785	3911	-126
	Bhiwani	Bhiwani (Delivery)	3683	3845	-163
		Siwani (Loose)	3685	3850	-165
	Sirsa	Sirsa (Loose)	3581	3775	-194
		Dhabwali (Loose)	3513	3590	-78
		Dhabwali (Delivery)	3513	3712	-199
		Ellanabad (Loose)	3558	3725	-167
	Fatehabad	Fatehabad (Loose)	NR	4000	-
Gujarat	Banaskantha	Deesa (Loose)	3666	3633	33
	Patan	Patan (Loose)	3519	3698	-179
	Rajkot	Rajkot (Loose)	3495	3650	-155
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	3305	3450	-145
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8117	8550	-433
	Alwar	Alwar	8033	8617	-583
	Hanumangarh	Nohar	8184	8383	-199
Haryana	Bhiwani	Bhiwani	8185	8608	-423
	Sirsa	Sirsa	8040	8625	-585
		Dhabwali	7975	8300	-325
		Ellanabad	8050	8400	-350
	Fatehabad	Fatehabad	NR	7900	-

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			8-Sep-17	1-Sep-17	8-Aug-17	8-Sep-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3850	3800	3700	3500
		Jodhpur(Delivery)	4043	3990	3885	3650
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3550	3750	3350	3250
		Sri-Ganganagar (Delivery)	3700	3800	3600	3500
		Rawla (Loose)	3570	3550	3500	3350

		Gharsana (Loose)	3500	3550	3460	3200
		Raisinghnagar (Loose)	3590	NA	3450	3350
	Bikaner	Bikaner (Loose)	3650	3775	3600	3415
		Bikaner (Delivery)	3833	3964	3780	3565
		Nokha(Loose)	3650	3550	3450	3350
		Nokha (Delivery)	3833	3728	3623	3471
		Khajuwala (Loose)	3600	3600	3550	3370
		Khajuwala (Delivery)	3780	3780	3728	3505
		Lunkaransar (Loose)	3700	3600	3450	3350
	Hanumangarh	Hanumangarh (Loose)	3526	3550	3400	3300
		Hanumangarh (Delivery)	3702	3728	3570	3450
		Nohar (Loose)	3650	3500	3600	3350
		Pilibanga (Loose)	3600	3600	3400	3300
	Nagaur	Nagaur (Loose)	3550	3600	3250	3400
	Churu	Churu (Delivery)	3900	3800	3700	3500
	Alwar	Alwar (Loose)	3500	3550	3400	3300
Haryana	Hisar	Adampur (Loose)	3675	3600	3470	3350
		Adampur (Delivery)	3859	3780	3644	3500
	Bhiwani	Bhiwani (Delivery)	3750	3650	3550	3500
		Siwani (Loose)	3750	3650	3550	3500
	Sirsa	Sirsa (Loose)	3670	NA	3430	3270
		Dhabwali (Loose)	3600	3470	3550	3335
		Dhabwali (Delivery)	3600	3470	3728	3485
		Ellanabad (Loose)	3625	NA	3350	3350
	Fatehabad	Fatehabad (Loose)	NR	Closed	NA	3450
Gujarat	Banaskantha	Deesa (Loose)	3455	NA	3400	3240
	Patan	Patan (Loose)	3550	3585	3305	3375
	Rajkot	Rajkot (Loose)	3495	NR	3335	3375
	Jamnagar	Dhrol (Loose)	NA	NA	2710	3110
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8300	8050	7850	6400
	Alwar	Alwar	8000	8400	7800	6450
	Hanumangarh	Nohar	8300	8000	7900	6300
Haryana	Bhiwani	Bhiwani	8250	8090	7850	6350
	Sirsa	Sirsa	8100	NA	8000	6350
		Dhabwali	8100	8000	8200	6400
		Ellanabad	8100	NA	7800	6400
	Fatehabad	Fatehabad	NR	Closed	NR	6400

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			02nd to 08th September 2017	26th August to 1st September 2017	
Rajasthan	Jodhpur	Jodhpur	345	189	156
	Sri-Ganganagar	Sri-Ganganagar	2200	1175	1025
		Rawla	390	320	70
		Gharsana	270	420	-150
		Raisinghnagar	900	550	350
	Bikaner	Bikaner	645	1000	-355
		Nokha	2850	2300	550
		Khajuwala	1450	1100	350
		Lunkaransar	900	1850	-950
	Hanumangarh	Hanumangarh	163	167	-4
		Nohar	2200	1800	400
		Pilibanga	700	70	630
	Nagaur	Nagaur	1050	950	100
	Churu	Churu	2700	2500	200
Haryana	Alwar	Alwar	1050	1300	-250
	Hisar	Adampur	2000	1200	800
	Bhiwani	Bhiwani	2300	2600	-300
		Siwani	3600	4300	-700
	Sirsa	Sirsa	1500	600	900
		Dhabwali	650	120	530
		Ellanabad	270	60	210
Gujarat	Fatehabad	Fatehabad	NR	NR	-
	Banaskantha	Deesa	1390	400	990
	Patan	Patan	234	452	-218
	Rajkot	Rajkot	840	50	790
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	85	110	-25
Total Arrivals/Above Markets			30682	25583	5099

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