

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices decreased by 6.35 percent to Rs. 3234.32 per quintal during the week ended 15th September 2017. Guar seed average price were ruling at Rs 3453.70 per quintal during 01-08 September 2017. As compared to prices in the week 09-15 September 2016, the prices are weak by 2.44 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 936 until 15th September 2017 down by 8 compared to last week and up by 430 compared to 16th September 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 11th September 2017 is 197600 hectares compared to 220000 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.

India has received 752.70 mm of actual rainfall against 802.00 mm of normal rainfall since the beginning of monsoon season until 13th September. In the week (07th to 13th September) India has received rainfall below LPA by -31% and the worst hit region was Northwest India which received rainfall below LPA by -72%. Since the beginning of monsoon season Punjab, Chandigarh, Delhi, West Uttar Pradesh, East Madhya Pradesh and Vidharba have received deficient rainfall.

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 (5300 quintals) compared to previous week 2000 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (300 quintals) compared to previous week 645 quintals.

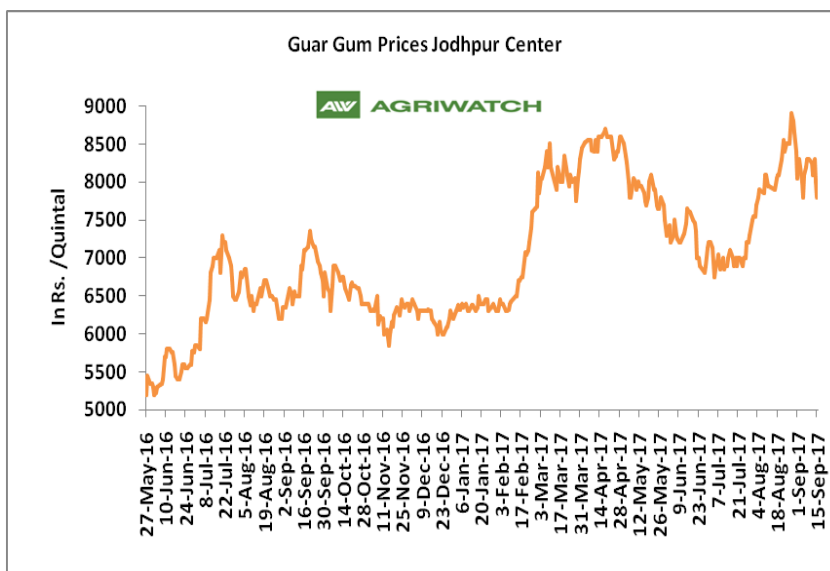
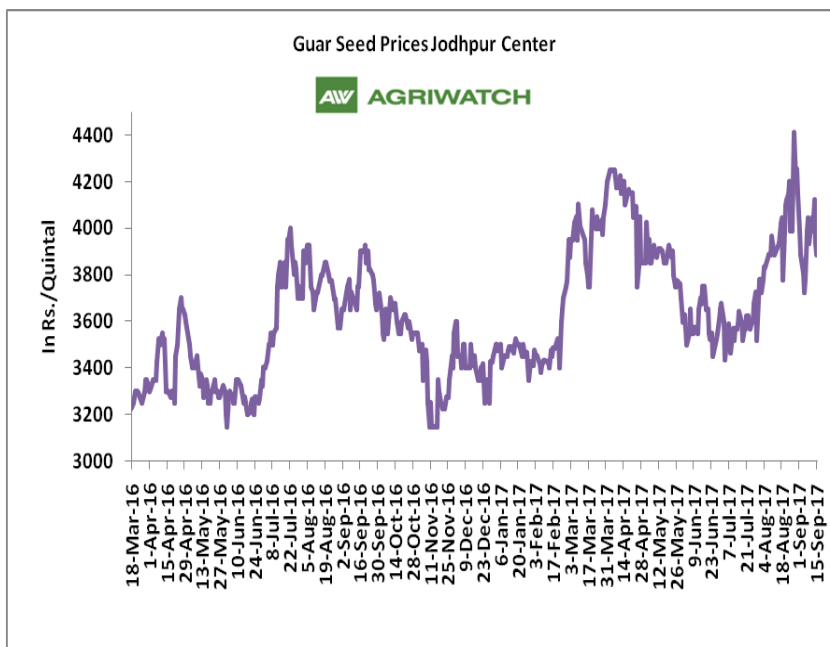
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 3705 levels for a target of 3458 with a stop loss at 3791 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

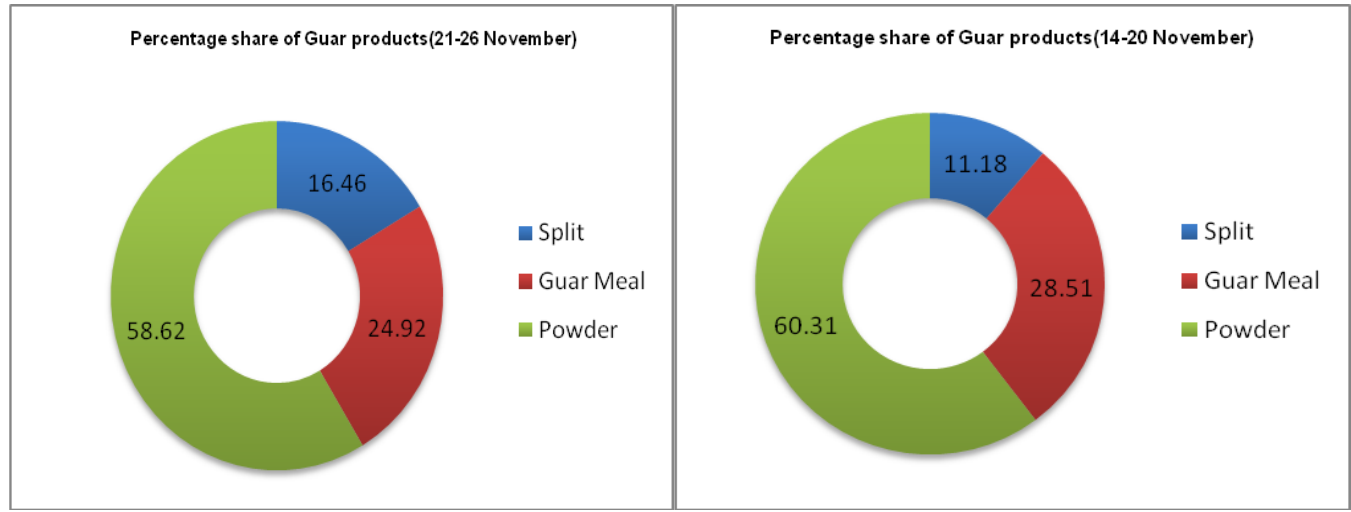
- In the week ended 15th September'17, Guar seed weekly average prices increased by Rs 113.75 /- qtl during the week compared to previous week and settled at Rs 3986 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 8.33/- qtl and settled at Rs. 8125 per quintal. Firm demand for guar gum from domestic as well as overseas market led the prices up this week.
- According to first advance estimate for 2017-18 issued by Gujarat's Department of Agriculture for Guar seed the area, production and yield are 200000 hectares, 144000 tonnes and 721 kg/hectare respectively. As per 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.
- According to first advance estimate for 2017-18 issued by Rajasthan's Department of Agriculture for Guar seed the area are 3167018 hectares. As compared to third advance estimate for 2016-17, the area, has decreased by 362989 hectares.



Export Scenario

Export Scenario (21st - 26th November 2016)

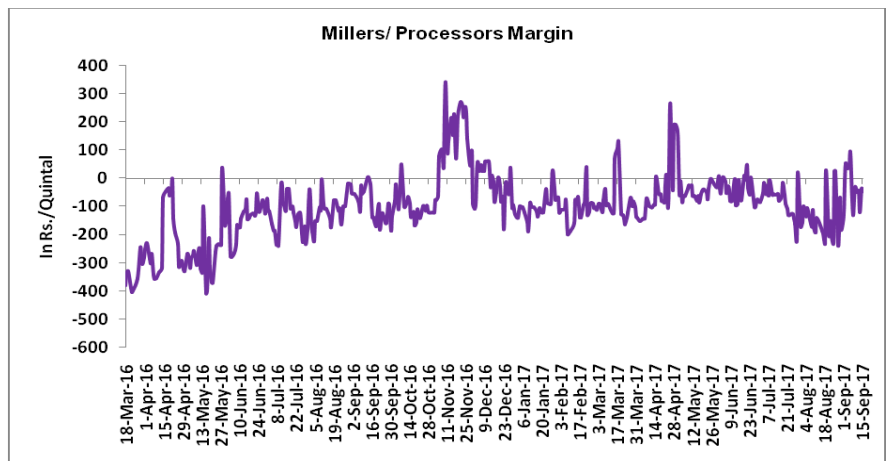
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



Millers/Processors Margin

In the week ended 15th September'17, average crush margin is Rs. -54.37 Quintal, compared to last week's -3.58/Quintal. Therefore crushing is not favorable for Millers/Processors.

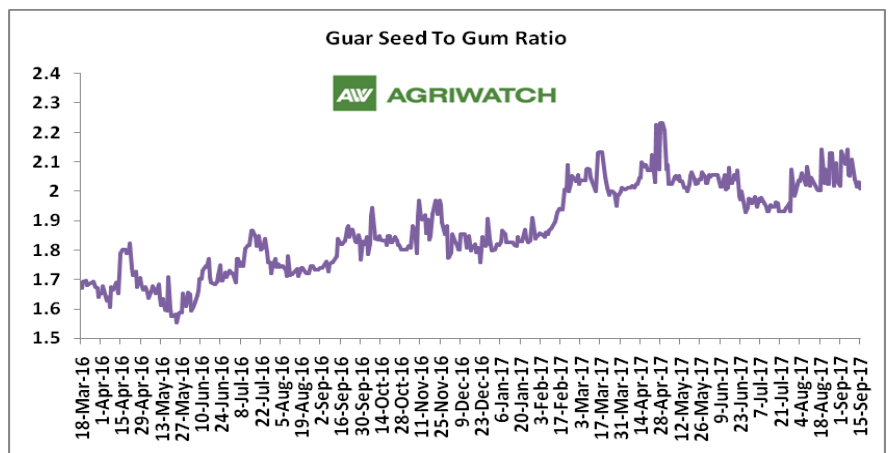
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 15th September'17 is 2.04, lower compared to last week's 2.10

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:

- Fall in price and rise in open interest indicates short buildup.
- 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	3355	3270	3675	3885	3960
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Sell	Below 3705	3561	3458	3791

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: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	October	7105	7010	7761	8260	8395
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Sell	Below 7815	7465	7288	8046

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	9th to 15th September 2017	02nd to 08th September 2017	Change
Churi	Jodhpur	1471	1442	29
Korma	Jodhpur	1965	1871	94
Churi	Sri-Ganganagar	1307	1313	-6
Korma	Sri-Ganganagar	1856	1788	68

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	9th to 15th September 2017	02nd to 08th September 2017	Change
Guargum Split		1282	1268	14
Guargum Powder	200 Mesh 5000 CPS	1595	1580	14
	200 Mesh 3500 CPS	1516	1502	14
Guargum Meal	40%	328	315	13
	50%	406	393	13

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			9th to 15th September 2017	02nd to 08th September 2017	
Rajasthan	Jodhpur	Jodhpur (Loose)	3796	3688	108
		Jodhpur(Delivery)	3986	3872	114
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3567	3583	-17
		Sri-Ganganagar (Delivery)	3675	3717	-42
		Rawla (Loose)	3590	3570	20
		Gharsana (Loose)	3556	3496	60
		Raisinghnagar (Loose)	3591	3580	11
	Bikaner	Bikaner (Loose)	3643	3627	16
		Bikaner (Delivery)	3825	3808	16
		Nokha(Loose)	3662	3551	111
		Nokha (Delivery)	3845	3728	116
		Khajuwala (Loose)	3625	3552	73
		Khajuwala (Delivery)	3806	3729	77
		Lunkaransar (Loose)	3670	3550	120
	Hanumangarh	Hanumangarh (Loose)	3647	3507	140
		Hanumangarh (Delivery)	3829	3682	147
		Nohar (Loose)	3649	3580	69

		Pilibanga (Loose)	3471	3564	-93
	Nagaur	Nagaur (Loose)	3538	3600	-63
	Churu	Churu (Delivery)	3817	3850	-33
	Alwar	Alwar (Loose)	3417	3450	-33
Haryana	Hisar	Adampur (Loose)	3640	3605	35
		Adampur (Delivery)	3822	3785	37
	Bhiwani	Bhiwani (Delivery)	3758	3683	75
		Siwani (Loose)	3735	3685	50
	Sirsa	Sirsa (Loose)	3659	3581	78
		Dhabwali (Loose)	3509	3513	-4
		Dhabwali (Delivery)	3509	3513	-4
		Ellanabad (Loose)	3585	3558	27
	Fatehabad	Fatehabad (Loose)	NR	NR	-
Gujarat	Banaskantha	Deesa (Loose)	3673	3666	7
	Patan	Patan (Loose)	3555	3519	36
	Rajkot	Rajkot (Loose)	3509	3495	14
	Jamnagar	Dhrol (Loose)	3005	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	3305	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8125	8117	8
	Alwar	Alwar	8150	8033	117
	Hanumangarh	Nohar	8267	8184	83
Haryana	Bhiwani	Bhiwani	8225	8185	40
	Sirsa	Sirsa	8050	8040	10
		Dhabwali	8220	7975	245
		Ellanabad	8100	8050	50
	Fatehabad	Fatehabad	NR	NR	-

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			15-Sep-17	8-Sep-17	12-Aug-17	15-Sep-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3700	3850	3700	3600
		Jodhpur(Delivery)	3885	4043	3885	3750
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3550	3550	3500	3400
		Sri-Ganganagar (Delivery)	3650	3700	3700	3600
		Rawla (Loose)	3450	3570	3600	3420
		Gharsana (Loose)	3400	3500	3550	3440
		Raisinghnagar (Loose)	3500	3590	3750	3450

	Bikaner	Bikaner (Loose)	3600	3650	3720	3550
		Bikaner (Delivery)	3780	3833	3906	3700
		Nokha (Loose)	3550	3650	3680	3480
		Nokha (Delivery)	3728	3833	3864	3605
		Khajuwala (Loose)	3530	3600	3750	3500
		Khajuwala (Delivery)	3707	3780	3938	3640
		Lunkaransar (Loose)	3550	3700	3700	3600
	Hanumangarh	Hanumangarh (Loose)	3650	3526	NA	3350
		Hanumangarh (Delivery)	3833	3702	NA	3500
		Nohar (Loose)	3550	3650	3600	3500
		Pilibanga (Loose)	3500	3600	NA	3400
	Nagaur	Nagaur (Loose)	3425	3550	3500	3350
	Churu	Churu (Delivery)	3800	3900	3800	3600
	Alwar	Alwar (Loose)	3400	3500	3600	3500
Haryana	Hisar	Adampur (Loose)	3500	3675	3550	3450
		Adampur (Delivery)	3675	3859	3728	3600
	Bhiwani	Bhiwani (Delivery)	3600	3750	3725	3650
		Siwani (Loose)	3625	3750	3680	3600
	Sirsa	Sirsa (Loose)	3580	3670	3550	3360
		Dhabwali (Loose)	3350	3600	3550	3400
		Dhabwali (Delivery)	3350	3600	3728	3400
		Ellanabad (Loose)	3500	3625	3500	3450
	Fatehabad	Fatehabad (Loose)	NR	NR	NR	3450
Gujarat	Banaskantha	Deesa (Loose)	3675	3455	NA	3500
	Patan	Patan (Loose)	3450	3550	3505	3510
	Rajkot	Rajkot (Loose)	3455	3495	3525	3480
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3245
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7800	8300	7950	6850
	Alwar	Alwar	7800	8000	8050	6900
	Hanumangarh	Nohar	8100	8300	8000	6600
Haryana	Bhiwani	Bhiwani	7850	8250	8250	6750
	Sirsa	Sirsa	7700	8100	8200	6850
		Dhabwali	7900	8100	8200	6800
		Ellanabad	7950	8100	8100	6850
	Fatehabad	Fatehabad	NR	NR	NR	6800

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			9th to 15th September 2017	02nd to 08th September 2017	
Rajasthan	Jodhpur	Jodhpur	314	345	-31
	Sri-Ganganagar	Sri-Ganganagar	3300	2200	1100
		Rawla	650	390	260
		Gharsana	290	270	20
		Raisinghnagar	1700	900	800
	Bikaner	Bikaner	300	645	-345
		Nokha	1800	2850	-1050
		Khajuwala	1200	1450	-250
		Lunkaransar	750	900	-150
	Hanumangarh	Hanumangarh	354	163	191
		Nohar	2900	2200	700
		Pilibanga	1117	700	417
	Nagaur	Nagaur	1020	1050	-30
	Churu	Churu	6800	2700	4100
	Alwar	Alwar	1450	1050	400
Haryana	Hisar	Adampur	5300	2000	3300
	Bhiwani	Bhiwani	2500	2300	200
		Siwani	4200	3600	600
	Sirsa	Sirsa	2450	1500	950
		Dhabwali	1270	650	620
		Ellanabad	750	270	480
	Fatehabad	Fatehabad	NR	NR	-
Gujarat	Banaskantha	Deesa	1730	1390	340
	Patan	Patan	423	234	189
	Rajkot	Rajkot	1410	840	570
	Jamnagar	Dhrol	5	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	85	-
Total Arrivals/Above Markets			43983	30682	13301

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