

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices increased by 4.98 percent to Rs. 3395.5 per quintal during the week ended 23rd September 2017. Guar seed average price were ruling at Rs 3234.32 per quintal during 09-15 September 2017. As compared to prices in the week 16-23 September 2016, the prices are weak by 1.82 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 935 until 22nd September 2017 down by 1 compared to last week and up by 424 compared to 23rd 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 18th September 2017 is 198200 hectares compared to 221500 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.

The low pressure over Uttar Pradesh that is responsible for sustaining the late monsoon rains has become weak and is expected to die out soon. This may cause monsoon to withdraw from border areas of Rajasthan and Gujarat in the coming week almost a month before from its normal time. As per forecast by IMD the temperatures over North-west India is likely to increase by two degree Celsius in next two days.

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 lower arrivals (3100 quintals) compared to previous week 5300 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (900 quintals) compared to previous week 300 quintals.

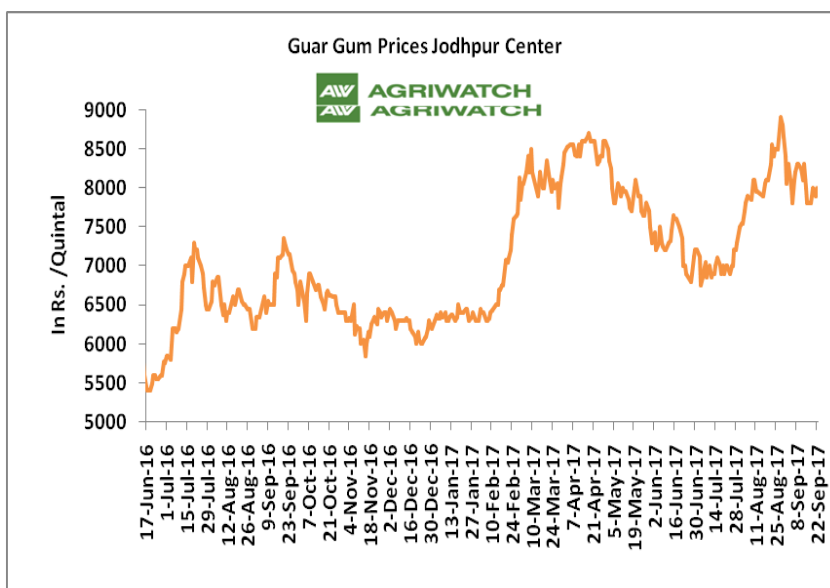
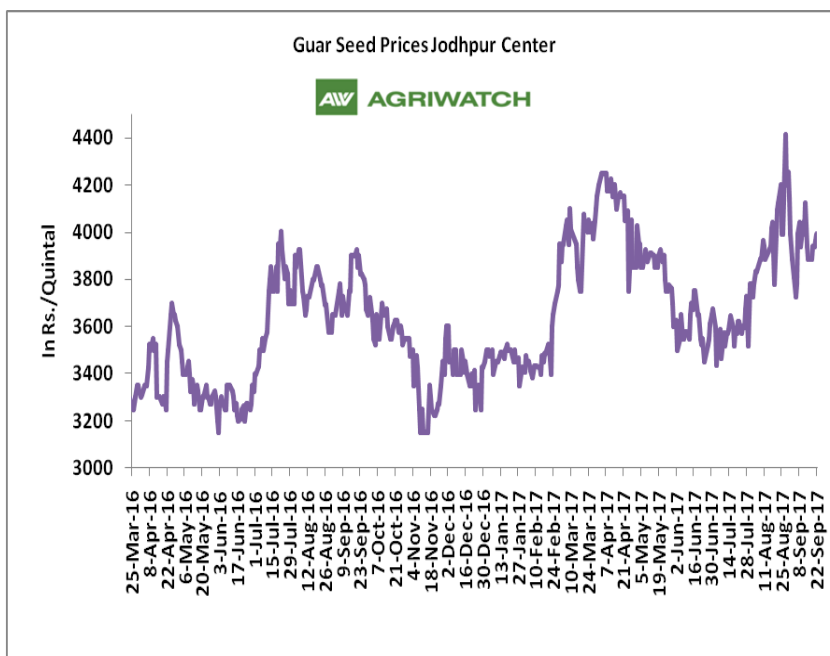
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 3790 levels for a target of 3460 with a stop loss at 3913 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

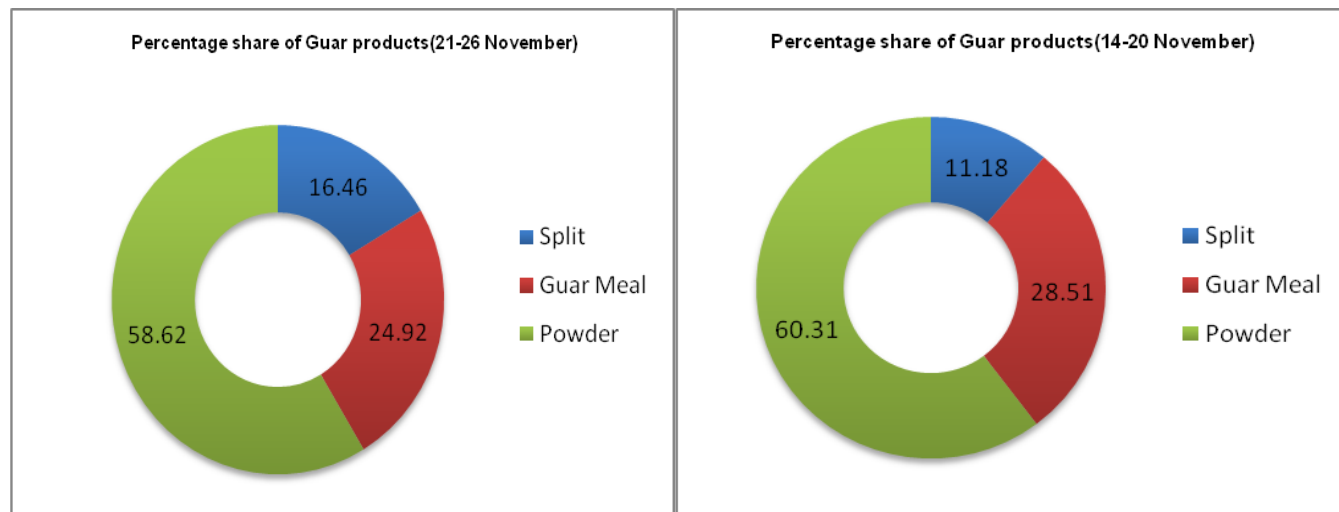
- In the week ended 22nd September'17, Guar seed weekly average prices decreased by Rs 52.50 /- qtl during the week compared to previous week and settled at Rs 3933 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 216.67/- qtl and settled at Rs. 7908 per quintal. Weak demand for guar gum from domestic as well as overseas market led the prices down 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)

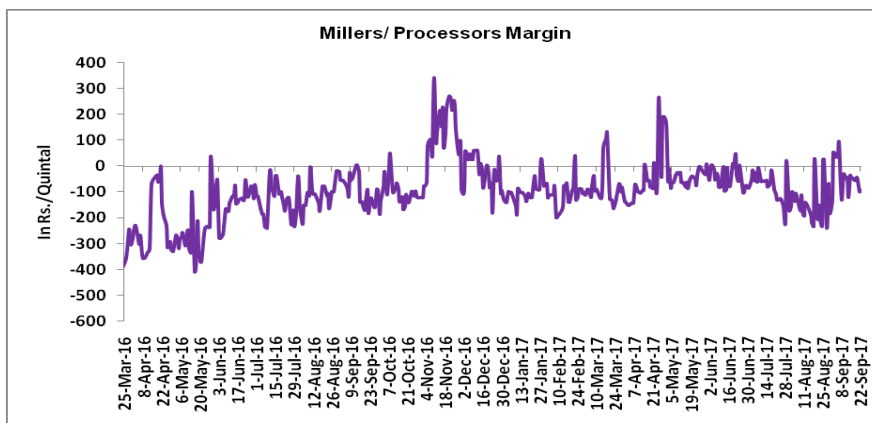
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



Millers/Processors Margin

In the week ended 22nd September'17, average crush margin is Rs. -66.11 Quintal, compared to last week's -54.37/Quintal. Therefore crushing is not favorable for Millers/Processors.

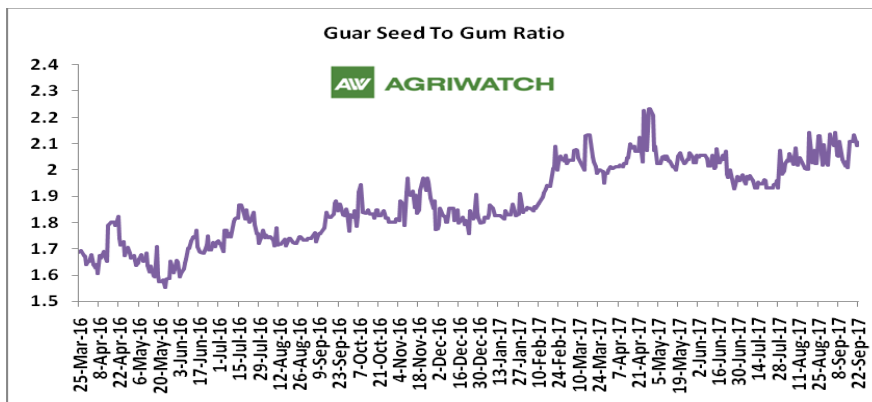
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 22nd September'17 is 2.11, higher compared to last week's 2.04

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 below 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	October	3315	3210	3746	4025	4110
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Sell	Below 3790	3585	3460	3913

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 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	7065	6890	7940	8455	8595
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Sell	Below 8025	7570	7255	8298

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	16th to 22nd September 2017	9th to 15th September 2017	Change
Churi	Jodhpur	1463	1471	-8
Korma	Jodhpur	1988	1965	23
Churi	Sri-Ganganagar	1281	1307	-25
Korma	Sri-Ganganagar	1813	1856	-44
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	16th to 22nd September 2017	9th to 15th September 2017	Change
Guargum Split		1274	1282	-8
Guargum Powder	200 Mesh 5000 CPS	1585	1595	-10
	200 Mesh 3500 CPS	1507	1516	-9
Guargum Meal	40%	326	328	-2
	50%	404	406	-2
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			16th to 22nd September 2017	9th to 15th September 2017	
Rajasthan	Jodhpur	Jodhpur (Loose)	3746	3796	-50
		Jodhpur(Delivery)	3933	3986	-53
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3533	3567	-34
		Sri-Ganganagar (Delivery)	3687	3675	12
		Rawla (Loose)	3523	3590	-68
		Gharsana (Loose)	3457	3556	-99
		Raisinghnagar (Loose)	3542	3591	-49
	Bikaner	Bikaner (Loose)	3658	3643	16
		Bikaner (Delivery)	3841	3825	17
		Nokha(Loose)	3548	3662	-113
		Nokha (Delivery)	3726	3845	-119
		Khajuwala (Loose)	3565	3625	-60
		Khajuwala (Delivery)	3743	3806	-63
		Lunkaransar (Loose)	3592	3670	-78
	Hanumangarh	Hanumangarh (Loose)	3403	3647	-244
		Hanumangarh (Delivery)	3573	3829	-256

		Nohar (Loose)	3573	3649	-76
		Pilibanga (Loose)	3392	3471	-79
	Nagaur	Nagaur (Loose)	3538	3538	Unch
	Churu	Churu (Delivery)	3633	3817	-183
	Alwar	Alwar (Loose)	3317	3417	-100
Haryana	Hisar	Adampur (Loose)	3550	3640	-90
		Adampur (Delivery)	3728	3822	-95
	Bhiwani	Bhiwani (Delivery)	3645	3758	-113
		Siwani (Loose)	3661	3735	-74
	Sirsa	Sirsa (Loose)	3603	3659	-56
		Dhabwali (Loose)	3554	3509	45
		Dhabwali (Delivery)	3554	3509	45
		Ellanabad (Loose)	3523	3585	-62
	Fatehabad	Fatehabad (Loose)	1775	NR	-
Gujarat	Banaskantha	Deesa (Loose)	3687	3673	13
	Patan	Patan (Loose)	3423	3555	-133
	Rajkot	Rajkot (Loose)	3485	3509	-24
	Jamnagar	Dhrol (Loose)	3285	3005	280
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7908	8125	-217
	Alwar	Alwar	7717	8150	-433
	Hanumangarh	Nohar	8033	8267	-233
Haryana	Bhiwani	Bhiwani	7867	8225	-358
	Sirsa	Sirsa	7733	8050	-317
		Dhabwali	8030	8220	-190
		Ellanabad	7875	8100	-225
	Fatehabad	Fatehabad	3867	NR	-

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			22-Sep-17	15-Sep-17	19-Aug-17	22-Sep-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3800	3700	3600	3750
		Jodhpur(Delivery)	3990	3885	3780	3900
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3550	3550	3750	3550
		Sri-Ganganagar (Delivery)	3700	3650	3850	3650
		Rawla (Loose)	3480	3450	3500	3480
		Gharsana (Loose)	3450	3400	NA	3430

		Raisinghnagar (Loose)	3530	3500	NA	3480
	Bikaner	Bikaner (Loose)	3650	3600	3700	3615
		Bikaner (Delivery)	3833	3780	3885	3765
		Nokha(Loose)	3540	3550	NA	3550
		Nokha (Delivery)	3717	3728	NA	3678
		Khajuwala (Loose)	3600	3530	3640	3450
		Khajuwala (Delivery)	3780	3707	3822	3588
		Lunkaransar (Loose)	3600	3550	3700	3575
	Hanumangarh	Hanumangarh (Loose)	3318	3650	3448	3475
		Hanumangarh (Delivery)	3484	3833	3620	3625
		Nohar (Loose)	3600	3550	3675	3515
		Pilibanga (Loose)	3380	3500	NA	3400
	Nagaur	Nagaur (Loose)	3600	3425	3750	3700
Churu	Churu (Delivery)	3600	3800	3900	3800	
Alwar	Alwar (Loose)	3300	3400	3400	3600	
Haryana	Hisar	Adampur (Loose)	3550	3500	3600	3500
		Adampur (Delivery)	3728	3675	3780	3650
	Bhiwani	Bhiwani (Delivery)	3700	3600	3700	3625
		Siwani (Loose)	3700	3625	3700	3600
	Sirsa	Sirsa (Loose)	3600	3580	3640	3550
		Dhabwali (Loose)	3540	3350	3600	3425
		Dhabwali (Delivery)	3540	3350	3780	3425
		Ellanabad (Loose)	3580	3500	3600	3500
	Fatehabad	Fatehabad (Loose)	3525	NA	3800	3550
Gujarat	Banaskantha	Deesa (Loose)	3675	3675	3500	3375
	Patan	Patan (Loose)	3430	3450	3535	3490
	Rajkot	Rajkot (Loose)	3505	3455	3450	3450
	Jamnagar	Dhrol (Loose)	NA	NA	3060	3075
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	3300	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8000	7800	8100	7200
	Alwar	Alwar	7700	7800	8100	7200
	Hanumangarh	Nohar	8000	8100	8100	7100
Haryana	Bhiwani	Bhiwani	7900	7850	8200	7150
	Sirsa	Sirsa	8000	7700	8150	7150
		Dhabwali	8000	7900	8100	7100
		Ellanabad	7900	7950	8100	7200
	Fatehabad	Fatehabad	7750	NA	7800	7050

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			16th to 22nd September 2017	9th to 15th September 2017	
Rajasthan	Jodhpur	Jodhpur	195	314	-119
	Sri-Ganganagar	Sri-Ganganagar	3000	3300	-300
		Rawla	800	650	150
		Gharsana	330	290	40
		Raisinghnagar	1750	1700	50
	Bikaner	Bikaner	900	300	600
		Nokha	1700	1800	-100
		Khajuwala	1150	1200	-50
		Lunkaransar	950	750	200
	Hanumangarh	Hanumangarh	106	354	-248
		Nohar	1600	2900	-1300
		Pilibanga	700	1117	-417
	Nagaur	Nagaur	1000	1020	-20
	Churu	Churu	6000	6800	-800
Haryana	Alwar	Alwar	1200	1450	-250
	Hisar	Adampur	3100	5300	-2200
	Bhiwani	Bhiwani	2000	2500	-500
		Siwani	4200	4200	Unch
	Sirsa	Sirsa	3700	2450	1250
		Dhabwali	775	1270	-495
		Ellanabad	650	750	-100
Gujarat	Fatehabad	Fatehabad	330	NR	-
	Banaskantha	Deesa	1560	1730	-170
	Patan	Patan	250	423	-173
	Rajkot	Rajkot	1085	1410	-325
	Jamnagar	Dhrol	6	5	1
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			39037	43983	-4946

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