

Guar Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Recommendations
- ❖ Domestic Market Fundamentals
- ❖ Export Scenario
- ❖ Processing Margins
- ❖ Technical Analysis (Futures Market)
- ❖ Guar Seed & Gum Prices at Key Spot Markets

Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices increased by 0.54 percent to Rs. 3413.80 per quintal during the week ended 30th September 2017. Guar seed average price were ruling at Rs 3395.50 per quintal during 16-23 September 2017. As compared to prices in the week 24-30 September 2016, the prices are firm by 5.35 percent. Prices are expected to remain steady to weak in coming days.

As per market sources, in the month of July 2017 India has exported around 31721 tonnes of guar products compared to around 26734 tonnes last year for the same month. As compared to last month guar seed products exports have decreased by 17.40 percent. Of the total quantity exported in June, 21812 is guar gum powder, 7849 is guar meal and the remaining 2060 is guar split.

India has received 841.3 mm of actual rainfall against 887.5 mm of normal rainfall in 2017 monsoon. In 2017 monsoon season deficient rainfall were recorded in Punjab, Haryana, Chandigarh, Delhi, Uttar Pradesh, East Madhya Pradesh and Vidharba. All other remaining regions received normal or excess rainfall. Excess rainfall was recorded in west Rajasthan, Saurashtra & kutch, Rayalseema, Tamil Nadu and Pondicherry

As per data released by baker hughes the number of oil rigs in USA has decreased to 940 until 29th September 2017 up by 5 compared to last week and by 418 compared to 30th 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 25th September 2017 is 200600 hectares compared to 223700 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 far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (4100 quintals) compared to previous week 3100 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (750 quintals) compared to previous week 900 quintals.

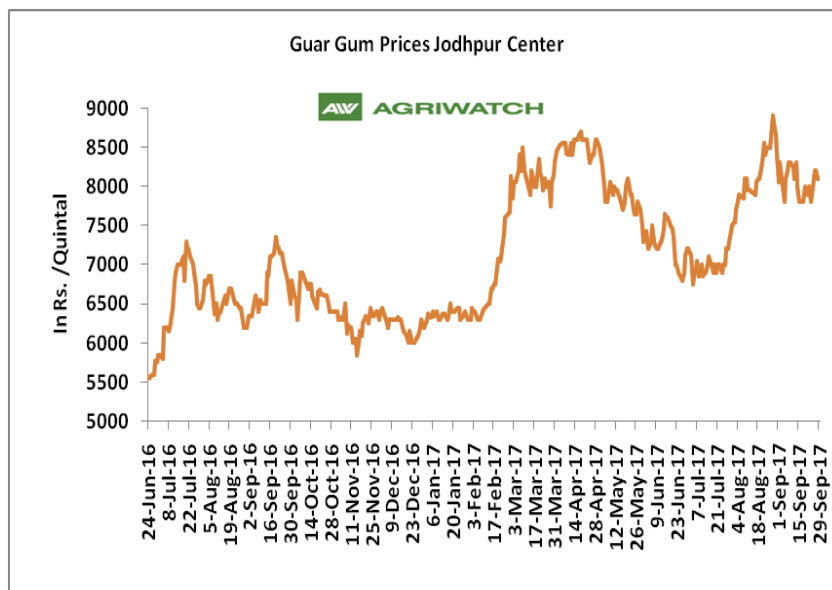
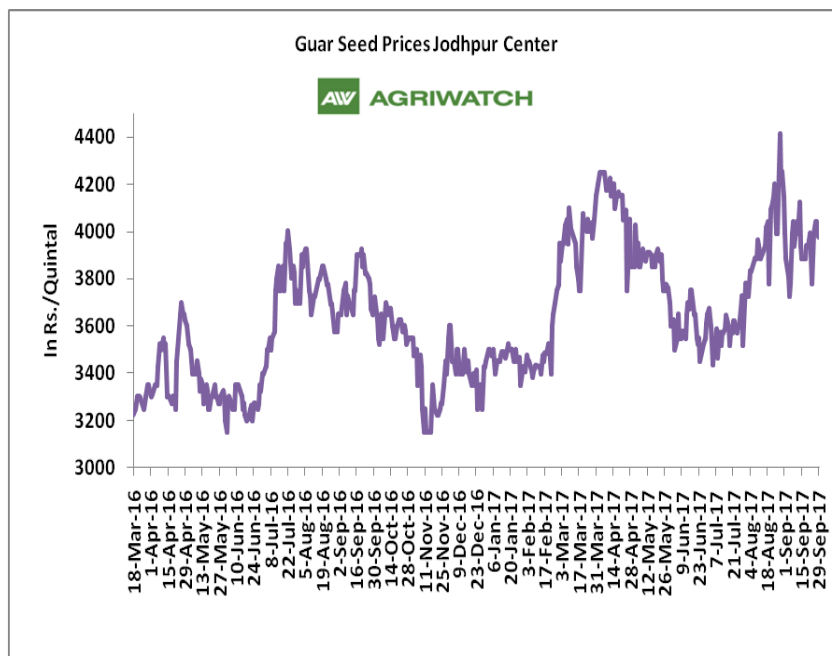
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 3830 levels for a target of 3510 with a stop loss at 3953 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

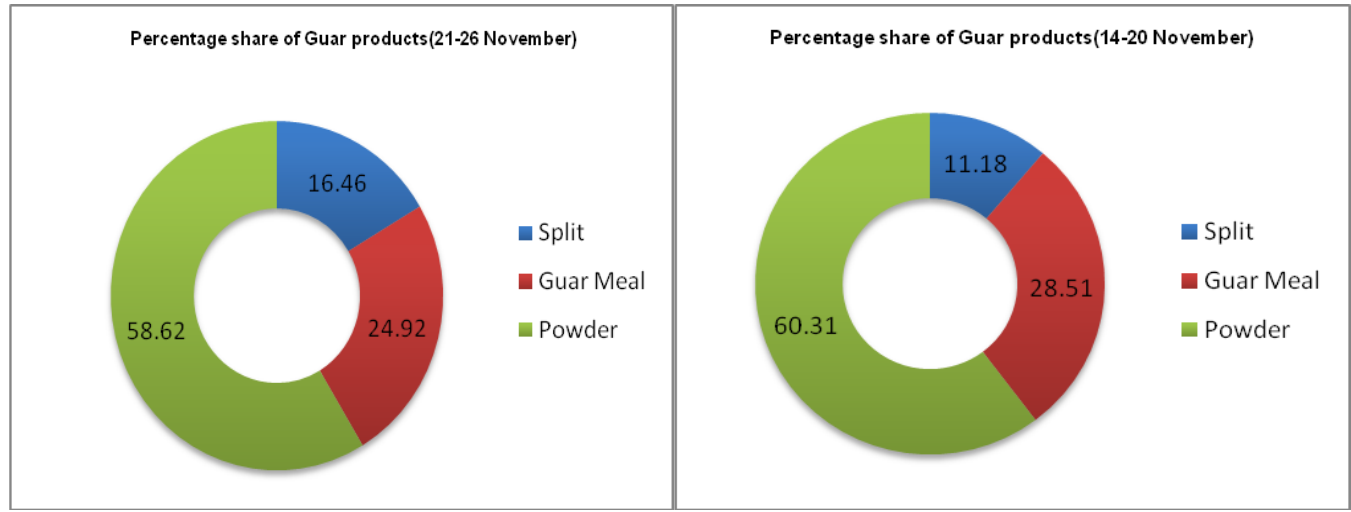
- In the week ended 29th September'17, Guar seed weekly average prices increased by Rs 37.63 /- qtl during the week compared to previous week and settled at Rs 3971 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 158.33/- qtl and settled at Rs. 8067 per quintal. Firm demand 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)

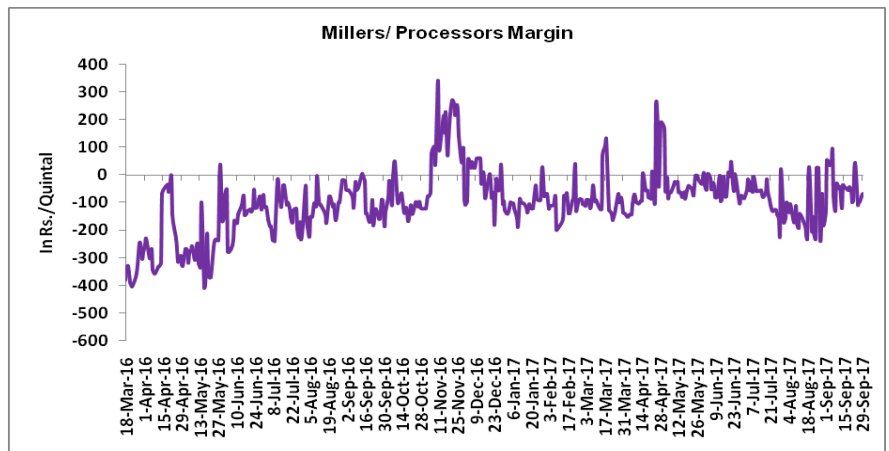
During this week 8625 tonnes of guar was exported out of which 5056 tonnes was guar gum powder, 2149 tonnes was guar meal and 1420 tonnes guar gum splits. As compared to last week, the export of guar gum powder and guar split has increased whereas export of guar meal has slightly decreased.



Millers/Processors Margin

In the week ended 29th September'17, average crush margin is Rs. -66.85 Quintal, compared to last week's -66.11/Quintal. Therefore crushing is not favorable for Millers/Processors.

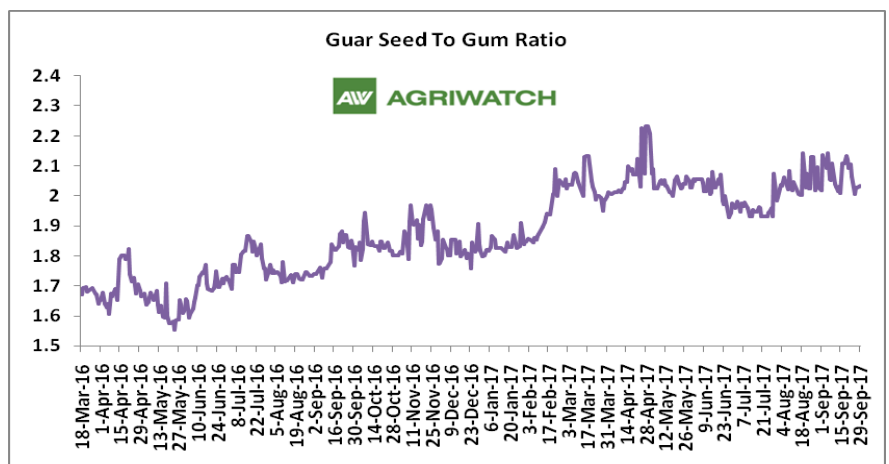
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 29th September'17 is 2.03, lower compared to last week's 2.11

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: November

Exchange: NCDEX
Expiry: November 20, 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 below 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	November	3425	3360	3813	4025	4090
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	November	Sell	Below 3830	3625	3510	3953

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: November

Exchange: NCDEX
Expiry: November 20, 2017



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- 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	November	7410	7305	8150	8625	8790
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	Sell	Below 8165	7790	7555	8390

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	23rd to 29th September 2017	16th to 22nd September 2017	Change
Churi	Jodhpur	1435	1463	-28
Korma	Jodhpur	1988	1988	Unch
Churi	Sri-Ganganagar	1244	1281	-37
Korma	Sri-Ganganagar	1832	1813	19
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	23rd to 29th September 2017	16th to 22nd September 2017	Change
Guargum Split		1230	1274	-44
Guargum Powder	200 Mesh 5000 CPS	1537	1585	-48
	200 Mesh 3500 CPS	1460	1507	-47
Guargum Meal	40%	309	326	-17
	50%	385	404	-19
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			23rd to 29th September 2017	16th to 22nd September 2017	
Rajasthan	Jodhpur	Jodhpur (Loose)	3782	3746	36
		Jodhpur(Delivery)	3971	3933	38
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3550	3533	18
		Sri-Ganganagar (Delivery)	3708	3687	22
		Rawla (Loose)	3560	3523	38
		Gharsana (Loose)	3559	3457	103
		Raisinghnagar (Loose)	3597	3542	55
	Bikaner	Bikaner (Loose)	3700	3658	42
		Bikaner (Delivery)	3885	3841	44
		Nokha(Loose)	3617	3548	68
		Nokha (Delivery)	3798	3726	72
		Khajuwala (Loose)	3590	3565	25
		Khajuwala (Delivery)	3770	3743	26
		Lunkaransar (Loose)	3650	3592	58
	Hanumangarh	Hanumangarh (Loose)	3498	3403	96
		Hanumangarh (Delivery)	3673	3573	100

		Nohar (Loose)	3650	3573	77
		Pilibanga (Loose)	3474	3392	82
	Nagaur	Nagaur (Loose)	3708	3538	171
	Churu	Churu (Delivery)	3667	3633	33
	Alwar	Alwar (Loose)	3367	3317	50
Haryana	Hisar	Adampur (Loose)	3556	3550	6
		Adampur (Delivery)	3734	3728	6
	Bhiwani	Bhiwani (Delivery)	3708	3645	63
		Siwani (Loose)	3738	3661	78
	Sirsa	Sirsa (Loose)	3687	3603	83
		Dhabwali (Loose)	3578	3554	24
		Dhabwali (Delivery)	3580	3554	26
		Ellanabad (Loose)	3576	3523	53
	Fatehabad	Fatehabad (Loose)	3542	1775	1767
Gujarat	Banaskantha	Deesa (Loose)	3670	3687	-17
	Patan	Patan (Loose)	3466	3423	43
	Rajkot	Rajkot (Loose)	3478	3485	-7
	Jamnagar	Dhrol (Loose)	3060	3285	-225
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8067	7908	158
	Alwar	Alwar	8017	7717	300
	Hanumangarh	Nohar	8058	8033	25
Haryana	Bhiwani	Bhiwani	8125	7867	258
	Sirsa	Sirsa	8017	7733	283
		Dhabwali	8117	8030	87
		Ellanabad	8000	7875	125
	Fatehabad	Fatehabad	7850	3867	3983

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			29-Sep-17	22-Sep-17	29-Aug-17	29-Sep-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3790	3800	4000	3500
		Jodhpur(Delivery)	3980	3990	4200	3650
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3550	3550	3950	3250
		Sri-Ganganagar (Delivery)	3700	3700	4050	3400
		Rawla (Loose)	3550	3480	3830	3350
		Gharsana (Loose)	3500	3450	3750	3300

		Raisinghnagar (Loose)	NR	3530	3800	3225
	Bikaner	Bikaner (Loose)	3650	3650	3850	3420
		Bikaner (Delivery)	3833	3833	4043	3570
		Nokha(Loose)	3600	3540	3860	3360
		Nokha (Delivery)	3780	3717	4053	3481
		Khajuwala (Loose)	3570	3600	3890	3340
		Khajuwala (Delivery)	3749	3780	4085	3474
		Lunkaransar (Loose)	3600	3600	3800	3400
	Hanumangarh	Hanumangarh (Loose)	3674	3318	3595	3200
		Hanumangarh (Delivery)	3858	3484	3775	3350
		Nohar (Loose)	3525	3600	3800	3400
		Pilibanga (Loose)	3484	3380	NA	3300
	Nagaur	Nagaur (Loose)	3700	3600	3850	3300
	Churu	Churu (Delivery)	3700	3600	3950	3600
	Alwar	Alwar (Loose)	3400	3300	3550	3350
Haryana	Hisar	Adampur (Loose)	3550	3550	3775	3250
		Adampur (Delivery)	3728	3728	3964	3400
	Bhiwani	Bhiwani (Delivery)	3650	3700	3900	3400
		Siwani (Loose)	3700	3700	3900	3425
	Sirsa	Sirsa (Loose)	3620	3600	NA	3250
		Dhabwali (Loose)	3500	3540	NA	3185
		Dhabwali (Delivery)	3515	3540	NA	3335
		Ellanabad (Loose)	NR	3580	NA	3200
	Fatehabad	Fatehabad (Loose)	3500	3525	NA	3400
Gujarat	Banaskantha	Deesa (Loose)	3625	3675	3650	3275
	Patan	Patan (Loose)	3440	3430	3750	3300
	Rajkot	Rajkot (Loose)	3440	3505	NA	3325
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3280
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8100	8000	8800	6700
	Alwar	Alwar	8100	7700	8800	6600
	Hanumangarh	Nohar	7900	8000	8400	6800
Haryana	Bhiwani	Bhiwani	8100	7950	8650	6750
	Sirsa	Sirsa	8000	8000	NA	6700
		Dhabwali	8000	8000	NA	6600
		Ellanabad	NR	7900	NA	6650
	Fatehabad	Fatehabad	8000	7750	NA	6500

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			23rd to 29th September 2017	16th to 22nd September 2017	
Rajasthan	Jodhpur	Jodhpur	423	195	228
	Sri-Ganganagar	Sri-Ganganagar	3500	3000	500
		Rawla	1300	800	500
		Gharsana	710	330	380
		Raisinghnagar	1200	1750	-550
	Bikaner	Bikaner	750	900	-150
		Nokha	1850	1700	150
		Khajuwala	1300	1150	150
		Lunkaransar	820	950	-130
	Hanumangarh	Hanumangarh	390	106	284
		Nohar	2650	1600	1050
		Pilibanga	1320	700	620
	Nagaur	Nagaur	900	1000	-100
	Churu	Churu	9500	6000	3500
	Alwar	Alwar	1800	1200	600
Haryana	Hisar	Adampur	4100	3100	1000
	Bhiwani	Bhiwani	1800	2000	-200
		Siwani	3500	4200	-700
	Sirsa	Sirsa	4300	3700	600
		Dhabwali	830	775	55
		Ellanabad	450	650	-200
	Fatehabad	Fatehabad	920	330	590
Gujarat	Banaskantha	Deesa	1920	1560	360
	Patan	Patan	387	250	137
	Rajkot	Rajkot	1575	1085	490
	Jamnagar	Dhrol	7	6	1
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			48202	39037	9165

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