

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices decreased by 1.45 percent to Rs. 3364.20 per quintal during the week ended 08th October 2017. Guar seed average price were ruling at Rs 3413.8 per quintal during 24-30 September 2017. As compared to prices in the week 01-08 October 2016, the prices are firm by 11.19 percent. Prices are expected to remain steady to weak in coming days.

Harvesting of guar is underway in Rajasthan and Haryana. As per market sources around forty percent harvesting has been done in Haryana and around fifty percent in the districts of Ganganagar and Hanumangarh. Farmers are selling low quality (Black/Purple) guar and holding on to their good quality(white) guar. Black/purple guar is sold around Rs 100-150 per quintal lower than the white guar.

Production of guar is lower in 2017-18 compared to last year due to lower acreage. Harvesting has started in major producing regions however; arrivals were lower in the month of September 2017 compared to last year for the same month. Carryover stocks have also decreased due to higher exports compared to last year. Prices are expected to touch low of 3400-3450 for November contract.

As per data released by baker hughes the number of oil rigs in USA has decreased to 936 until 06th October 2017 down by 4 compared to last week and up by 412 compared to 07th October 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 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 received an actual rainfall of 152.1 mm in the month of September'17 compared to 168 mm last year for the same month against normal rainfall of 173.4 mm. In the first week of October'17, India has received an actual rainfall of 27.9 mm against normal rainfall of 31.3 mm. In the monsoon season 2017, Rajasthan and Gujarat have received normal to excess rainfall however; Haryana has received deficient rainfall.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (5100 quintals) compared to previous week 3100 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (1100 quintals) compared to previous week 900 quintals.

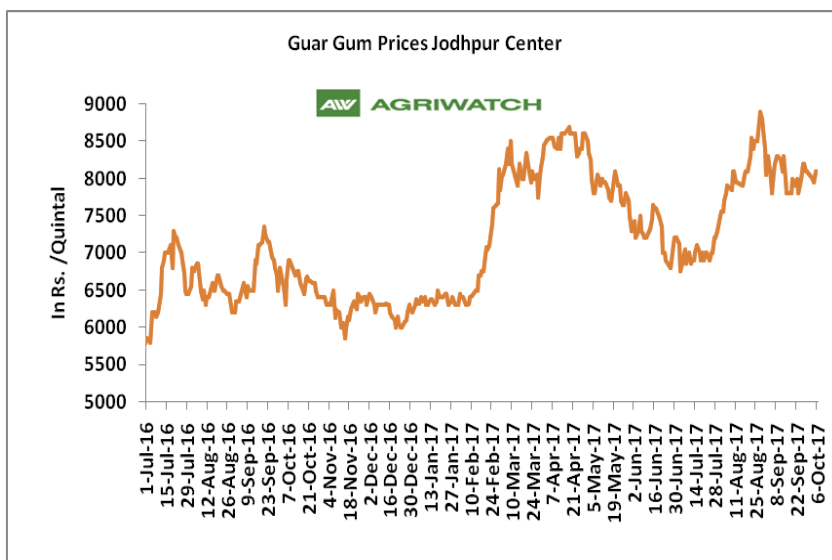
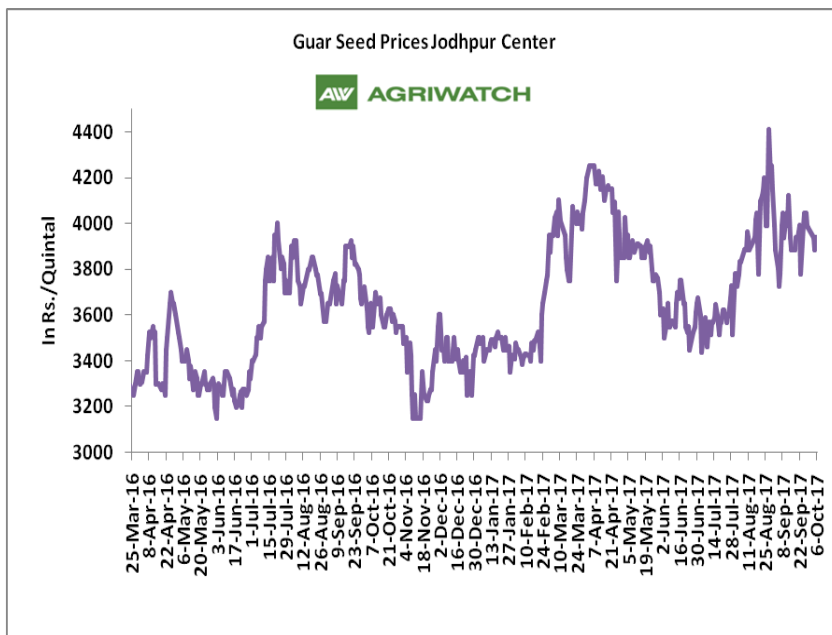
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 3780 levels for a target of 3570 with a stop loss at 3855 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

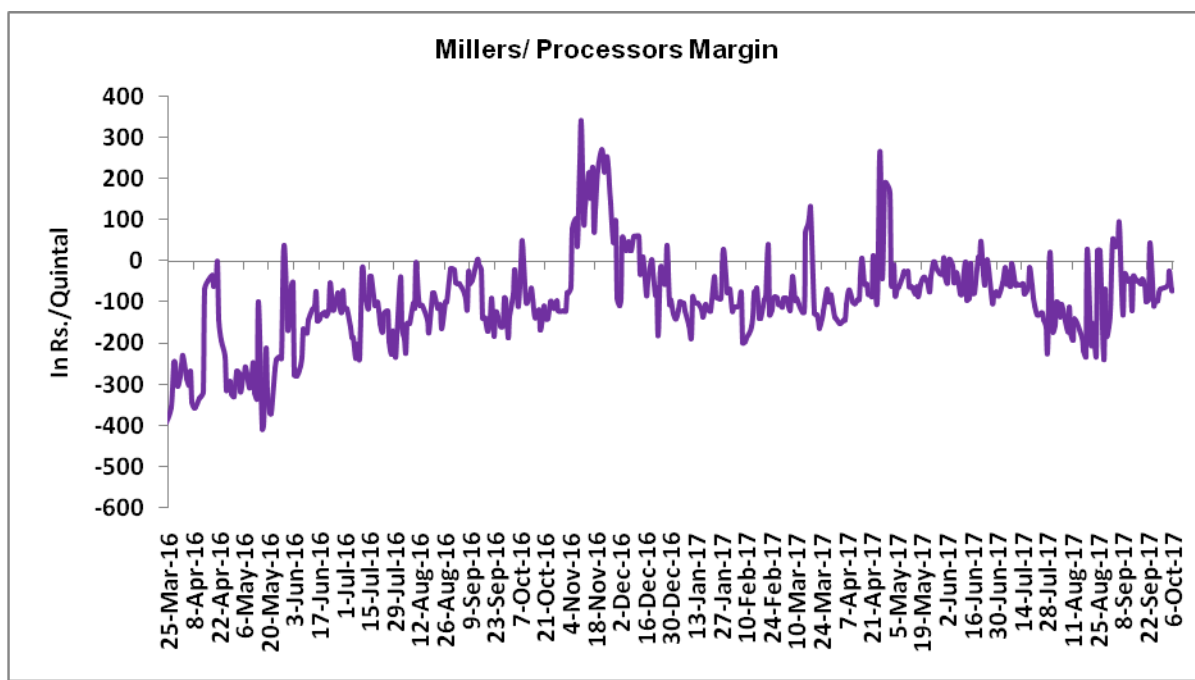
- In the week ended 06th October'17, Guar seed weekly average prices decreased by Rs 46.38 /- qtl during the week compared to previous week and settled at Rs 3924 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 29.17/- qtl and settled at Rs. 8038 per quintal. Weak demand for 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.



Millers/Processors Margin

In the week ended 06th October'17, average crush margin is Rs. -56.60 Quintal, compared to last week's -66.85/Quintal. Therefore crushing is not favorable for Millers/Processors.

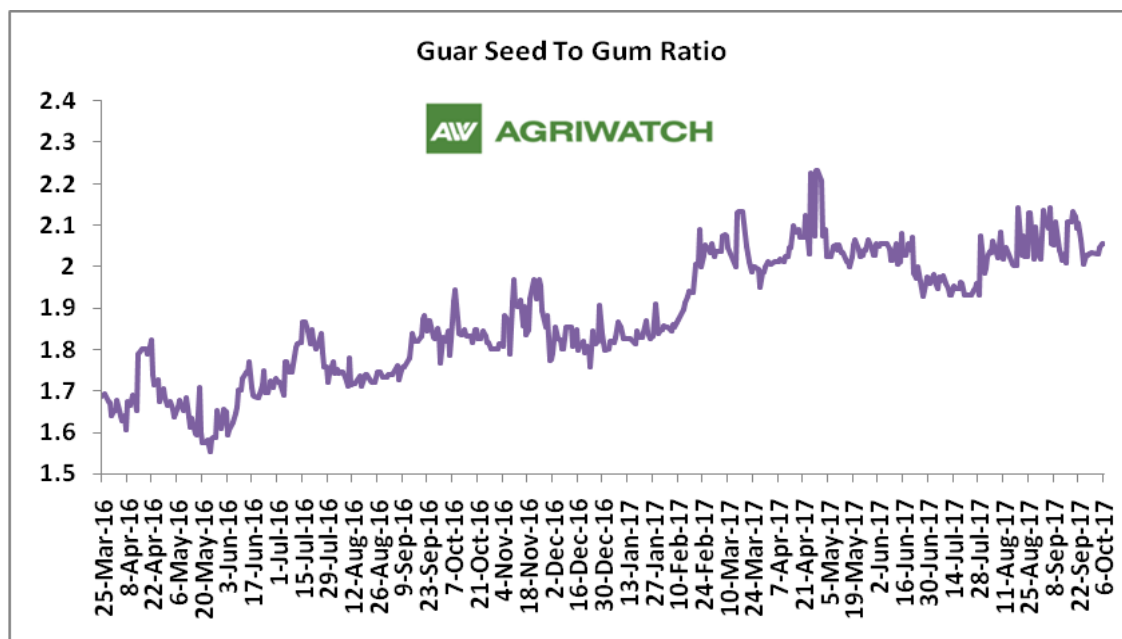
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 06th October'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 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	3465	3380	3753	3970	4065
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	November	Sell	Below 3780	3655	3570	3855



Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: November

Exchange: NCDEX
Expiry: November 20, 2017



Technical Commentary:

- Fall in price and rise in open interest indicates short 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	7415	7310	8096	8518	8693
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	Sell	Below 8120	7831	7598	8293

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	3rd to 6th October 2017	23rd to 29th September 2017	Change
Churi	Jodhpur	1390	1435	-45
Korma	Jodhpur	1979	1988	-10
Churi	Sri-Ganganagar	1201	1244	-44
Korma	Sri-Ganganagar	1819	1832	-13
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	3rd to 6th October 2017	23rd to 29th September 2017	Change
Guargum Split		1225	1230	-5
Guargum Powder	200 Mesh 5000 CPS	1531	1537	-5
	200 Mesh 3500 CPS	1455	1460	-5
Guargum Meal	40%	302	309	-6
	50%	387	385	1
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			3rd to 6th October 2017	23rd to 29th September 2017	
Rajasthan	Jodhpur	Jodhpur (Loose)	3738	3782	-44
		Jodhpur(Delivery)	3924	3971	-46
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3543	3550	-8
		Sri-Ganganagar (Delivery)	3645	3708	-63
		Rawla (Loose)	3498	3560	-63
		Gharsana (Loose)	3459	3559	-100
		Raisinghnagar (Loose)	3526	3597	-71
	Bikaner	Bikaner (Loose)	3581	3700	-119
		Bikaner (Delivery)	3760	3885	-125
		Nokha(Loose)	3619	3617	2
		Nokha (Delivery)	3800	3798	2
		Khajuwala (Loose)	3630	3590	40
		Khajuwala (Delivery)	3812	3770	42
		Lunkaransar (Loose)	3563	3650	-88
	Hanumangarh	Hanumangarh (Loose)	3502	3498	4
		Hanumangarh (Delivery)	3677	3673	4

		Nohar (Loose)	3494	3650	-156
		Pilibanga (Loose)	3388	3474	-87
	Nagaur	Nagaur (Loose)	3450	3708	-258
	Churu	Churu (Delivery)	3613	3667	-54
	Alwar	Alwar (Loose)	3313	3367	-54
Haryana	Hisar	Adampur (Loose)	3529	3556	-27
		Adampur (Delivery)	3705	3734	-28
	Bhiwani	Bhiwani (Delivery)	3625	3708	-83
		Siwani (Loose)	3613	3738	-126
	Sirsa	Sirsa (Loose)	3595	3687	-92
		Dhabwali (Loose)	3480	3578	-98
		Dhabwali (Delivery)	3654	3580	74
		Ellanabad (Loose)	3494	3576	-82
	Fatehabad	Fatehabad (Loose)	3475	3542	-67
Gujarat	Banaskantha	Deesa (Loose)	3590	3670	-80
	Patan	Patan (Loose)	3383	3466	-83
	Rajkot	Rajkot (Loose)	3383	3478	-95
	Jamnagar	Dhrol (Loose)	NA	3060	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8038	8067	-29
	Alwar	Alwar	7925	8017	-92
	Hanumangarh	Nohar	7950	8058	-108
Haryana	Bhiwani	Bhiwani	7900	8125	-225
	Sirsa	Sirsa	7975	8017	-42
		Dhabwali	8238	8117	121
		Ellanabad	7900	8000	-100
	Fatehabad	Fatehabad	8100	7850	250

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			6-Oct-17	29-Sep-17	6-Sep-17	6-Oct-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3750	3790	3600	3500
		Jodhpur(Delivery)	3938	3980	3780	3650
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3570	3550	3550	3150
		Sri-Ganganagar (Delivery)	3680	3700	3700	3350
		Rawla (Loose)	3540	3550	3580	3260
		Gharsana (Loose)	3500	3500	3530	3200

		Raisinghnagar (Loose)	3575	NR	3530	3260
	Bikaner	Bikaner (Loose)	3600	3650	3650	3360
		Bikaner (Delivery)	3780	3833	3833	3510
		Nokha(Loose)	3675	3600	3560	3350
		Nokha (Delivery)	3859	3780	3738	3471
		Khajuwala (Loose)	3700	3570	3540	3290
		Khajuwala (Delivery)	3885	3749	3717	3422
		Lunkaransar (Loose)	3600	3600	3600	3300
	Hanumangarh	Hanumangarh (Loose)	3450	3674	3530	3300
		Hanumangarh (Delivery)	3623	3858	3707	3550
		Nohar (Loose)	3550	3525	3550	3235
		Pilibanga (Loose)	3450	3484	3530	3150
	Nagaur	Nagaur (Loose)	3450	3700	3600	3200
	Churu	Churu (Delivery)	3650	3700	3900	3500
	Alwar	Alwar (Loose)	3350	3400	3500	3250
Haryana	Hisar	Adampur (Loose)	3565	3550	3600	3200
		Adampur (Delivery)	3743	3728	3780	3350
	Bhiwani	Bhiwani (Delivery)	3700	3650	3675	3400
		Siwani (Loose)	3650	3700	3700	3350
	Sirsa	Sirsa (Loose)	3640	3620	3565	3400
		Dhabwali (Loose)	3520	3500	3500	3250
		Dhabwali (Delivery)	3696	3675	3675	3400
		Ellanabad (Loose)	3550	NA	3500	3200
	Fatehabad	Fatehabad (Loose)	3500	3500	NA	3250
Gujarat	Banaskantha	Deesa (Loose)	3600	3625	3675	3175
	Patan	Patan (Loose)	3460	3440	NA	3190
	Rajkot	Rajkot (Loose)	3400	3440	3400	3225
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3280
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	3305	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8100	8100	8100	6650
	Alwar	Alwar	8000	8100	8000	6700
	Hanumangarh	Nohar	8100	7900	8250	6400
Haryana	Bhiwani	Bhiwani	8000	8100	8120	6650
	Sirsa	Sirsa	8100	8000	8000	6500
		Dhabwali	8400	8000	7900	6600
		Ellanabad	8000	NA	8000	6650
	Fatehabad	Fatehabad	8200	8000	NA	6600

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			3rd to 6th October 2017	23rd to 29th September 2017	
Rajasthan	Jodhpur	Jodhpur	188	195	-7
	Sri-Ganganagar	Sri-Ganganagar	1381	3000	-1619
		Rawla	950	800	150
		Gharsana	500	330	170
		Raisinghnagar	3700	1750	1950
	Bikaner	Bikaner	1100	900	200
		Nokha	1350	1700	-350
		Khajuwala	1150	1150	Unch
		Lunkaransar	520	950	-430
	Hanumangarh	Hanumangarh	607	106	501
		Nohar	1400	1600	-200
		Pilibanga	720	700	20
	Nagaur	Nagaur	655	1000	-345
	Churu	Churu	8500	6000	2500
	Alwar	Alwar	2300	1200	1100
Haryana	Hisar	Adampur	5100	3100	2000
	Bhiwani	Bhiwani	1200	2000	-800
		Siwani	2600	4200	-1600
	Sirsa	Sirsa	7200	3700	3500
		Dhabwali	1450	775	675
		Ellanabad	775	650	125
	Fatehabad	Fatehabad	1750	330	1420
Gujarat	Banaskantha	Deesa	1150	1560	-410
	Patan	Patan	247	250	-3
	Rajkot	Rajkot	350	1085	-735
	Jamnagar	Dhrol	NA	6	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			46843	39037	7806

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