

Guar Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Recommendations
- ❖ Domestic Market Fundamentals
- ❖ 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 1.61 percent to Rs. 3418.42 per quintal during the week ended 15th October 2017. Guar seed average price were ruling at Rs 3364.20 per quintal during 01-08 October 2017. As compared to prices in the week 09-15 October 2016, the prices are firm by 8.35 percent. Prices are expected to remain steady to weak in coming days.

As per trade sources, of the total arrival in Adampur around 60% is new crop and 40% is old crop. The condition of new crop is good whereas blackness has been reported in old crop. Traders are expecting prices to remain firm in the upcoming marketing season. In the previous week, prices in Adampur are hovering in the range of Rs 3600-3850 per quintal.

Arrivals in Bikaner are likely to start after Diwali and continue until mid of December. As of now, old crop is arriving in Bikaner mandi and condition is good with minor reports of black or purple guar seed. In Bikaner, mandi prices moved within the range of 3750-3950 in the previous week.

As per market sources around 80 percent of harvesting is complete in Hanumangarh but farmers are holding on to their crops in hope of better prices in the near future. Arrivals of new crop in Hanumangarh were around 2300 quintals in the previous week and prices are in range of Rs. 3690-3850 per quintal. Harvesting in Hanumangarh is likely to get finished within one week after Diwali.

As per traders, the overall quality of crop is low this year compared to last year crop. Of the total arrivals in Nohar around 40% is new crop and remaining is old crop. Traders in Nohar are still preferring old crop in terms of quality. In the previous week, prices in Nohar were hovering in the range of Rs 3500-3650 per quintal.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 928 until 13th October 2017 down by 8 compared to last week and up by 398 compared to 14th October 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.

As per market sources, in the month of August 2017 India has exported around 40046 tonnes of guar products compared to around 31721 tonnes last month. As compared to last year for the same month guar seed products exports have increased by 54.17 percent. Future market is firm today due to increased export demand.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (13500 quintals) compared to previous week 5100 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (2900 quintals) compared to previous week 1100 quintals.

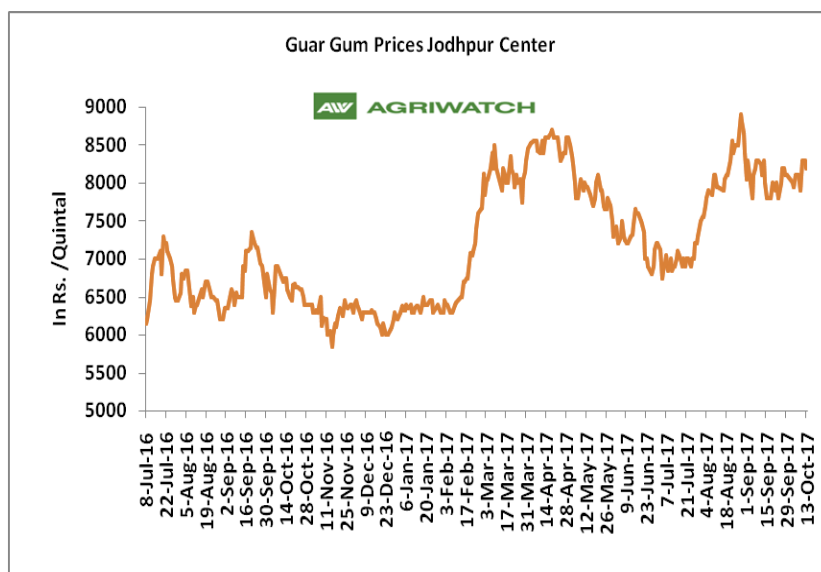
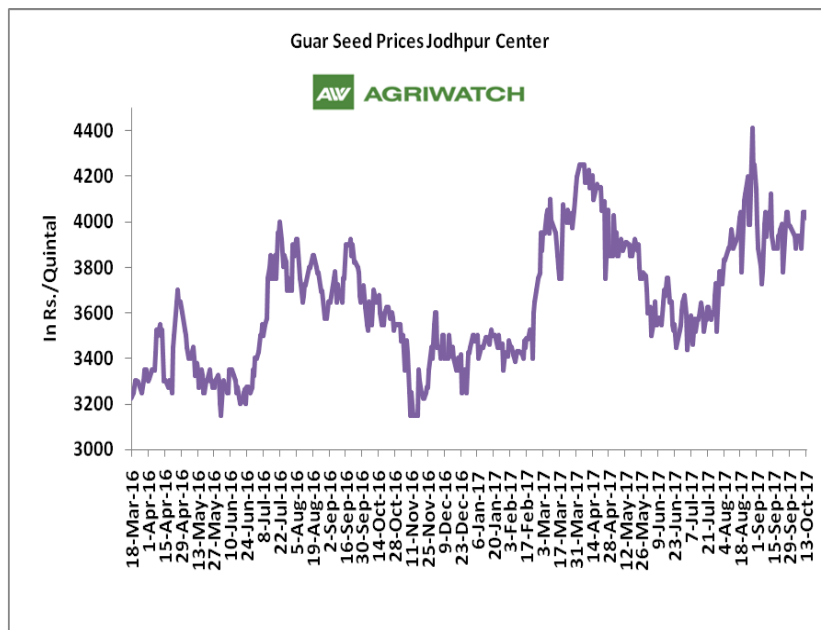
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 3810 levels for a target of 3590 with a stop loss at 3885 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

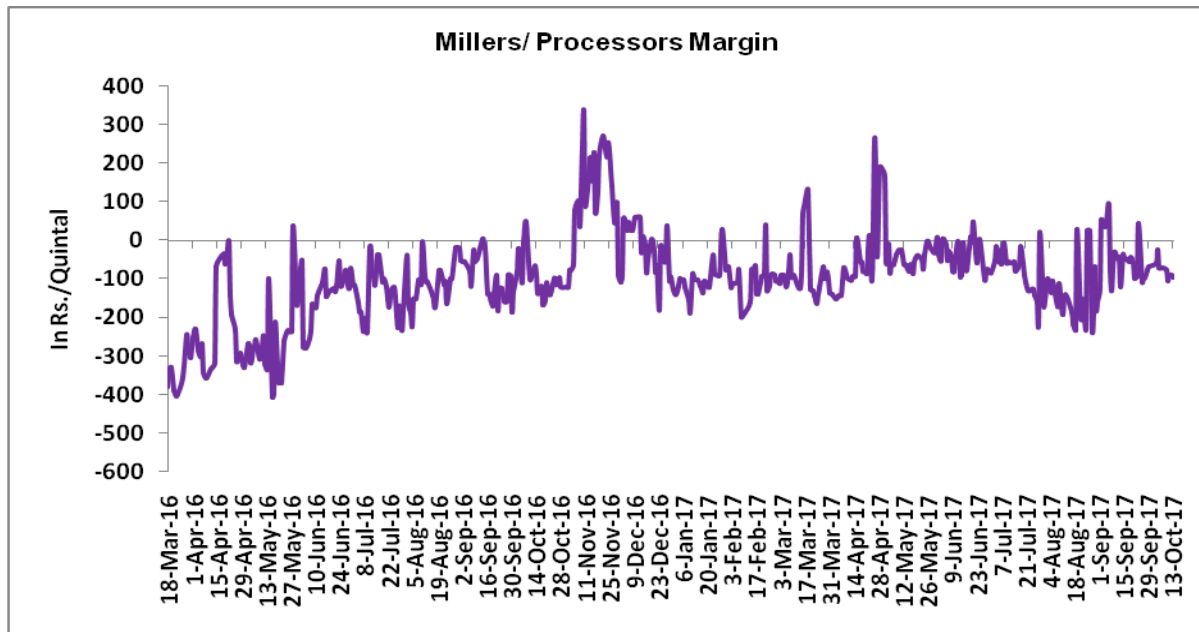
- In the week ended 13th October'17, Guar seed weekly average prices increased by Rs 70.00 /- qtl during the week compared to previous week and settled at Rs 3994 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 145.83/- qtl and settled at Rs. 8183 per quintal. Firm demand for 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.



Millers/Processors Margin

In the week ended 13th October'17, average crush margin is Rs. -88.51 Quintal, compared to last week's -56.60/Quintal. Therefore crushing is not favorable for Millers/Processors.

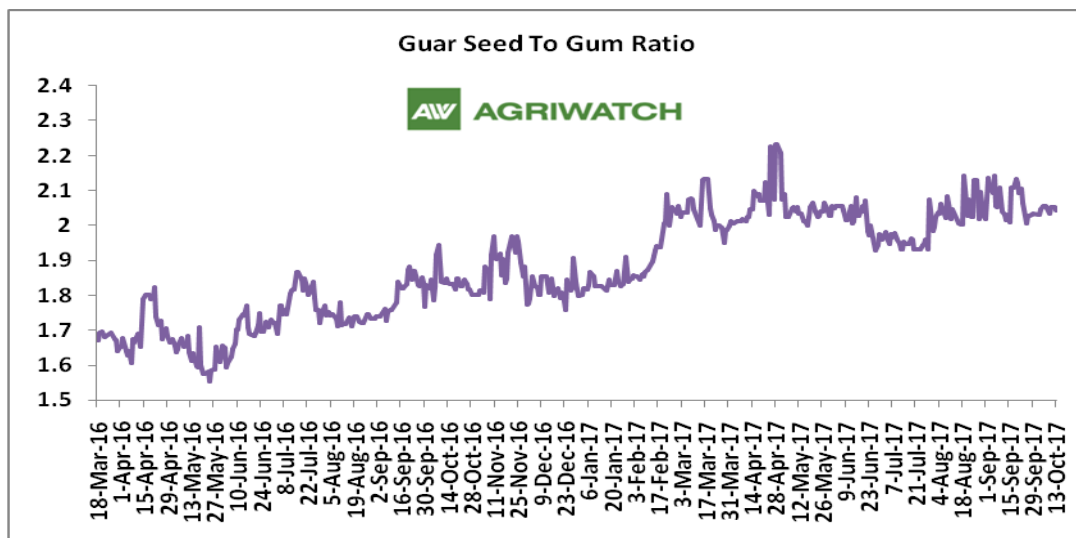
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 13th October'17 is 2.05, lower compared to last week's 2.04

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:

- Rise in price and open interest indicates long 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	3495	3410	3785	4005	4095
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	November	Sell	Below 3810	3685	3590	3885



Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: November

Exchange: NCDEX
Expiry: November 20, 2017

Guar Gum (November Weekly Chart)



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	7540	7435	8205	8643	8818
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	Sell	Below 8245	7956	7723	8418

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	7th to 13th October 2017	3rd to 6th October 2017	Change
Churi	Jodhpur	1365	1390	-25
Korma	Jodhpur	1985	1979	6
Churi	Sri-Ganganagar	1226	1201	25
Korma	Sri-Ganganagar	1825	1819	6
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	7th to 13th October 2017	3rd to 6th October 2017	Change
Guargum Split		1242	1225	17
Guargum Powder	200 Mesh 5000 CPS	1549	1531	18
	200 Mesh 3500 CPS	1472	1455	18
Guargum Meal	40%	291	302	-11
	50%	406	387	20
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			7th to 13th October 2017	3rd to 6th October 2017	
Rajasthan	Jodhpur	Jodhpur (Loose)	3804	3738	67
		Jodhpur(Delivery)	3994	3924	70
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3594	3543	52
		Sri-Ganganagar (Delivery)	3800	3645	155
		Rawla (Loose)	3581	3498	83
		Gharsana (Loose)	3565	3459	106
		Raisinghnagar (Loose)	3661	3526	135
	Bikaner	Bikaner (Loose)	3670	3581	89
		Bikaner (Delivery)	3854	3760	93
		Nokha(Loose)	3595	3619	-24
		Nokha (Delivery)	3775	3800	-25
		Khajuwala (Loose)	3613	3630	-17
		Khajuwala (Delivery)	3794	3812	-18
		Lunkaransar (Loose)	3633	3563	71
	Hanumangarh	Hanumangarh (Loose)	3590	3502	88
		Hanumangarh (Delivery)	3770	3677	93

		Nohar (Loose)	3586	3494	92
		Pilibanga (Loose)	3564	3388	177
	Nagaur	Nagaur (Loose)	3475	3450	25
	Churu	Churu (Delivery)	3680	3613	68
	Alwar	Alwar (Loose)	3380	3313	68
Haryana	Hisar	Adampur (Loose)	3598	3529	70
		Adampur (Delivery)	3778	3705	73
	Bhiwani	Bhiwani (Delivery)	3692	3625	67
		Siwani (Loose)	3701	3613	88
	Sirsa	Sirsa (Loose)	3673	3595	78
		Dhabwali (Loose)	3571	3480	91
		Dhabwali (Delivery)	3749	3654	95
		Ellanabad (Loose)	3529	3494	35
	Fatehabad	Fatehabad (Loose)	3545	3475	70
Gujarat	Banaskantha	Deesa (Loose)	3495	3590	-95
	Patan	Patan (Loose)	3454	3383	71
	Rajkot	Rajkot (Loose)	3420	3383	37
	Jamnagar	Dhrol (Loose)	3200	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8183	8038	146
	Alwar	Alwar	8160	7925	235
	Hanumangarh	Nohar	8200	7950	250
Haryana	Bhiwani	Bhiwani	8150	7900	250
	Sirsa	Sirsa	8183	7975	208
		Dhabwali	8175	8238	-63
		Ellanabad	8183	7900	283
	Fatehabad	Fatehabad	8200	8100	100

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			13-Oct-17	6-Oct-17	13-Sep-17	13-Oct-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3825	3750	3925	3500
		Jodhpur(Delivery)	4016	3938	4121	3650
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3730	3570	3550	3350
		Sri-Ganganagar (Delivery)	3970	3680	3650	3500
		Rawla (Loose)	3615	3540	3670	3280
		Gharsana (Loose)	3580	3500	3580	3325

		Raisinghnagar (Loose)	3675	3575	3650	3350
	Bikaner	Bikaner (Loose)	3680	3600	NR	3400
		Bikaner (Delivery)	3864	3780	NR	3550
		Nokha(Loose)	3610	3675	3700	3380
		Nokha (Delivery)	3791	3859	3885	3502
		Khajuwala (Loose)	3620	3700	3700	3310
		Khajuwala (Delivery)	3801	3885	3885	3442
		Lunkaransar (Loose)	3650	3600	3750	3350
		Hanumangarh	Hanumangarh (Loose)	3600	3450	3650
	Hanumangarh (Delivery)		3780	3623	3833	3400
	Nohar (Loose)		3600	3550	3720	3300
	Pilibanga (Loose)		3610	3450	3610	3150
	Nagaur	Nagaur (Loose)	3550	3450	3600	3200
	Churu	Churu (Delivery)	3650	3650	3800	3450
Alwar	Alwar (Loose)	3350	3350	3400	3250	
Haryana	Hisar	Adampur (Loose)	3640	3565	Closed	3250
		Adampur (Delivery)	3822	3743	Closed	3400
	Bhiwani	Bhiwani (Delivery)	3725	3700	3825	3450
		Siwani (Loose)	3700	3650	Closed	3400
	Sirsa	Sirsa (Loose)	3670	3640	Closed	3325
		Dhabwali (Loose)	3570	3520	Closed	3310
		Dhabwali (Delivery)	3749	3696	Closed	3460
		Ellanabad (Loose)	3525	3550	Closed	3300
	Fatehabad	Fatehabad (Loose)	3525	3500	NA	3280
	Gujarat	Banaskantha	Deesa (Loose)	3500	3600	3650
Patan		Patan (Loose)	Closed	3460	3595	3225
Rajkot		Rajkot (Loose)	3450	3400	3520	3285
Jamnagar		Dhrol (Loose)	NA	NA	NA	3115
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8200	8100	8300	6750
	Alwar	Alwar	8200	8000	8200	6700
	Hanumangarh	Nohar	8200	8100	8400	6700
Haryana	Bhiwani	Bhiwani	8250	8000	8320	6800
	Sirsa	Sirsa	8200	8100	Closed	6650
		Dhabwali	8100	8400	Closed	6700
		Ellanabad	8300	8000	Closed	6800
	Fatehabad	Fatehabad	8200	8200	NA	6600

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			7th to 13th October 2017	3rd to 6th October 2017	
Rajasthan	Jodhpur	Jodhpur	85	188	-103
	Sri-Ganganagar	Sri-Ganganagar	25165	1381	23784
		Rawla	1250	950	300
		Gharsana	2100	500	1600
		Raisinghnagar	7300	3700	3600
	Bikaner	Bikaner	2900	1100	1800
		Nokha	3700	1350	2350
		Khajuwala	1400	1150	250
		Lunkaransar	1650	520	1130
	Hanumangarh	Hanumangarh	3183	607	2576
		Nohar	2330	1400	930
		Pilibanga	1700	720	980
	Nagaur	Nagaur	980	655	325
	Churu	Churu	9500	8500	1000
	Alwar	Alwar	3000	2300	700
Haryana	Hisar	Adampur	13500	5100	8400
	Bhiwani	Bhiwani	3600	1200	2400
		Siwani	5400	2600	2800
	Sirsa	Sirsa	16500	7200	9300
		Dhabwali	2500	1450	1050
		Ellanabad	1850	775	1075
	Fatehabad	Fatehabad	3600	1750	1850
Gujarat	Banaskantha	Deesa	1690	1150	540
	Patan	Patan	437	247	190
	Rajkot	Rajkot	1015	350	665
	Jamnagar	Dhrol	4	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			71964	46843	25121

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