

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices decreased by 0.71 percent to Rs. 3394.08 per quintal during the week ended 23rd October 2017. Guar seed average price were ruling at Rs 3418.42 per quintal during 09-15 October 2017. As compared to prices in the week 16-23 October 2016, the prices are firm by 10.29 percent. Prices are expected to remain steady to weak in coming days.

As per some millers in Ganganagar recovery of guar gum from guar seed is lower compared to last year. Millers are able to extract around 30 kg of guar gum this year compared to 32 kg last year. As per millers, this fall may be due to moisture content of 3-4% in the new crop. In the past week, guar seed loose prices hovered in the range of Rs 3500-3600 per quintal.

As per trade sources, around 95 percent of harvesting is complete in Hanumangarh. However, major portion of the harvested crop is still in farms. The quality of new crop is not as good as last year's crop. Traders in Hanumangarh are expecting loose prices to reach 3500 per quintal in spot market on lower side.

The wholesale price index of guar seed has increased from 82.7 in August 2017 to 85.7 in September 2017. The WPI for September 2017 is up by 4.20 compared to corresponding month of last year and down by 5.10 compared to September 2015.

As per traders, harvesting in Ganganagar is complete. Around 6000 quintals of guar seed arrived in Ganganagar mandi today. Of the total arrivals, blackness was reported in around 35-40 percent of the crop. Although harvesting is complete traders and farmers are holding on to new crop in expectation of better prices. Loose prices are hovering in the range of Rs 3500-3600 per quintal.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 913 as on 20th October 2017 down by 15 compared to last week and up by 360 compared to 21st October 2016. Guar gum is used in hydraulic fracturing for extracting oil and gas; therefore, demand for guar gum is also affected depending on the increase or decrease of the number of oilrigs.

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. Guar seed products exports have increased by 54.17 percent, compared to corresponding month of last year. 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 lower arrivals (9500 quintals) compared to previous week 13500 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (3000 quintals) compared to previous week 2900 quintals.

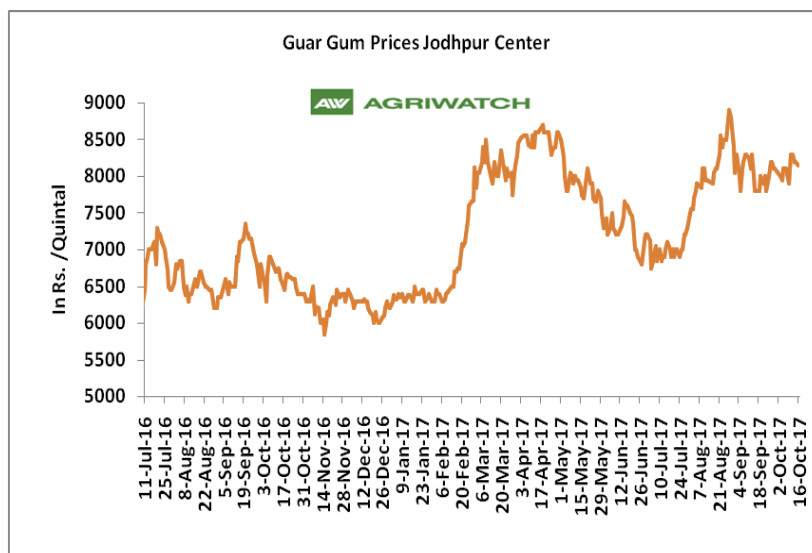
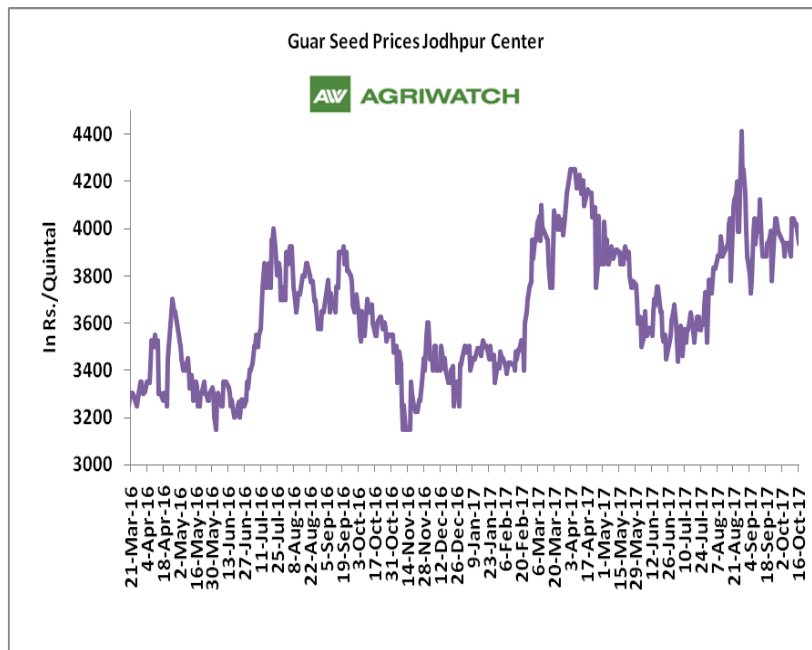
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 3780 levels for a target of 3525 with a stop loss at 3882 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

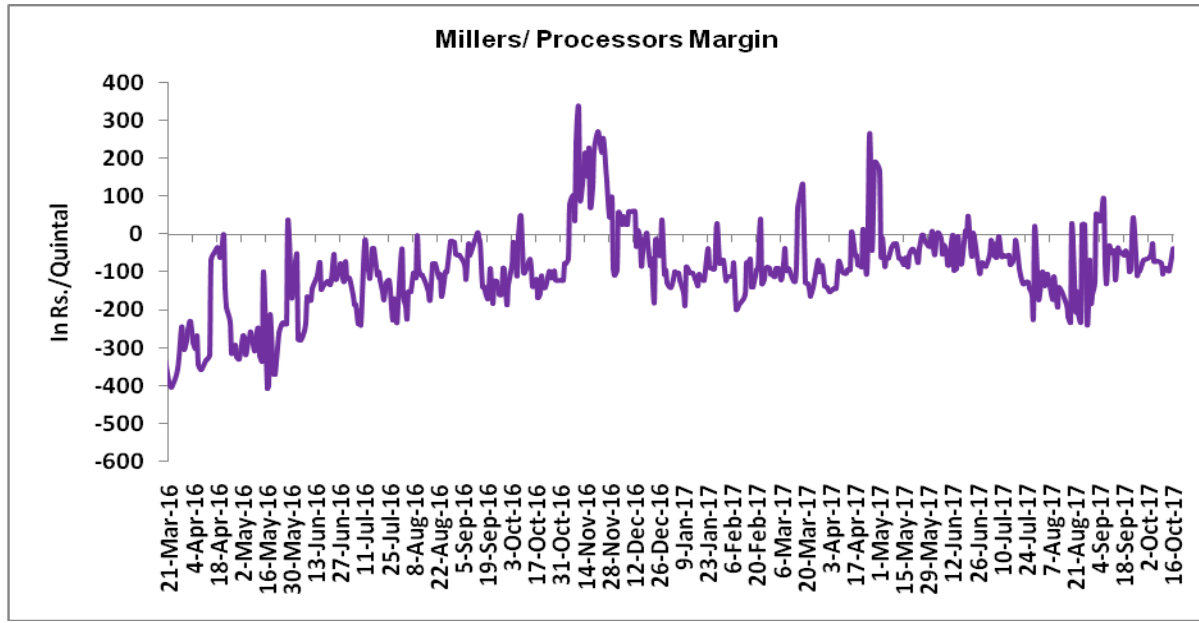
- In the week ended 20th October'17, Guar seed weekly average prices decreased by Rs 17.50 /- qtl during the week compared to previous week and settled at Rs 3977 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 8.33/- qtl and settled at Rs. 8175 per quintal. Weak demand for 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 20th October'17, average crush margin is Rs. -66.05 Quintal, compared to last week's -88.51/Quintal. Therefore, crushing is not favorable for Millers/Processors.

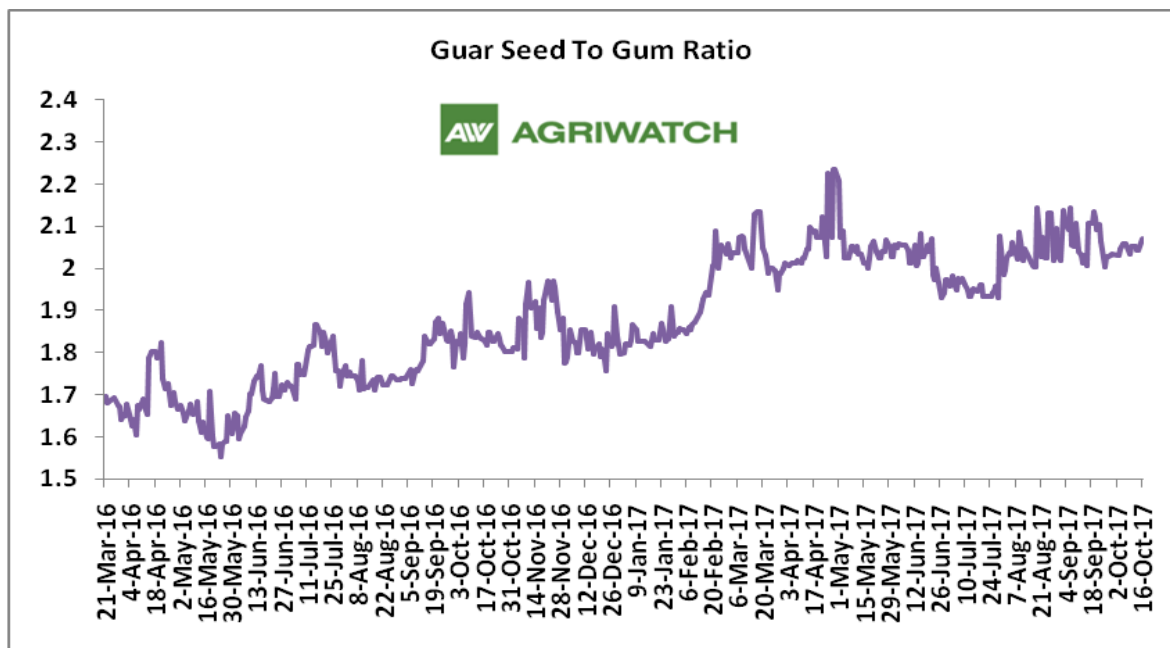
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 20th October'17 is 2.06, higher compared to last week's 2.05

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: November

Exchange: NCDEX
Expiry: November 20, 2017

Guar Seed (November Weekly Chart)



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	3440	3385	3734	3995	4080
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	November	Sell	Below 3780	3610	3525	3882

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: November

Exchange: NCDEX
Expiry: November 20, 2017



Technical Commentary:

- Rise in price and fall in open interest indicates short covering.
- 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	7525	7420	8205	8683	8875
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	Sell	Below 8260	7935	7710	8455

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	14th to 20th October 2017	7th to 13th October 2017	Change
Churi	Jodhpur	1380	1365	15
Korma	Jodhpur	1988	1985	3
Churi	Sri-Ganganagar	1238	1226	13
Korma	Sri-Ganganagar	1838	1825	13
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	14th to 20th October 2017	7th to 13th October 2017	Change
Guargum Split		1264	1242	21
Guargum Powder	200 Mesh 5000 CPS	1572	1549	23
	200 Mesh 3500 CPS	1495	1472	22
Guargum Meal	40%	280	291	-11
	50%	391	406	-15
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			14th to 20th October 2017	7th to 13th October 2017	
Rajasthan	Jodhpur	Jodhpur (Loose)	3788	3804	-17
		Jodhpur(Delivery)	3977	3994	-18
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3593	3594	-1
		Sri-Ganganagar (Delivery)	3727	3800	-73
		Rawla (Loose)	3555	3581	-26
		Gharsana (Loose)	3555	3565	-10
		Raisinghnagar (Loose)	3625	3661	-36
	Bikaner	Bikaner (Loose)	3668	3670	-2
		Bikaner (Delivery)	3852	3854	-2
		Nokha(Loose)	3738	3595	143
		Nokha (Delivery)	3925	3775	151
		Khajuwala (Loose)	3638	3613	25
		Khajuwala (Delivery)	3820	3794	26
		Lunkaransar (Loose)	3617	3633	-17
	Hanumangarh	Hanumangarh (Loose)	3600	3590	10
		Hanumangarh (Delivery)	3780	3770	10

		Nohar (Loose)	3610	3586	24
		Pilibanga (Loose)	3610	3564	46
	Nagaur	Nagaur (Loose)	3533	3475	58
	Churu	Churu (Delivery)	3667	3680	-13
	Alwar	Alwar (Loose)	3367	3380	-13
Haryana	Hisar	Adampur (Loose)	3600	3598	2
		Adampur (Delivery)	3780	3778	2
	Bhiwani	Bhiwani (Delivery)	3713	3692	21
		Siwani (Loose)	3723	3701	22
	Sirsa	Sirsa (Loose)	3663	3673	-11
		Dhabwali (Loose)	3619	3571	48
		Dhabwali (Delivery)	3800	3749	50
		Ellanabad (Loose)	3576	3529	47
	Fatehabad	Fatehabad (Loose)	3543	3545	-3
Gujarat	Banaskantha	Deesa (Loose)	3513	3495	18
	Patan	Patan (Loose)	3450	3454	-4
	Rajkot	Rajkot (Loose)	3430	3420	10
	Jamnagar	Dhrol (Loose)	NA	3200	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8175	8183	-8
	Alwar	Alwar	8233	8160	73
	Hanumangarh	Nohar	8200	8200	Unch
Haryana	Bhiwani	Bhiwani	8275	8150	125
	Sirsa	Sirsa	8250	8183	67
		Dhabwali	8225	8175	50
		Ellanabad	8238	8183	54
	Fatehabad	Fatehabad	8113	8200	-88

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			20-Oct-17	13-Oct-17	20-Sep-17	20-Oct-16
Rajasthan	Jodhpur	Jodhpur (Loose)	Closed	3825	3750	3460
		Jodhpur(Delivery)	Closed	4016	3938	3610
	Sri-Ganganagar	Sri-Ganganagar(Loose)	Closed	3730	3525	3350
		Sri-Ganganagar (Delivery)	Closed	3970	3700	3500
		Rawla (Loose)	Closed	3615	3600	3280
		Gharsana (Loose)	Closed	3580	3520	3260

		Raisinghnagar (Loose)	Closed	3675	3550	3290
	Bikaner	Bikaner (Loose)	Closed	3680	3700	3350
		Bikaner (Delivery)	Closed	3864	3885	3500
		Nokha(Loose)	Closed	3610	3550	3280
		Nokha (Delivery)	Closed	3791	3728	3398
		Khajuwala (Loose)	Closed	3620	3600	3290
		Khajuwala (Delivery)	Closed	3801	3780	3422
		Lunkaransar (Loose)	Closed	3650	3650	3300
	Hanumangarh	Hanumangarh (Loose)	Closed	3600	3331	3220
		Hanumangarh (Delivery)	Closed	3780	3498	3370
		Nohar (Loose)	Closed	3600	3640	3280
		Pilibanga (Loose)	Closed	3610	3440	3300
	Nagaur	Nagaur (Loose)	Closed	3550	3550	3250
	Churu	Churu (Delivery)	Closed	3650	3600	3450
	Alwar	Alwar (Loose)	Closed	3350	3300	3250
Haryana	Hisar	Adampur (Loose)	Closed	3640	3625	3200
		Adampur (Delivery)	Closed	3822	3806	3350
	Bhiwani	Bhiwani (Delivery)	Closed	3725	3670	3400
		Siwani (Loose)	Closed	3700	3700	3350
	Sirsa	Sirsa (Loose)	Closed	3670	3640	3320
		Dhabwali (Loose)	Closed	3570	3630	3150
		Dhabwali (Delivery)	Closed	3749	3812	3300
		Ellanabad (Loose)	Closed	3525	3560	3275
	Fatehabad	Fatehabad (Loose)	Closed	3525	3600	3300
Gujarat	Banaskantha	Deesa (Loose)	Closed	3500	3760	3000
	Patan	Patan (Loose)	Closed	Closed	3550	3125
	Rajkot	Rajkot (Loose)	Closed	3450	3505	3235
	Jamnagar	Dhrol (Loose)	Closed	NA	3305	3050
Madhya Pradesh	Gwalior	Dabra (Loose)	Closed	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	Closed	8200	7950	6675
	Alwar	Alwar	Closed	8200	7700	6700
	Hanumangarh	Nohar	Closed	8200	8200	6800
Haryana	Bhiwani	Bhiwani	Closed	8250	7900	6825
	Sirsa	Sirsa	Closed	8200	7650	6650
		Dhabwali	Closed	8100	8100	6600
		Ellanabad	Closed	8300	7950	6650
	Fatehabad	Fatehabad	Closed	8200	7700	6600

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			14th to 20th October 2017	7th to 13th October 2017	
Rajasthan	Jodhpur	Jodhpur	68	85	-17
	Sri-Ganganagar	Sri-Ganganagar	13000	25165	-12165
		Rawla	500	1250	-750
		Gharsana	1700	2100	-400
		Raisinghnagar	6000	7300	-1300
	Bikaner	Bikaner	3000	2900	100
		Nokha	2500	3700	-1200
		Khajuwala	1000	1400	-400
		Lunkaransar	1000	1650	-650
	Hanumangarh	Hanumangarh	1500	3183	-1683
		Nohar	1700	2330	-630
		Pilibanga	1500	1700	-200
	Nagaur	Nagaur	450	980	-530
	Churu	Churu	3000	9500	-6500
	Alwar	Alwar	1200	3000	-1800
Haryana	Hisar	Adampur	9500	13500	-4000
	Bhiwani	Bhiwani	7500	3600	3900
		Siwani	3900	5400	-1500
	Sirsa	Sirsa	9000	16500	-7500
		Dhabwali	1000	2500	-1500
		Ellanabad	2400	1850	550
	Fatehabad	Fatehabad	1850	3600	-1750
Gujarat	Banaskantha	Deesa	500	1690	-1190
	Patan	Patan	124	437	-313
	Rajkot	Rajkot	350	1015	-665
	Jamnagar	Dhrol	NA	4	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			74242	71964	2278

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