

# Guar Weekly Research Report

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## Executive Summary

### Domestic Guar Seed Market Summary

*All India weekly average prices decreased by 2.41 percent to Rs. 3312.43 per quintal during the week ended 31st October 2017. Guar seed average price were ruling at Rs 3394.08 per quintal during 16-23 October 2017. As compared to prices in the week 24-31 October 2016, the prices are firm by 7.51 percent. Prices are expected to remain steady to weak in coming days.*

*As per market sources, harvesting in Haryana is around 90-95 percent complete and is likely to get finished in upcoming week. The overall quality of crop is lower this year compared to last year. Millers are also reporting lower recovery this year. In Adampur mandi guar seed loose prices are hovering in the range of Rs 3500 to 3600 per quintal.*

*As per traders, harvesting in Barmer is likely to pick up from first week of November. Furthermore, crop quality is also expected to be lower compared to last year due to unfavorable weather during and after sowing of guar. As of now guar seed loose prices are hovering in the range Rs 3600-3700 per quintal. Farmers are likely to hold onto their crop even after harvesting in expectation of better prices.*

*As per market sources, of the total arrivals in Bikaner around 65 percent is new crop and the remaining 35 percent is old crop. As of now guar seed loose prices are hovering in the range of Rs 3550-3700 per quintal. The quality of new crop is not as good as last year's crop and traders are expecting prices to remain under pressure in coming days.*

*As per data released by Baker Hughes the number of oil rigs in USA has decreased to 913 as on 20<sup>th</sup> October 2017 down by 15 compared to last week and up by 360 compared to 21<sup>st</sup> 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 (10200 quintals) compared to previous week arrivals of 9500 quintals.*

*As far as Arrivals are concerned, Bikaner market reported higher arrivals (5400 quintals) compared to previous week 3000 quintals.*

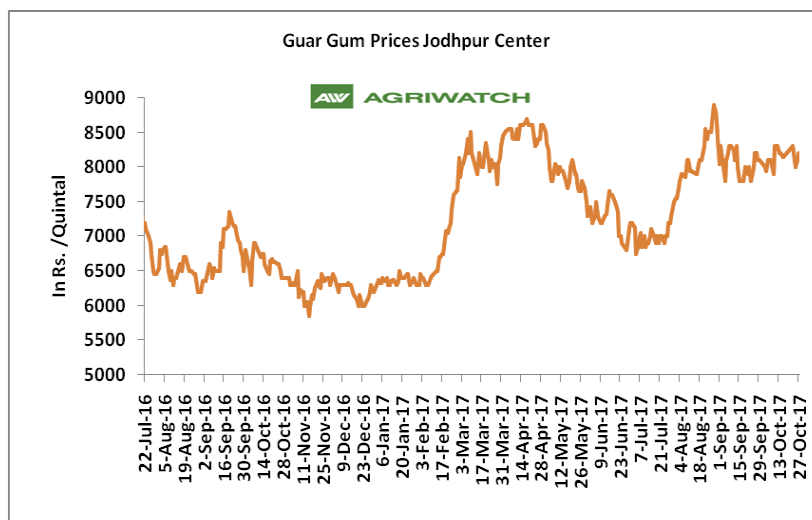
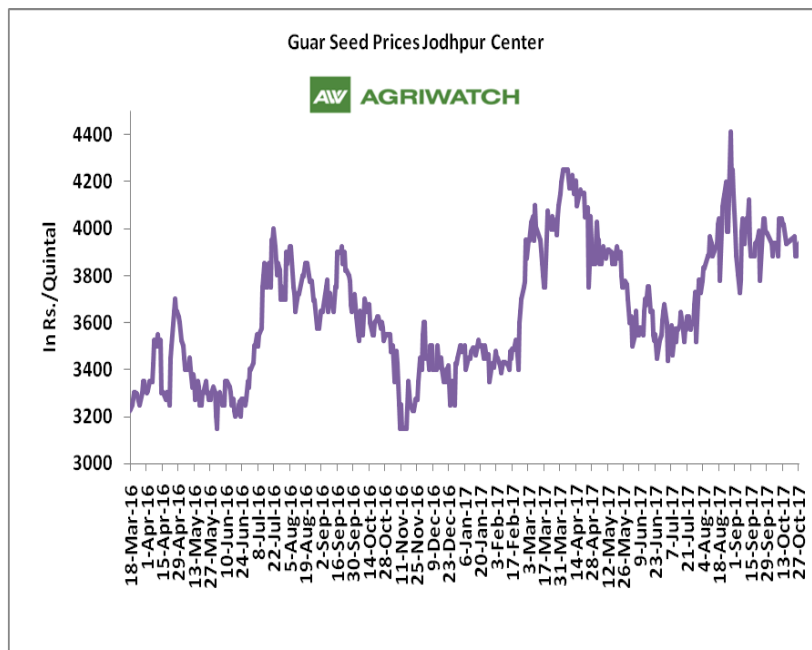
### Recommendation:

**Weekly Call - : Market participants are advised to Sell Guar seed at 3635 levels for a target of 3505 with a stop loss at 3713 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

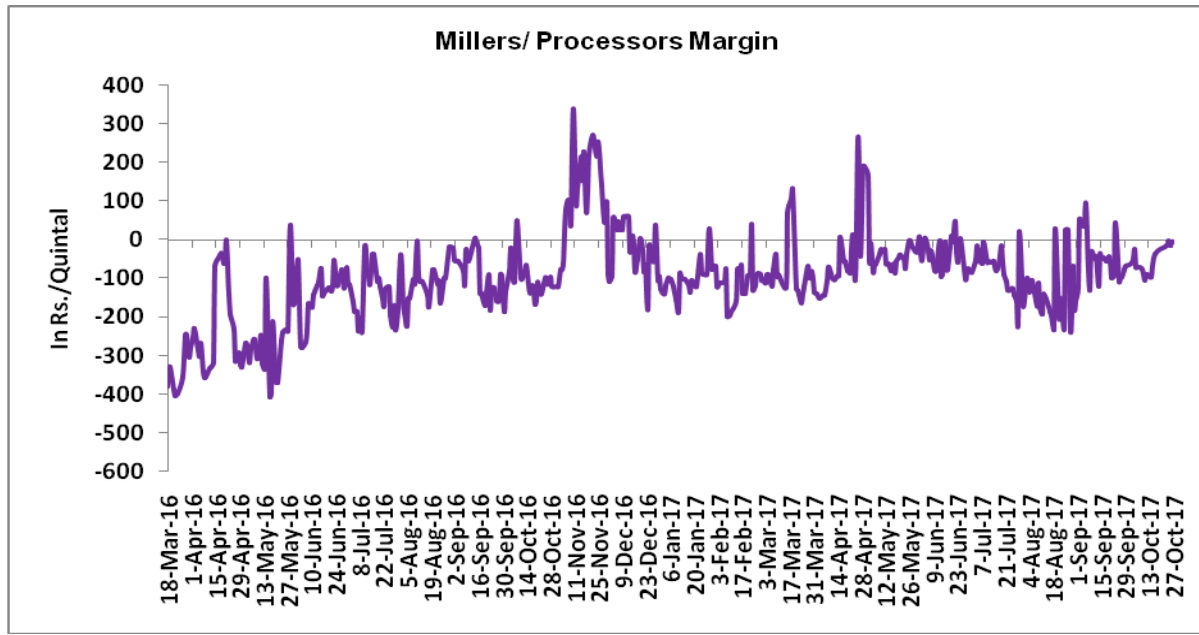
- In the week ended 27<sup>th</sup> October'17, Guar seed weekly average prices decreased by Rs 61.43 /- qtl during the week compared to previous week and settled at Rs 3915 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 35.00/- qtl and settled at Rs. 8140 per quintal. Weak 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 is 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 27 October'17, average crush margin is Rs. -7.92 Quintal, compared to last week's -66.05/Quintal. Therefore, crushing is not favorable for Millers/Processors.

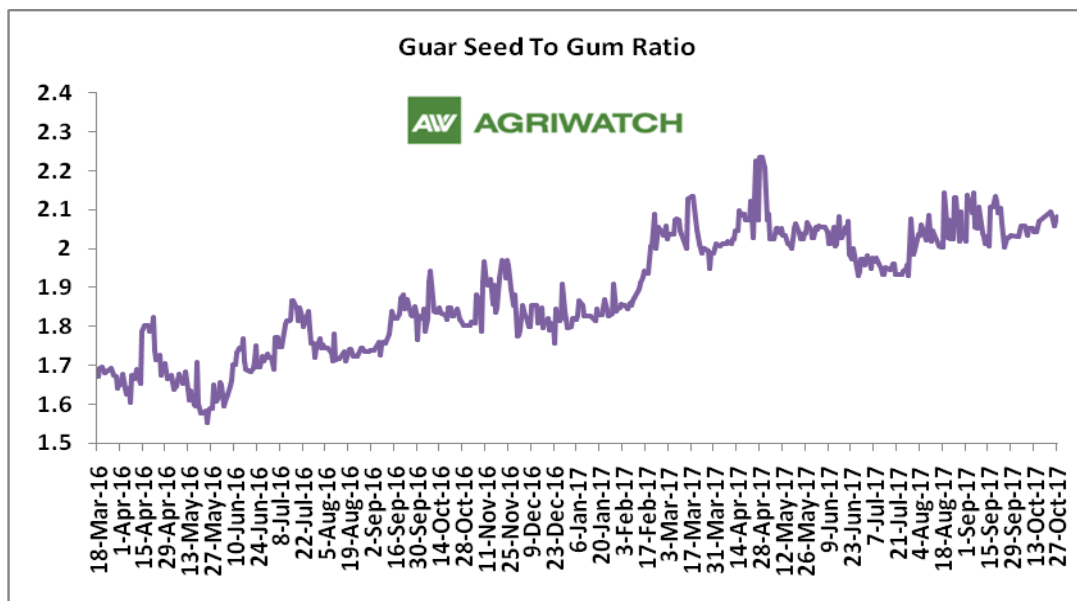
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



### Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 27 October'17 is 2.08, higher compared to last week's 2.06

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



### Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- 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	3325	3240	3611.5	3805	3880
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	November	<b>Sell</b>	Below 3635	3505	3420	3713



## Technical Analysis (Guar Gum)

Commodity: Guar Gum  
Contract: November

Exchange: NCDEX  
Expiry: November 20, 2017



### Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- 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	November	7310	7195	7829	8196	8345
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	<b>Sell</b>	Below 7855	7645	7470	7981

**Guar Seed & Gum Prices at Key Spot Markets**

<b>Guar by – Products Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Centre</b>	<b>21st to 27th October 2017</b>	<b>14th to 20th October 2017</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1384	1380	<b>4</b>
<b>Korma</b>	Jodhpur	2007	1988	<b>19</b>
<b>Churi</b>	Sri-Ganganagar	1244	1238	<b>6</b>
<b>Korma</b>	Sri-Ganganagar	1844	1838	<b>6</b>
<b>Prices in Rs/75kg</b>				

<b>Guar Export Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Variety</b>	<b>21st to 27th October 2017</b>	<b>14th to 20th October 2017</b>	<b>Change</b>
<b>Guargum Split</b>		1246	1264	<b>-17</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1554	1572	<b>-18</b>
	200 Mesh 3500 CPS	1477	1495	<b>-18</b>
<b>Guargum Meal</b>	40%	285	280	<b>4</b>
	50%	392	391	<b>1</b>
<b>Prices in \$/MT</b>				

<b>Guar Seed Weekly Average Prices:</b>					
<b>Commodity</b>	<b>District</b>	<b>Centre</b>	<b>Weekly Prices (Average ) (Rs/Qtl)</b>		<b>Change</b>
<b>Guar Seed</b>			<b>21st to 27th October 2017</b>	<b>14th to 20th October 2017</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3729	3788	<b>-59</b>
		Jodhpur(Delivery)	3915	3977	<b>-61</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3578	3593	<b>-15</b>
		Sri-Ganganagar (Delivery)	3728	3727	<b>1</b>
		Rawla (Loose)	3514	3555	<b>-41</b>
		Gharsana (Loose)	3513	3555	<b>-42</b>
		Raisinghnagar (Loose)	3521	3625	<b>-104</b>
	<b>Bikaner</b>	Bikaner (Loose)	3590	3668	<b>-78</b>
		Bikaner (Delivery)	3770	3852	<b>-82</b>
		Nokha(Loose)	3540	3738	<b>-198</b>
		Nokha (Delivery)	3717	3925	<b>-208</b>
		Khajuwala (Loose)	3532	3638	<b>-106</b>
		Khajuwala (Delivery)	3709	3820	<b>-112</b>
		Lunkaransar (Loose)	3542	3617	<b>-75</b>
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3540	3600	<b>-60</b>
		Hanumangarh (Delivery)	3717	3780	<b>-63</b>

		Nohar (Loose)	3518	3610	-92
		Pilibanga (Loose)	3486	3610	-124
	Nagaur	Nagaur (Loose)	3440	3533	-93
	Churu	Churu (Delivery)	3630	3667	-37
	Alwar	Alwar (Loose)	3280	3367	-87
Haryana	Hisar	Adampur (Loose)	3553	3600	-48
		Adampur (Delivery)	3730	3780	-50
	Bhiwani	Bhiwani (Delivery)	3643	3713	-70
		Siwani (Loose)	3638	3723	-85
	Sirsa	Sirsa (Loose)	3604	3663	-58
		Dhabwali (Loose)	3515	3619	-104
		Dhabwali (Delivery)	3691	3800	-109
		Ellanabad (Loose)	3492	3576	-85
	Fatehabad	Fatehabad (Loose)	3484	3543	-58
Gujarat	Banaskantha	Deesa (Loose)	3422	3513	-91
	Patan	Patan (Loose)	3385	3450	-65
	Rajkot	Rajkot (Loose)	3433	3430	3
	Jamnagar	Dhrol (Loose)	3135	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
<b>Guar Gum</b>					
Rajasthan	Jodhpur	Jodhpur	8140	8175	-35
	Alwar	Alwar	8280	8233	47
	Hanumangarh	Nohar	8080	8200	-120
Haryana	Bhiwani	Bhiwani	8028	8275	-247
	Sirsa	Sirsa	8075	8250	-175
		Dhabwali	8083	8225	-142
		Ellanabad	8042	8238	-196
	Fatehabad	Fatehabad	8158	8113	46

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			27-Oct-17	20-Oct-17	27-Sep-17	27-Oct-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3750	Closed	3850	3375
		Jodhpur(Delivery)	3938	Closed	4043	3525
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3600	Closed	3550	3250
		Sri-Ganganagar (Delivery)	3750	Closed	3700	3400
		Rawla (Loose)	3510	Closed	3610	3200
		Gharsana (Loose)	3510	Closed	3620	3150



		Raisinghnagar (Loose)	3530	Closed	3640	3170
	<b>Bikaner</b>	Bikaner (Loose)	3600	Closed	3750	3240
		Bikaner (Delivery)	3780	Closed	3938	3390
		Nokha(Loose)	3580	Closed	3675	3150
		Nokha (Delivery)	3759	Closed	3859	3263
		Khajuwala (Loose)	3530	Closed	3620	3170
		Khajuwala (Delivery)	3707	Closed	3801	3297
		Lunkaransar (Loose)	3550	Closed	3700	3200
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3550	Closed	3362	3125
		Hanumangarh (Delivery)	3728	Closed	3530	3275
		Nohar (Loose)	3500	Closed	3725	3150
		Pilibanga (Loose)	3480	Closed	3540	3150
	<b>Nagaur</b>	Nagaur (Loose)	3500	Closed	3800	3200
	<b>Churu</b>	Churu (Delivery)	3700	Closed	3700	3350
	<b>Alwar</b>	Alwar (Loose)	3350	Closed	3400	3150
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3535	Closed	3600	3150
		Adampur (Delivery)	3712	Closed	3780	3300
	<b>Bhiwani</b>	Bhiwani (Delivery)	3560	Closed	3800	3400
		Siwani (Loose)	3650	Closed	3800	3250
	<b>Sirsa</b>	Sirsa (Loose)	3575	Closed	3775	3190
		Dhabwali (Loose)	3530	Closed	3650	3200
		Dhabwali (Delivery)	3707	Closed	3833	3350
		Ellanabad (Loose)	3450	Closed	3625	3150
	<b>Fatehabad</b>	Fatehabad (Loose)	3525	Closed	3625	3150
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	3440	Closed	3750	3050
	<b>Patan</b>	Patan (Loose)	Closed	Closed	3560	3015
	<b>Rajkot</b>	Rajkot (Loose)	3440	Closed	3485	3025
	<b>Jamnagar</b>	Dhrol (Loose)	NA	Closed	NA	3015
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	Closed	NA	3200
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	8200	Closed	8200	6400
	<b>Alwar</b>	Alwar	8350	Closed	8200	6300
	<b>Hanumangarh</b>	Nohar	8100	Closed	8200	6500
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	7900	Closed	8400	6450
	<b>Sirsa</b>	Sirsa	7900	Closed	8200	6350
		Dhabwali	7950	Closed	8300	6400
		Ellanabad	7850	Closed	8200	6300
	<b>Fatehabad</b>	Fatehabad	8150	Closed	7850	6500

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			21st to 27th October 2017	14th to 20th October 2017	
Rajasthan	Jodhpur	Jodhpur	524	68	456
	Sri-Ganganagar	Sri-Ganganagar	22000	13000	9000
		Rawla	5700	500	5200
		Gharsana	8500	1700	6800
		Raisinghnagar	14700	6000	8700
	Bikaner	Bikaner	5400	3000	2400
		Nokha	4900	2500	2400
		Khajuwala	3700	1000	2700
		Lunkaransar	1800	1000	800
	Hanumangarh	Hanumangarh	4500	1500	3000
		Nohar	7200	1700	5500
		Pilibanga	5600	1500	4100
	Nagaur	Nagaur	2200	450	1750
	Churu	Churu	4000	3000	1000
	Alwar	Alwar	1170	1200	-30
Haryana	Hisar	Adampur	10200	9500	700
	Bhiwani	Bhiwani	5800	7500	-1700
		Siwani	6100	3900	2200
	Sirsa	Sirsa	10700	9000	1700
		Dhabwali	2500	1000	1500
		Ellanabad	2300	2400	-100
	Fatehabad	Fatehabad	3550	1850	1700
Gujarat	Banaskantha	Deesa	830	500	330
	Patan	Patan	88	124	-36
	Rajkot	Rajkot	375	350	25
	Jamnagar	Dhrol	2	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			134339	74242	60097

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