

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India average monthly prices for guar seed decreased by 0.67 percent from Rs 3297.28 in September to Rs 3275.17 per qtl in October-2017. Average price (October) is higher by 10.01 percent compared to price (Rs 2977.00 per qtl.) registered in October -2016. Guar prices are expected to remain range bound to firm in coming week.

As per traders around 1400 quintals of guar arrived in Hanumangarh mandi in last week, of which entire crop is new. In terms of quality, around fifty percent crop is of NCDEX quality. Traders are expecting prices to remain under pressure. Guar seed loose prices are hovering in the range of Rs 3440-3550 per quintal.

As per trade sources, of the total arrivals in Bikaner around 90 percent is new crop and the remaining 10 percent is old crop. Millers have reported recovery of 30 kg gum compared to 31.5-32 kg last year. Moisture of 3-4 percent has been reported in a small share of new crop. As of now guar seed 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 898 as on 03rd November 2017 down by 11 compared to last week and up by 329 compared to 27th 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 September 2017 India has exported around 34403 tonnes of guar products compared to around 40046 tonnes last month. Guar seed products exports have increased by 15.46 percent, compared to corresponding month of last year. India has exported 509149 tonnes of guar products since October'17 until September'17 compared to 315918 tonnes during corresponding period last year.

Guar prices showed recovery after falling sharply due to technical buying and higher exports in September compared to corresponding month last year. New crop arrival is complete in most of the states except Bikaner and Barmer. Guar seed loose prices moved in the range of Rs 3400-3750 per quintal in the month of October.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (7900 quintals) compared to previous week arrivals of 10200 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (2500 quintals) compared to previous week 5400 quintals.

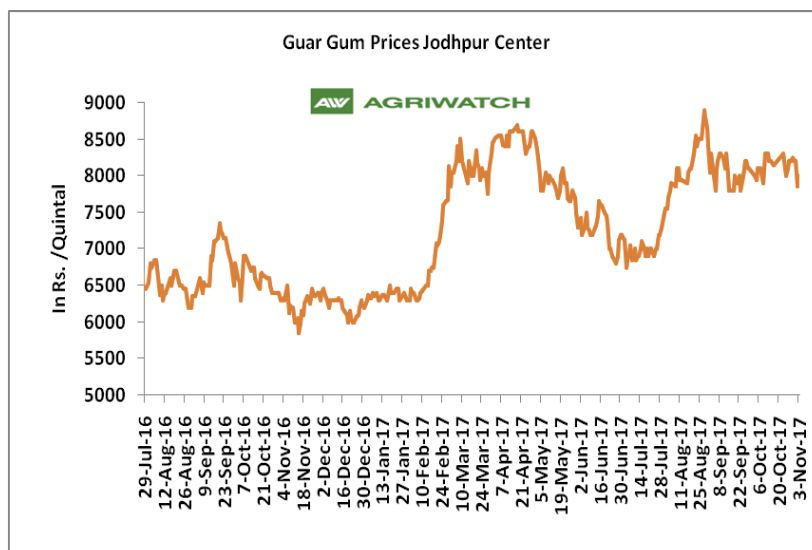
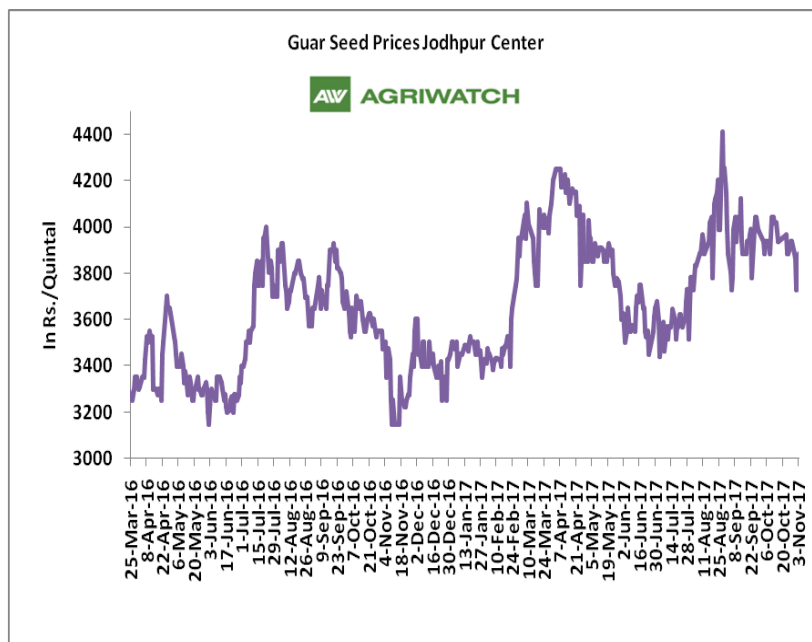
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 3670 levels for a target of 3765 with a stop loss at 3613 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

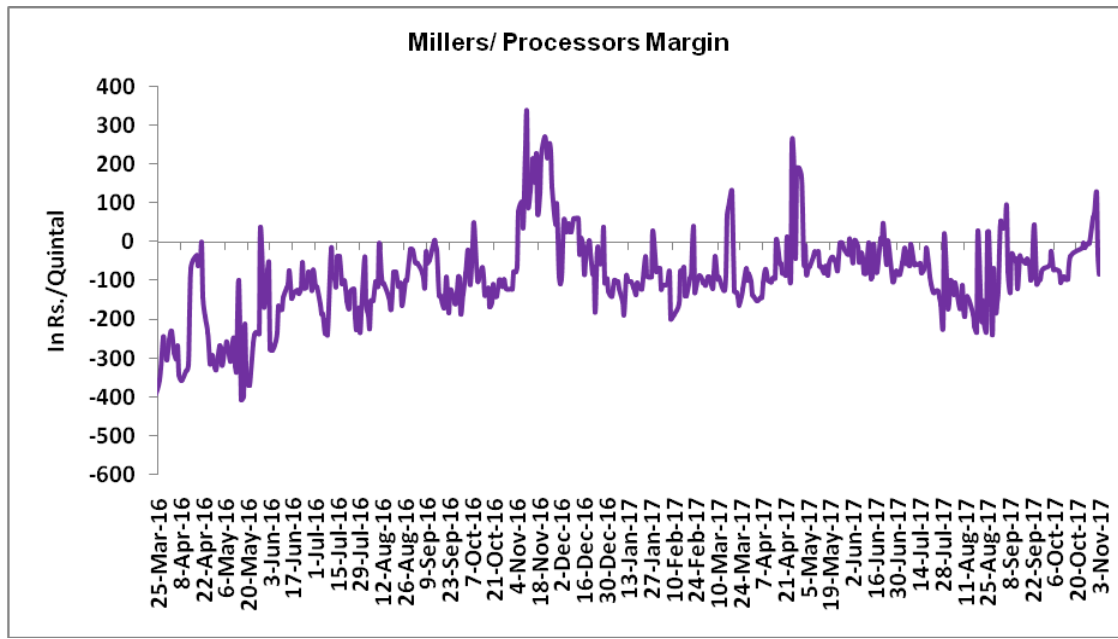
- In the week ended 03rd November'17, Guar seed weekly average prices decreased by Rs 69.82 /- qtl during the week compared to previous week and settled at Rs 3846 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 23.33/- qtl and settled at Rs. 8117 per quintal. Weak demand 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 03 November'17, average crush margin is Rs. 23.70 Quintal, compared to last week's - 7.92/Quintal. Therefore, crushing is not favorable for Millers/Processors.

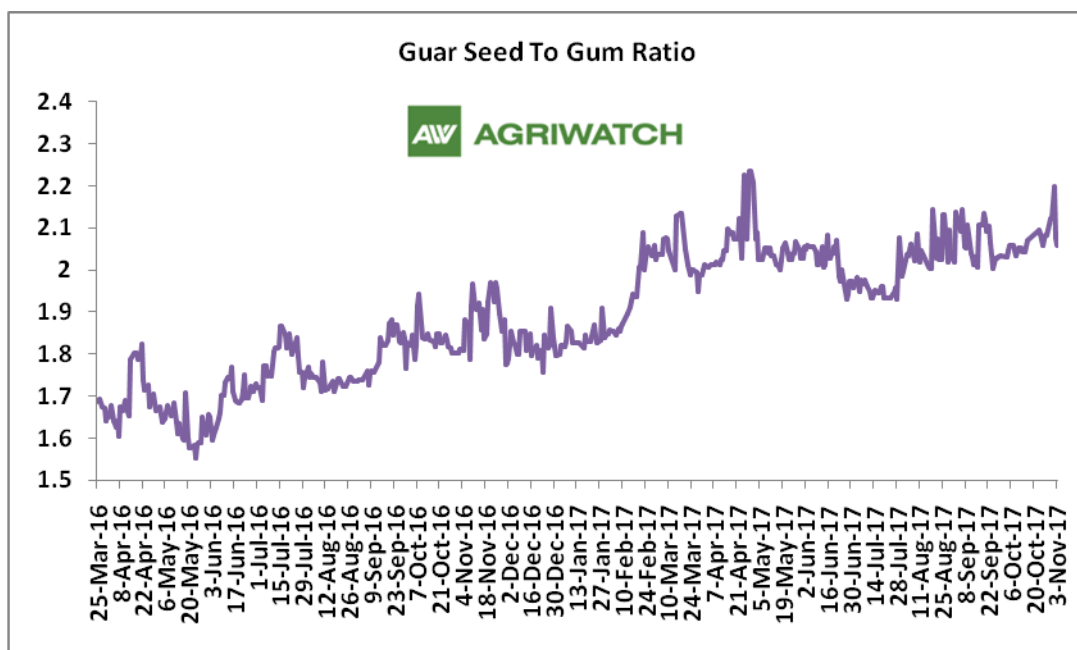
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 03 November'17 is 2.11, higher compared to last week's 2.08

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: December

Exchange: NCDEX
Expiry: December 20, 2017



Technical Commentary:

- Fall in price and rise in open interest indicates short buildup.
- RSI is moving in neutral region.
- Last candlestick depicts bullishness in market.
- Prices closed below 9 and 18 day EMAs.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	December	3560	3505	3690	3895	3950
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	December	Buy	Above 3670	3765	3830	3613

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: December

Exchange: NCDEX
Expiry: December 20, 2017



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- Prices closed below 9 and 18 days EMAs.
- RSI is moving in neutral region.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	December	7835	7745	8075	8445	8540
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	December	Buy	Above 8040	8205	8330	7941

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	28th October to 3rd November 2017	21st to 27th October 2017	Change
Churi	Jodhpur	1344	1384	-40
Korma	Jodhpur	1988	2007	-19
Churi	Sri-Ganganagar	1199	1244	-45
Korma	Sri-Ganganagar	1814	1844	-30
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	28th October to 3rd November 2017	21st to 27th October 2017	Change
Guargum Split		1210	1246	-36
Guargum Powder	200 Mesh 5000 CPS	1519	1554	-35
	200 Mesh 3500 CPS	1481	1477	4
Guargum Meal	40%	294	285	9
	50%	402	392	9
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			28th October to 3rd November 2017	21st to 27th October 2017	
Rajasthan	Jodhpur	Jodhpur (Loose)	3663	3729	-67
		Jodhpur(Delivery)	3846	3915	-70
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3483	3578	-95
		Sri-Ganganagar (Delivery)	3617	3728	-111
		Rawla (Loose)	3453	3514	-62
		Gharsana (Loose)	3446	3513	-67
		Raisinghnagar (Loose)	3453	3521	-69
	Bikaner	Bikaner (Loose)	3543	3590	-48
		Bikaner (Delivery)	3720	3770	-50
		Nokha(Loose)	3473	3540	-67
		Nokha (Delivery)	3647	3717	-70
		Khajuwala (Loose)	3463	3532	-69
		Khajuwala (Delivery)	3637	3709	-72
		Lunkaransar (Loose)	3483	3542	-59
	Hanumangarh	Hanumangarh (Loose)	3478	3540	-63
		Hanumangarh (Delivery)	3651	3717	-66

		Nohar (Loose)	3505	3518	-13
		Pilibanga (Loose)	3426	3486	-60
	Nagaur	Nagaur (Loose)	3425	3440	-15
	Churu	Churu (Delivery)	3508	3630	-122
	Alwar	Alwar (Loose)	3321	3280	41
Haryana	Hisar	Adampur (Loose)	3535	3553	-18
		Adampur (Delivery)	3712	3730	-18
	Bhiwani	Bhiwani (Delivery)	3588	3643	-54
		Siwani (Loose)	3649	3638	12
	Sirsa	Sirsa (Loose)	3523	3604	-81
		Dhabwali (Loose)	3516	3515	1
		Dhabwali (Delivery)	3692	3691	1
		Ellanabad (Loose)	3486	3492	-6
	Fatehabad	Fatehabad (Loose)	3480	3484	-4
Gujarat	Banaskantha	Deesa (Loose)	3408	3422	-13
	Patan	Patan (Loose)	3340	3385	-45
	Rajkot	Rajkot (Loose)	3426	3433	-7
	Jamnagar	Dhrol (Loose)	3263	3135	128
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8117	8140	-23
	Alwar	Alwar	7950	8280	-330
	Hanumangarh	Nohar	8083	8080	3
Haryana	Bhiwani	Bhiwani	7942	8028	-87
	Sirsa	Sirsa	7858	8075	-217
		Dhabwali	7975	8083	-108
		Ellanabad	7920	8042	-122
	Fatehabad	Fatehabad	7940	8158	-218

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			3-Nov-17	27-Oct-17	3-Oct-17	3-Nov-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3700	3750	3750	3325
		Jodhpur(Delivery)	3885	3938	3938	3475
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3550	3600	3500	3146
		Sri-Ganganagar (Delivery)	3650	3750	3600	3296
		Rawla (Loose)	3490	3510	3450	3115
		Gharsana (Loose)	3480	3510	3415	3100

		Raisinghnagar (Loose)	3460	3530	3500	3100
	Bikaner	Bikaner (Loose)	3575	3600	3575	3190
		Bikaner (Delivery)	3754	3780	3754	3340
		Nokha(Loose)	3500	3580	3500	3100
		Nokha (Delivery)	3675	3759	3675	3212
		Khajuwala (Loose)	3500	3530	3520	3130
		Khajuwala (Delivery)	3675	3707	3696	3255
		Lunkaransar (Loose)	3550	3550	3500	3100
	Hanumangarh	Hanumangarh (Loose)	3525	3550	3536	3130
		Hanumangarh (Delivery)	3701	3728	3713	3280
		Nohar (Loose)	3580	3500	3450	3100
		Pilibanga (Loose)	3500	3480	3350	3150
	Nagaur	Nagaur (Loose)	3450	3500	3550	3100
	Churu	Churu (Delivery)	3500	3700	3600	3300
	Alwar	Alwar (Loose)	3375	3350	3300	3000
Haryana	Hisar	Adampur (Loose)	3560	3535	3500	3150
		Adampur (Delivery)	3738	3712	3675	3300
	Bhiwani	Bhiwani (Delivery)	3650	3560	3600	3250
		Siwani (Loose)	3620	3650	3600	3200
	Sirsa	Sirsa (Loose)	3530	3575	3580	3150
		Dhabwali (Loose)	3540	3530	3450	3150
		Dhabwali (Delivery)	3717	3707	3623	3300
		Ellanabad (Loose)	3500	3450	3400	3125
	Fatehabad	Fatehabad (Loose)	3550	3525	3450	3100
Gujarat	Banaskantha	Deesa (Loose)	3450	3440	3610	3050
	Patan	Patan (Loose)	3280	Closed	3405	3015
	Rajkot	Rajkot (Loose)	3435	3440	3400	3130
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3015
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	3200
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8000	8200	8000	6300
	Alwar	Alwar	8000	8350	7900	6200
	Hanumangarh	Nohar	8200	8100	7900	6400
Haryana	Bhiwani	Bhiwani	8050	7900	7800	6250
	Sirsa	Sirsa	8000	7900	7900	6200
		Dhabwali	8100	7950	8000	6200
		Ellanabad	8100	7850	7700	6200
	Fatehabad	Fatehabad	8200	8150	8000	6300

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			28th October to 3rd November 2017	21st to 27th October 2017	
Rajasthan	Jodhpur	Jodhpur	599	524	75
	Sri-Ganganagar	Sri-Ganganagar	25748	22000	3748
		Rawla	11700	5700	6000
		Gharsana	16200	8500	7700
		Raisinghnagar	12700	14700	-2000
	Bikaner	Bikaner	2500	5400	-2900
		Nokha	6400	4900	1500
		Khajuwala	8600	3700	4900
		Lunkaransar	2500	1800	700
	Hanumangarh	Hanumangarh	1600	4500	-2900
		Nohar	9200	7200	2000
		Pilibanga	4003	5600	-1597
	Nagaur	Nagaur	3150	2200	950
	Churu	Churu	5000	4000	1000
Haryana	Alwar	Alwar	1140	1170	-30
	Hisar	Adampur	7900	10200	-2300
	Bhiwani	Bhiwani	6000	5800	200
		Siwani	6800	6100	700
	Sirsa	Sirsa	5400	10700	-5300
		Dhabwali	1300	2500	-1200
		Ellanabad	1950	2300	-350
Gujarat	Fatehabad	Fatehabad	1300	3550	-2250
	Banaskantha	Deesa	1910	830	1080
	Patan	Patan	196	88	108
	Rajkot	Rajkot	930	375	555
Madhya Pradesh	Jamnagar	Dhrol	151	2	149
	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			144877	134339	10538

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