

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. 3232.58 per quintal during the week ended 08th November 2017. Guar seed average price were ruling at Rs 3312.43 per quintal during 24-31 October 2017. As compared to prices in the week 01-08 November 2016, the prices are firm by 6.94 percent. Prices are expected to remain steady to weak in coming days.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 907 as on 10th November 2017 up by 9 compared to last week and by 339 compared to 11th November 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, around 50-60 percent harvesting is complete in Barmer. Millers have reported normal recovery and moisture in the new crop. Guar seed (loose) prices are moving in the range of Rs 3450-3650 per quintal.

As per trade sources, around 85-90 percent harvesting is complete in Bikaner. Traders are expecting prices to remain under pressure in upcoming days. Guar seed (loose) prices in Bikaner are moving in the range of Rs 3530-3600 per quintal.

Guar prices are likely to trade steady to weak in the week. Bikaner and Barmer are the only two districts where harvesting is ongoing and arrival pressure from these two districts is likely to weigh on prices. Millers are reporting lower recovery of guar in some districts.

In the month of August, India exported 40656 tonnes of guar seed products compared to 31721 in the previous month. Of the total quantity exported in the month of August 10012 tonnes was guar meal, 26744 tonnes of guar gum and 3900 tonnes of guar split. Firmness in international crude oil market has led to an increase in number of oilrigs worldwide. The total number of oilrigs was recorded at 2081 worldwide in September'17 compared to 1584 in the same month last year.

As far as arrivals are concerned, Bhiwani (Haryana) market reported higher arrivals (14300 quintals) compared to previous week arrivals of 6000 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (3000 quintals) compared to previous week 2500 quintals.

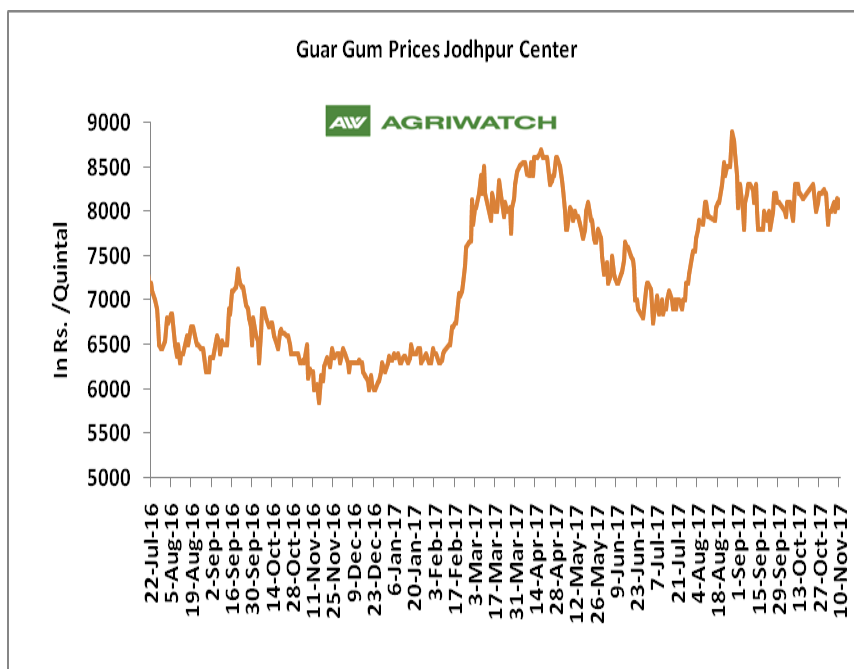
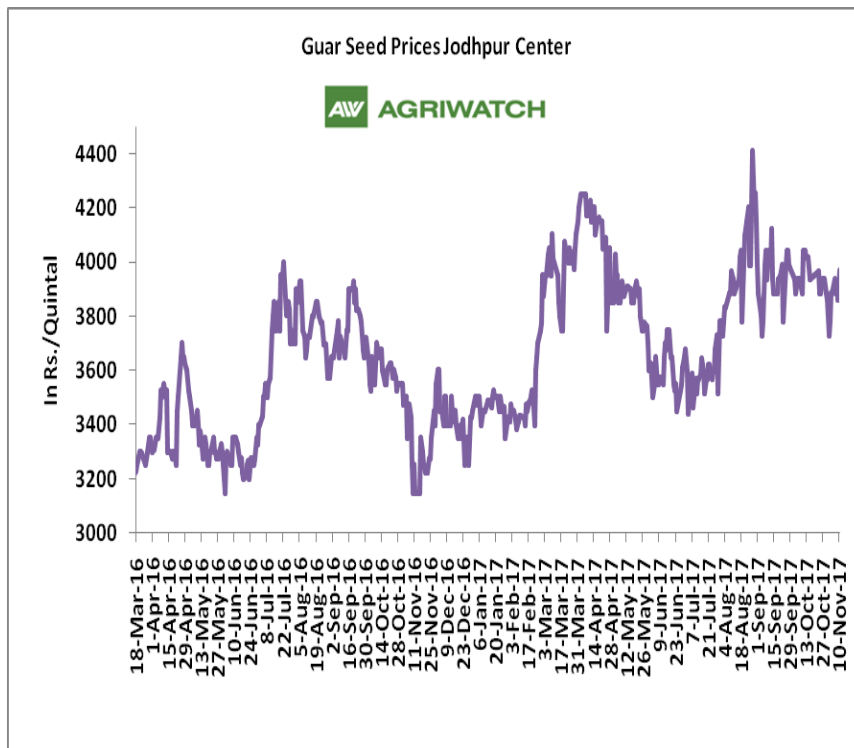
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 3755 levels for a target of 3565 with a stop loss at 3824 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

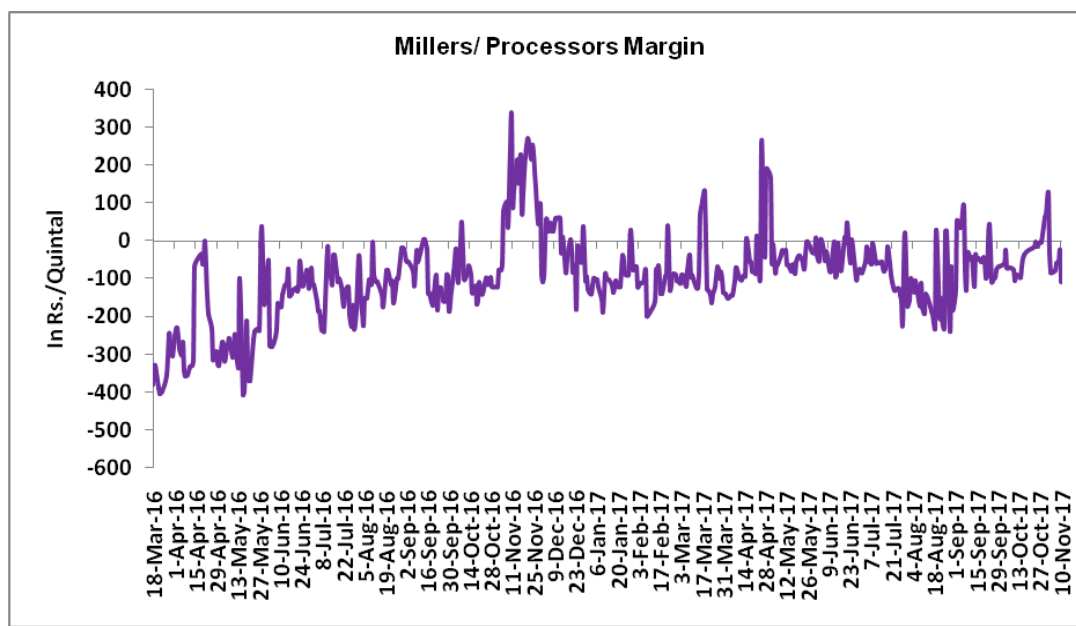
- In the week ended 10th November'17, Guar seed weekly average prices increased by Rs 64.75 /- qtl during the week compared to previous week and settled at Rs 3910 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 45.83/- qtl and settled at Rs. 8071 per quintal. Weak demand 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 10 November'17, average crush margin is Rs. -67.47/Quintal, compared to last week's 23.70/Quintal. Therefore, crushing is not favorable for Millers/Processors.

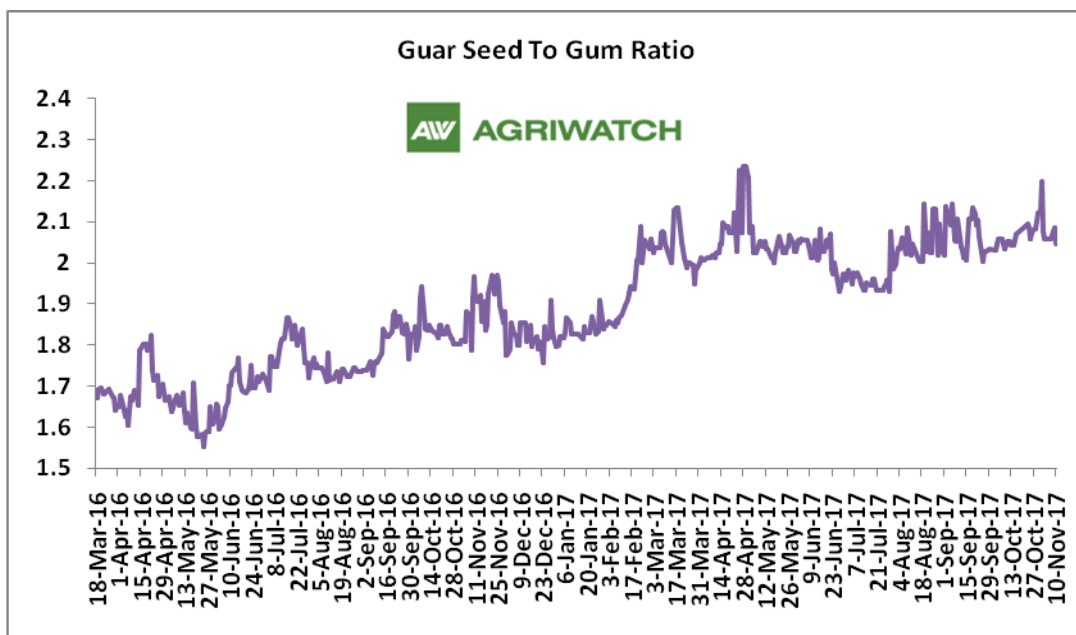
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 10 November'17 is 2.06, higher compared to last week's 2.11

Overall, weak 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: December

Exchange: NCDEX
Expiry: December 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 | December | 3470 | 3395 | 3705 | 3895 | 3960 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Seed | NCDEX | December | Sell | Below 3755 | 3640 | 3565 | 3824 |



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 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 | December | 7735 | 7580 | 8239 | 8685 | 8870 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Gum | NCDEX | December | Sell | Below 8340 | 8105 | 7910 | 8481 |

Guar Seed & Gum Prices at Key Spot Markets

| Guar by – Products Weekly Average Prices: | | | | |
|--|----------------|---|--|---------------|
| Commodity | Centre | 4th November to 10th November 2017 | 28th October to 3rd November 2017 | Change |
| Churi | Jodhpur | 1321 | 1344 | -23 |
| Korma | Jodhpur | 1975 | 1988 | -12 |
| Churi | Sri-Ganganagar | 1197 | 1199 | -2 |
| Korma | Sri-Ganganagar | 1825 | 1814 | 11 |
| Prices in Rs/75kg | | | | |

| Guar Export Weekly Average Prices: | | | | |
|---|-------------------|---|--|---------------|
| Commodity | Variety | 4th November to 10th November 2017 | 28th October to 3rd November 2017 | Change |
| Guargum Split | | 1247 | 1210 | 36 |
| Guargum Powder | 200 Mesh 5000 CPS | 1555 | 1519 | 36 |
| | 200 Mesh 3500 CPS | 1516 | 1481 | 36 |
| Guargum Meal | 40% | 285 | 294 | -8 |
| | 50% | 401 | 402 | -1 |
| Prices in \$/MT | | | | |

| Guar Seed Weekly Average Prices: | | | | | |
|---|-----------------------|---------------------------|---|--|---------------|
| Commodity | District | Centre | Weekly Prices (Average) (Rs/Qtl) | | Change |
| Guar Seed | | | 4th November to 10th November 2017 | 28th October to 3rd November 2017 | |
| Rajasthan | Jodhpur | Jodhpur (Loose) | 3724 | 3663 | 62 |
| | | Jodhpur (Delivery) | 3910 | 3846 | 65 |
| | Sri-Ganganagar | Sri-Ganganagar (Loose) | 3523 | 3483 | 39 |
| | | Sri-Ganganagar (Delivery) | 3652 | 3617 | 35 |
| | | Rawla (Loose) | 3497 | 3453 | 44 |
| | | Gharsana (Loose) | 3498 | 3446 | 53 |
| | | Raisinghnagar (Loose) | 3527 | 3453 | 74 |
| | Bikaner | Bikaner (Loose) | 3547 | 3543 | 4 |
| | | Bikaner (Delivery) | 3724 | 3720 | 4 |
| | | Nokha (Loose) | 3522 | 3473 | 48 |
| | | Nokha (Delivery) | 3698 | 3647 | 51 |
| | | Khajuwala (Loose) | 3533 | 3463 | 69 |
| | | Khajuwala (Delivery) | 3709 | 3637 | 73 |
| | | Lunkaransar (Loose) | 3538 | 3483 | 54 |
| | Hanumangarh | Hanumangarh (Loose) | 3518 | 3478 | 41 |

| | | | | | |
|----------------|-------------|------------------------|------|------|-----|
| | | Hanumangarh (Delivery) | 3694 | 3651 | 43 |
| | | Nohar (Loose) | 3521 | 3505 | 16 |
| | | Pilibanga (Loose) | 3502 | 3426 | 75 |
| | Nagaur | Nagaur (Loose) | 3433 | 3425 | 8 |
| | Churu | Churu (Delivery) | 3633 | 3508 | 125 |
| | Alwar | Alwar (Loose) | 3433 | 3321 | 113 |
| Haryana | Hisar | Adampur (Loose) | 3550 | 3535 | 15 |
| | | Adampur (Delivery) | 3728 | 3712 | 16 |
| | Bhiwani | Bhiwani (Delivery) | 3658 | 3588 | 70 |
| | | Siwani (Loose) | 3625 | 3649 | -24 |
| | Sirsa | Sirsa (Loose) | 3566 | 3523 | 43 |
| | | Dhabwali (Loose) | 3600 | 3516 | 84 |
| | | Dhabwali (Delivery) | 3780 | 3692 | 88 |
| | | Ellanabad (Loose) | 3515 | 3486 | 29 |
| | Fatehabad | Fatehabad (Loose) | 3467 | 3480 | -13 |
| | | | | | |
| Gujarat | Banaskantha | Deesa (Loose) | 3375 | 3408 | -33 |
| | Patan | Patan (Loose) | 3426 | 3340 | 86 |
| | Rajkot | Rajkot (Loose) | 3473 | 3426 | 47 |
| | Jamnagar | Dhrol (Loose) | 3265 | 3263 | 3 |
| Madhya Pradesh | Gwalior | Dabra (Loose) | NA | NA | - |
| Guar Gum | | | | | |
| Rajasthan | Jodhpur | Jodhpur | 8071 | 8117 | -46 |
| | Alwar | Alwar | 8150 | 7950 | 200 |
| | Hanumangarh | Nohar | 8050 | 8083 | -33 |
| Haryana | Bhiwani | Bhiwani | 8067 | 7942 | 125 |
| | Sirsa | Sirsa | 8067 | 7858 | 208 |
| | | Dhabwali | 8108 | 7975 | 133 |
| | | Ellanabad | 8058 | 7920 | 138 |
| | | | | | |
| | Fatehabad | Fatehabad | 8117 | 7940 | 177 |

| Week on Week Price: Scenario of Guarseed and Guargum: | | | | | | |
|---|----------------|---------------------------|-----------|----------|-----------|-----------|
| Commodity | District | Centre | Today | Week Ago | Month Ago | Year Ago |
| Guar Seed | | | 10-Nov-17 | 3-Nov-17 | 10-Oct-17 | 10-Nov-16 |
| Rajasthan | Jodhpur | Jodhpur (Loose) | 3780 | 3700 | 3850 | 3000 |
| | | Jodhpur(Delivery) | 3969 | 3885 | 4043 | 3150 |
| | Sri-Ganganagar | Sri-Ganganagar(Loose) | 3525 | 3550 | 3540 | 3125 |
| | | Sri-Ganganagar (Delivery) | 3600 | 3650 | 3700 | 3275 |
| | | Rawla (Loose) | 3450 | 3490 | 3600 | 3050 |

| | | | | | | |
|------------------|--------------------|------------------------|------|------|------|------|
| | | Gharsana (Loose) | 3480 | 3480 | 3570 | 3040 |
| | | Raisinghnagar (Loose) | 3490 | 3460 | 3700 | 3060 |
| | Bikaner | Bikaner (Loose) | 3450 | 3575 | 3730 | 3125 |
| | | Bikaner (Delivery) | 3623 | 3754 | 3917 | 3150 |
| | | Nokha(Loose) | 3500 | 3500 | 3625 | 3080 |
| | | Nokha (Delivery) | 3675 | 3675 | 3806 | 3191 |
| | | Khajuwala (Loose) | 3500 | 3500 | 3620 | 3060 |
| | | Khajuwala (Delivery) | 3675 | 3675 | 3801 | 3182 |
| | | Lunkaransar (Loose) | 3475 | 3550 | 3650 | 3100 |
| | Hanumangarh | Hanumangarh (Loose) | 3525 | 3525 | 3570 | 3100 |
| | | Hanumangarh (Delivery) | 3701 | 3701 | 3749 | 3250 |
| | | Nohar (Loose) | 3500 | 3580 | 3615 | 3050 |
| | | Pilibanga (Loose) | 3500 | 3500 | 3625 | 3050 |
| | Nagaur | Nagaur (Loose) | 3450 | 3450 | 3400 | 3150 |
| | Churu | Churu (Delivery) | 3600 | 3500 | 3700 | 3200 |
| | Alwar | Alwar (Loose) | 3400 | 3375 | 3400 | 2900 |
| Haryana | Hisar | Adampur (Loose) | 3525 | 3560 | 3600 | 3080 |
| | | Adampur (Delivery) | 3701 | 3738 | 3780 | 3230 |
| | Bhiwani | Bhiwani (Delivery) | 3625 | 3650 | 3750 | 3100 |
| | | Siwani (Loose) | 3600 | 3620 | 3750 | 3125 |
| | Sirsa | Sirsa (Loose) | 3525 | 3530 | 3700 | 3050 |
| | | Dhabwali (Loose) | 3560 | 3540 | 3600 | 3080 |
| | | Dhabwali (Delivery) | 3738 | 3717 | 3780 | 3080 |
| | | Ellanabad (Loose) | 3500 | 3500 | 3600 | 3070 |
| | Fatehabad | Fatehabad (Loose) | 3475 | 3550 | 3620 | 3100 |
| Gujarat | Banaskantha | Deesa (Loose) | 3375 | 3450 | 3500 | 3005 |
| | Patan | Patan (Loose) | 3430 | 3280 | 3425 | 3015 |
| | Rajkot | Rajkot (Loose) | 3465 | 3435 | 3380 | 3050 |
| | Jamnagar | Dhrol (Loose) | NA | NA | 3200 | 2780 |
| M.P. | Gwalior | Dabra (Loose) | NA | NA | NA | NA |
| Guar Gum | | | | | | |
| Rajasthan | Jodhpur | Jodhpur | 8125 | 8000 | 8300 | 6200 |
| | Alwar | Alwar | 8000 | 8000 | 8200 | 6100 |
| | Hanumangarh | Nohar | 8000 | 8200 | 8200 | 6500 |
| Haryana | Bhiwani | Bhiwani | 8050 | 8050 | 8200 | 5900 |
| | Sirsa | Sirsa | 8000 | 8000 | 8250 | 6000 |
| | | Dhabwali | 8100 | 8100 | 8200 | 6100 |
| | | Ellanabad | 8050 | 8100 | 8300 | 6200 |
| | Fatehabad | Fatehabad | 8000 | 8200 | 8300 | 6200 |

| Guar Cumulative Arrivals in Key Centers: | | | | | |
|--|----------------|----------------|------------------------------------|-----------------------------------|--------|
| Commodity | District | Centre | Weekly Arrivals (Quintals) | | Change |
| Guar Seed | | | 4th November to 10th November 2017 | 28th October to 3rd November 2017 | |
| Rajasthan | Jodhpur | Jodhpur | 2094 | 599 | 1495 |
| | Sri-Ganganagar | Sri-Ganganagar | 24020 | 25748 | -1728 |
| | | Rawla | 12500 | 11700 | 800 |
| | | Gharsana | 15500 | 16200 | -700 |
| | | Raisinghnagar | 11500 | 12700 | -1200 |
| | Bikaner | Bikaner | 3000 | 2500 | 500 |
| | | Nokha | 4100 | 6400 | -2300 |
| | | Khajuwala | 11900 | 8600 | 3300 |
| | | Lunkaransar | 3000 | 2500 | 500 |
| | Hanumangarh | Hanumangarh | 1950 | 1600 | 350 |
| | | Nohar | 9800 | 9200 | 600 |
| | | Pilibanga | 1920 | 4003 | -2083 |
| | Nagaur | Nagaur | 3850 | 3150 | 700 |
| | Churu | Churu | 2900 | 5000 | -2100 |
| | Alwar | Alwar | 1400 | 1140 | 260 |
| Haryana | Hisar | Adampur | 7900 | 7900 | Unch |
| | Bhiwani | Bhiwani | 14300 | 6000 | 8300 |
| | | Siwani | 4600 | 6800 | -2200 |
| | Sirsa | Sirsa | 8700 | 5400 | 3300 |
| | | Dhabwali | 1800 | 1300 | 500 |
| | | Ellanabad | 1700 | 1950 | -250 |
| | Fatehabad | Fatehabad | 1700 | 1300 | 400 |
| Gujarat | Banaskantha | Deesa | 2050 | 1910 | 140 |
| | Patan | Patan | 340 | 196 | 144 |
| | Rajkot | Rajkot | 2420 | 930 | 1490 |
| | Jamnagar | Dhrol | 20 | 151 | -131 |
| Madhya Pradesh | Gwalior | Dabra | NA | NA | Unch |
| Total Arrivals/Above Markets | | | 154964 | 144877 | 10087 |

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