

# Guar Weekly Research Report

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## Executive Summary

### Domestic Guar Seed Market Summary

All India weekly average prices increased by 2.00 percent to Rs. 3297.24 per quintal during the week ended 15th November 2017. Guar seed average price were ruling at Rs 3232.58 per quintal during 01-08 November 2017. As compared to prices in the week 09-15 November 2016, the prices are firm by 10.02 percent. Prices are expected to remain steady to weak in coming days.

Guar seed future market is moving from range bound to weak due to arrival pressure. Production of guar is lower in 2017-18 compared to last year due to lower acreage. Carryover stocks have also decreased due to higher exports compared to last year. As per trade sources, prices are expected to touch low of 3580-3600 for December contract.

The wholesale price index of guar seed has decreased from 85.7 in September 2017 to 85.2 in October 2017. The WPI for October 2017 is up by 6.5 compared to corresponding month last year and down by 4.6 compared to October 2015.

As per trade sources, around 55-65 percent harvesting is complete in Barmer. However, it takes three to four days for farmers to bring the new crop in mandi. Traders are expecting prices to remain under pressure in upcoming days. Guar seed (loose) prices are moving in the range of Rs 3450-3700 per quintal.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 915 as on 17th November 2017 up by 8 compared to last week and by 327 compared to 18th 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.

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, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (6900 quintals) compared to previous week arrivals of 7900 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (3400 quintals) compared to previous week 3000 quintals.

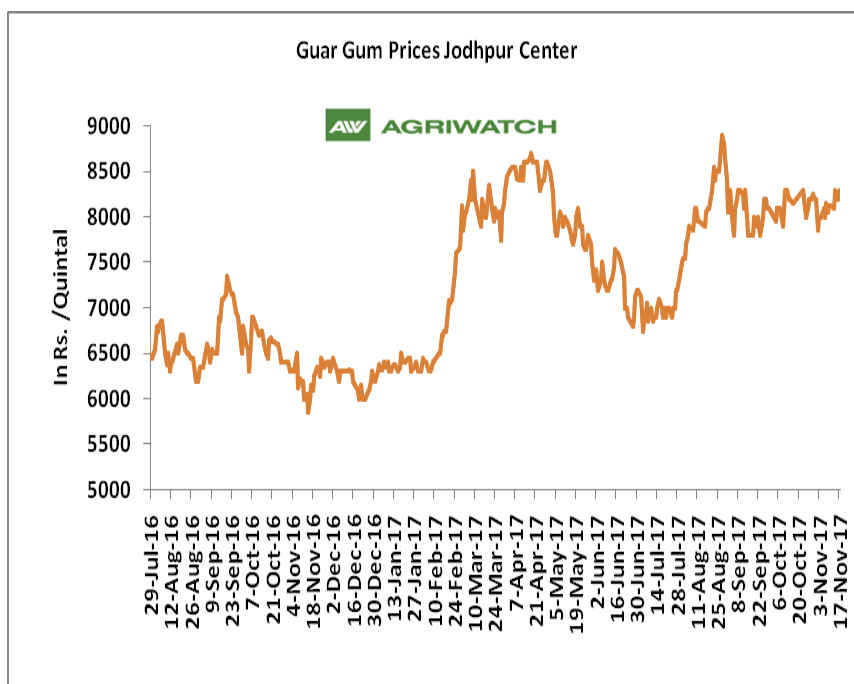
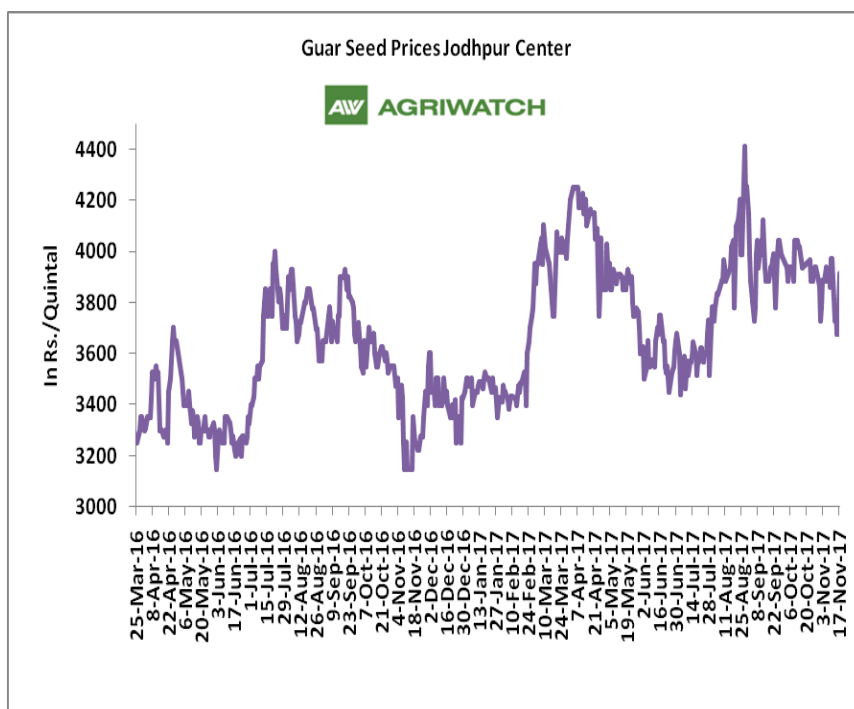
### Recommendation:

**Weekly Call - : Market participants are advised to Sell Guar seed at 3725 levels for a target of 3610 with a stop loss at 3794 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

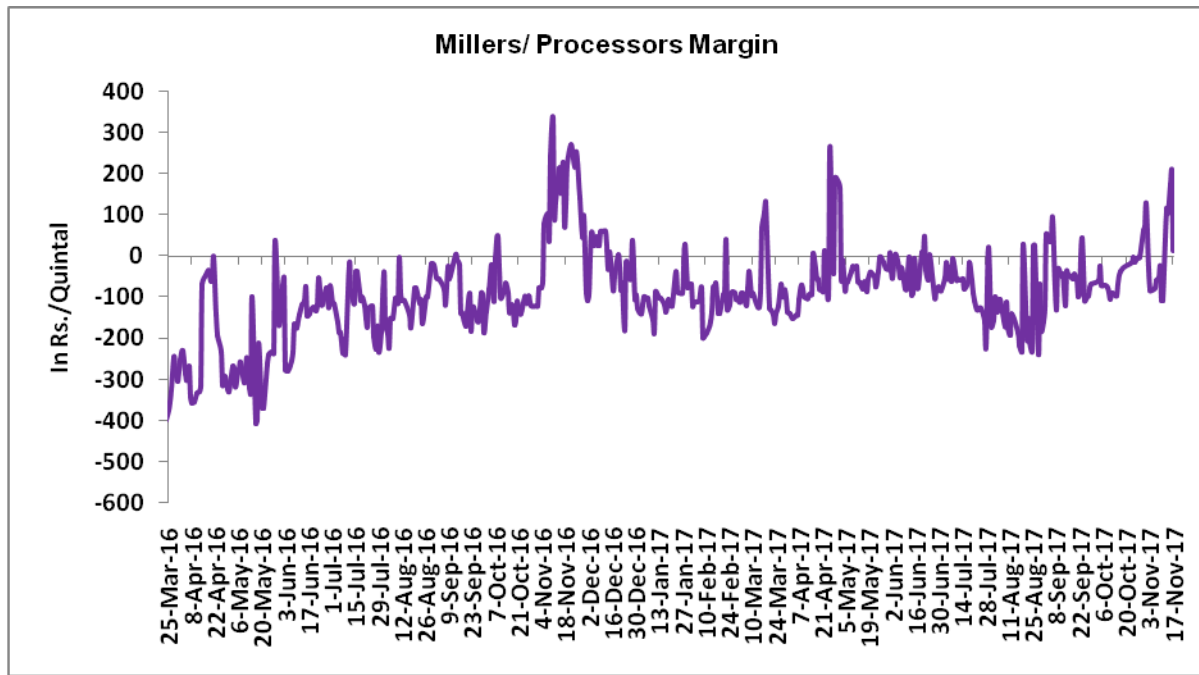
- In the week ended 17<sup>th</sup> November'17, Guar seed weekly average prices decreased by Rs - 120.75 /- qtl during the week compared to previous week and settled at Rs 3790 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 133.33/- qtl and settled at Rs. 8204 per quintal. 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 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 17 November'17, average crush margin is Rs. 84.60/Quintal, compared to last week's - 67.47/Quintal. Therefore, crushing is favorable for Millers/Processors.

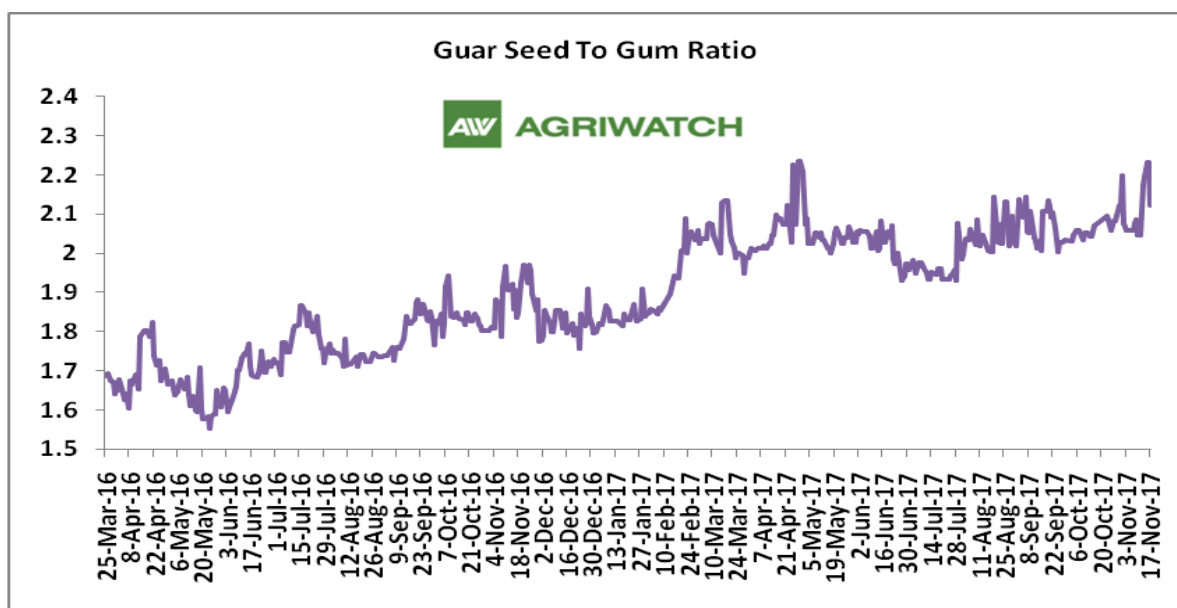
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



### Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 17 November'17 is 2.17, 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: December

Exchange: NCDEX  
Expiry: December 20, 2017

### Guar Seed (December Weekly Chart)



### 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	December	3440	3365	3648.5	3865	3930
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	December	<b>Sell</b>	Below 3725	3610	3535	3794

### Technical Analysis (Guar Gum)

**Commodity:** Guar Gum  
**Contract:** December

**Exchange:** NCDEX  
**Expiry:** December 20, 2017



#### Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- 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	7705	7550	8158	8655	8840
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	December	<b>Sell</b>	Below 8310	8075	7880	8451

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

<b>Guar by – Products Weekly Average Prices (Prices in Rs/75kg)</b>				
<b>Commodity</b>	<b>Centre</b>	<b>11th to 17th November 2017</b>	<b>4th to 10<sup>th</sup> November 2017</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1344	1321	<b>23</b>
<b>Korma</b>	Jodhpur	1931	1975	<b>-44</b>
<b>Churi</b>	Sri-Ganganagar	1203	1197	<b>6</b>
<b>Korma</b>	Sri-Ganganagar	1806	1825	<b>-19</b>

<b>Guar Export Weekly Average Prices (Prices in \$/MT)</b>				
<b>Commodity</b>	<b>Variety</b>	<b>11th to 17th November 2017</b>	<b>4th to 10th November 2017</b>	<b>Change</b>
<b>Guargum Split</b>		1272	1247	<b>25</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1578	1555	<b>23</b>
	200 Mesh 3500 CPS	1502	1516	<b>-15</b>
<b>Guargum Meal</b>	40%	306	285	<b>21</b>
	50%	398	401	<b>-3</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>11th to 17th November 2017</b>	<b>4th to 10th November 2017</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3609	3724	<b>-115</b>
		Jodhpur(Delivery)	3790	3910	<b>-121</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3555	3523	<b>33</b>
		Sri-Ganganagar (Delivery)	3684	3652	<b>33</b>
		Rawla (Loose)	3535	3497	<b>38</b>
		Gharsana (Loose)	3546	3498	<b>48</b>
		Raisinghnagar (Loose)	3549	3527	<b>22</b>
	<b>Bikaner</b>	Bikaner (Loose)	3563	3547	<b>17</b>
		Bikaner (Delivery)	3742	3724	<b>18</b>
		Nokha(Loose)	3543	3522	<b>22</b>
		Nokha (Delivery)	3721	3698	<b>23</b>
		Khajuwala (Loose)	3585	3533	<b>53</b>
		Khajuwala (Delivery)	3764	3709	<b>55</b>
		Lunkaransar (Loose)	3542	3538	<b>4</b>
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3585	3518	<b>67</b>
		Hanumangarh (Delivery)	3764	3694	<b>70</b>
		Nohar (Loose)	3585	3521	<b>64</b>

		Pilibanga (Loose)	3528	3502	27
	Nagaur	Nagaur (Loose)	3404	3433	-29
	Churu	Churu (Delivery)	3725	3633	92
	Alwar	Alwar (Loose)	3525	3433	92
Haryana	Hisar	Adampur (Loose)	3592	3550	42
		Adampur (Delivery)	3771	3728	44
	Bhiwani	Bhiwani (Delivery)	3704	3658	46
		Siwani (Loose)	3690	3625	65
	Sirsa	Sirsa (Loose)	3618	3566	52
		Dhabwali (Loose)	3618	3600	18
		Dhabwali (Delivery)	3799	3780	19
		Ellanabad (Loose)	3604	3515	89
	Fatehabad	Fatehabad (Loose)	3550	3467	83
Gujarat	Banaskantha	Deesa (Loose)	3396	3375	21
	Patan	Patan (Loose)	3518	3426	92
	Rajkot	Rajkot (Loose)	3488	3473	16
	Jamnagar	Dhrol (Loose)	3225	3265	-40
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8204	8071	133
	Alwar	Alwar	8325	8150	175
	Hanumangarh	Nohar	8283	8050	233
Haryana	Bhiwani	Bhiwani	8250	8067	183
	Sirsa	Sirsa	8242	8067	175
		Dhabwali	8263	8108	154
		Ellanabad	8300	8058	242
	Fatehabad	Fatehabad	8200	8117	83

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			17-Nov-17	10-Nov-17	17-Oct-17	17-Nov-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3725	3780	Closed	3200
		Jodhpur(Delivery)	3911	3969	Closed	3350
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3500	3525	3580	3030
		Sri-Ganganagar (Delivery)	3650	3600	3730	3180
		Rawla (Loose)	3500	3450	Closed	3140
		Gharsana (Loose)	3500	3480	3615	3150



		Raisinghnagar (Loose)	3500	3490	3650	3150
	<b>Bikaner</b>	Bikaner (Loose)	3560	3450	3675	3125
		Bikaner (Delivery)	3738	3623	3859	3150
		Nokha(Loose)	3510	3500	3840	3100
		Nokha (Delivery)	3686	3675	4032	3212
		Khajuwala (Loose)	3580	3500	3685	3170
		Khajuwala (Delivery)	3759	3675	3869	3297
		Lunkaransar (Loose)	3500	3475	3650	3300
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3585	3525	Closed	3175
		Hanumangarh (Delivery)	3764	3701	Closed	3325
		Nohar (Loose)	3550	3500	3630	3200
		Pilibanga (Loose)	3520	3500	3620	3150
	<b>Nagaur</b>	Nagaur (Loose)	3400	3450	3550	3150
	<b>Churu</b>	Churu (Delivery)	3700	3600	3700	3250
	<b>Alwar</b>	Alwar (Loose)	3500	3400	3400	3000
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3550	3525	3650	3200
		Adampur (Delivery)	3728	3701	3833	3350
	<b>Bhiwani</b>	Bhiwani (Delivery)	3725	3625	3750	3300
		Siwani (Loose)	3675	3600	3760	3200
	<b>Sirsa</b>	Sirsa (Loose)	3600	3525	3675	3150
		Dhabwali (Loose)	3550	3560	3650	3100
		Dhabwali (Delivery)	3728	3738	3833	3250
		Ellanabad (Loose)	3600	3500	3625	3250
	<b>Fatehabad</b>	Fatehabad (Loose)	3550	3475	3550	3075
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	3375	3375	Closed	3005
	<b>Patan</b>	Patan (Loose)	3500	3430	Closed	3015
	<b>Rajkot</b>	Rajkot (Loose)	3445	3465	3450	3050
	<b>Jamnagar</b>	Dhrol (Loose)	3225	NA	Closed	2780
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	8300	8125	Closed	6150
	<b>Alwar</b>	Alwar	8300	8000	8300	6100
	<b>Hanumangarh</b>	Nohar	8200	8000	8200	6500
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	8250	8050	8300	6150
	<b>Sirsa</b>	Sirsa	8200	8000	8300	6100
		Dhabwali	8250	8100	8250	6000
		Ellanabad	8300	8050	8300	6150
	<b>Fatehabad</b>	Fatehabad	8200	8000	8100	6050

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			11th to 17th November 2017	4th to 10th November 2017	
Rajasthan	Jodhpur	Jodhpur	627	2094	-1467
	Sri-Ganganagar	Sri-Ganganagar	15950	24020	-8070
		Rawla	7700	12500	-4800
		Gharsana	8000	15500	-7500
		Raisinghnagar	6700	11500	-4800
	Bikaner	Bikaner	3400	3000	400
		Nokha	7400	4100	3300
		Khajuwala	7700	11900	-4200
		Lunkaransar	3900	3000	900
	Hanumangarh	Hanumangarh	1175	1950	-775
		Nohar	5800	9800	-4000
		Pilibanga	1665	1920	-255
	Nagaur	Nagaur	3500	3850	-350
	Churu	Churu	12000	2900	9100
	Alwar	Alwar	2200	1400	800
Haryana	Hisar	Adampur	6900	7900	-1000
	Bhiwani	Bhiwani	6400	14300	-7900
		Siwani	4600	4600	Unch
	Sirsa	Sirsa	6600	8700	-2100
		Dhabwali	1100	1800	-700
		Ellanabad	2350	1700	650
	Fatehabad	Fatehabad	100	1700	-1600
Gujarat	Banaskantha	Deesa	1570	2050	-480
	Patan	Patan	872	340	532
	Rajkot	Rajkot	2060	2420	-360
	Jamnagar	Dhrol	1	20	-19
Madhya Pradesh	Gwalior	Dabra	NA	NA	Unch
Total Arrivals/Above Markets			120270	154964	-34694

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