

# Guar Weekly Research Report

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## **Executive Summary**

### **Domestic Guar Seed Market Summary**

*All India weekly average prices increased by 14.54 percent to Rs. 3776.62 per quintal during the week ended 23rd November 2017. Guar seed average price were ruling at Rs 3297.24 per quintal during 09-15 November 2017. As compared to prices in the week 16-23 November 2016, the prices are firm by 28.19 percent. Prices are expected to remain steady to firm in coming days.*

*As per trade sources, around 65-70 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 firmness in future market with reduction in arrival pressure. Guar seed (loose) prices are moving in the range of Rs 3500-3750 per quintal.*

*As per market sources, around 90-95 percent harvesting is complete in Bikaner. New crop arrival in Bikaner is likely to continue until second week of December. Total availability of guar seed is likely to be lower compared to last year. Bikaner guar seed loose prices are hovering around Rs 3500-3780 per quintal.*

*Guar seed future market has become firm due to decrease in arrival pressure and good export demand of guar gum. 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 remain firm in upcoming days.*

*As per data released by Baker Hughes the number of oil rigs in USA has increased to 923 as on 22nd November 2017 up by 8 compared to last week and by 330 compared to 23rd 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 2077 worldwide in October'17 compared to 1620 in the same month last year.*

*As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (6200 quintals) compared to previous week arrivals of 6900 quintals.*

*As far as Arrivals are concerned, Bikaner market reported higher arrivals (4400 quintals) compared to previous week 3400 quintals.*

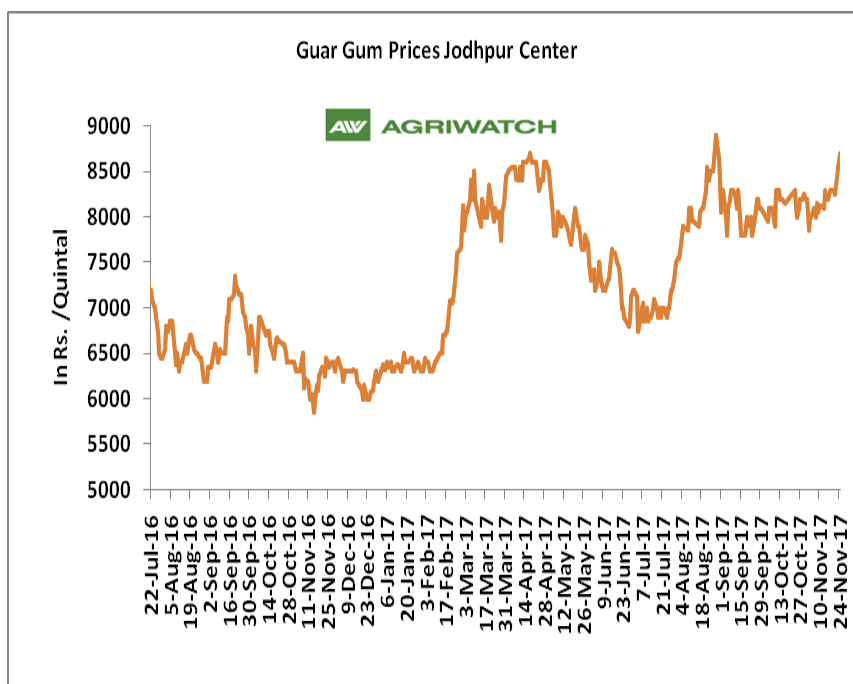
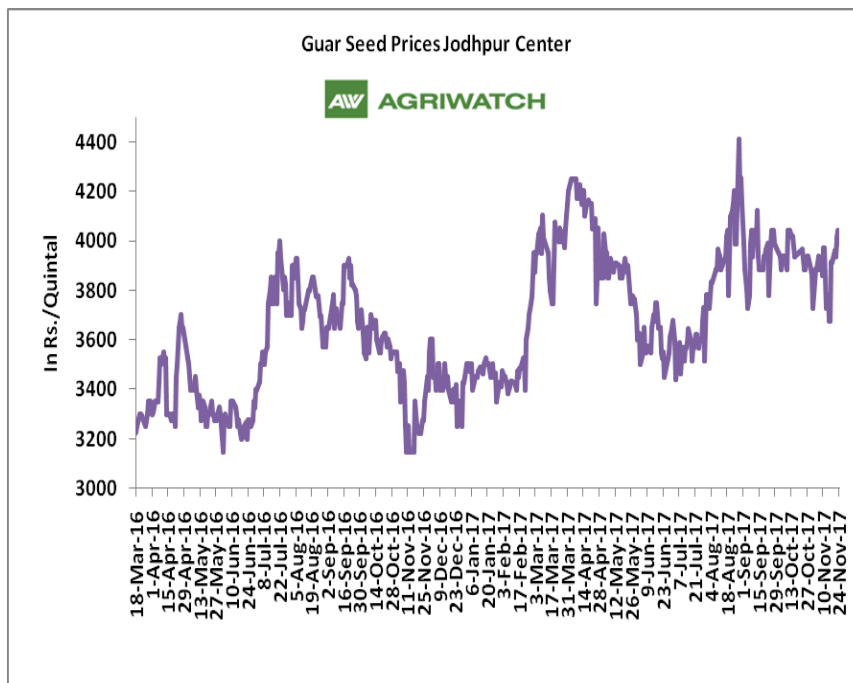
### **Recommendation:**

**Weekly Call - : Market participants are advised to Buy Guar seed at 3875 levels for a target of 4020 with a stop loss at 3788 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

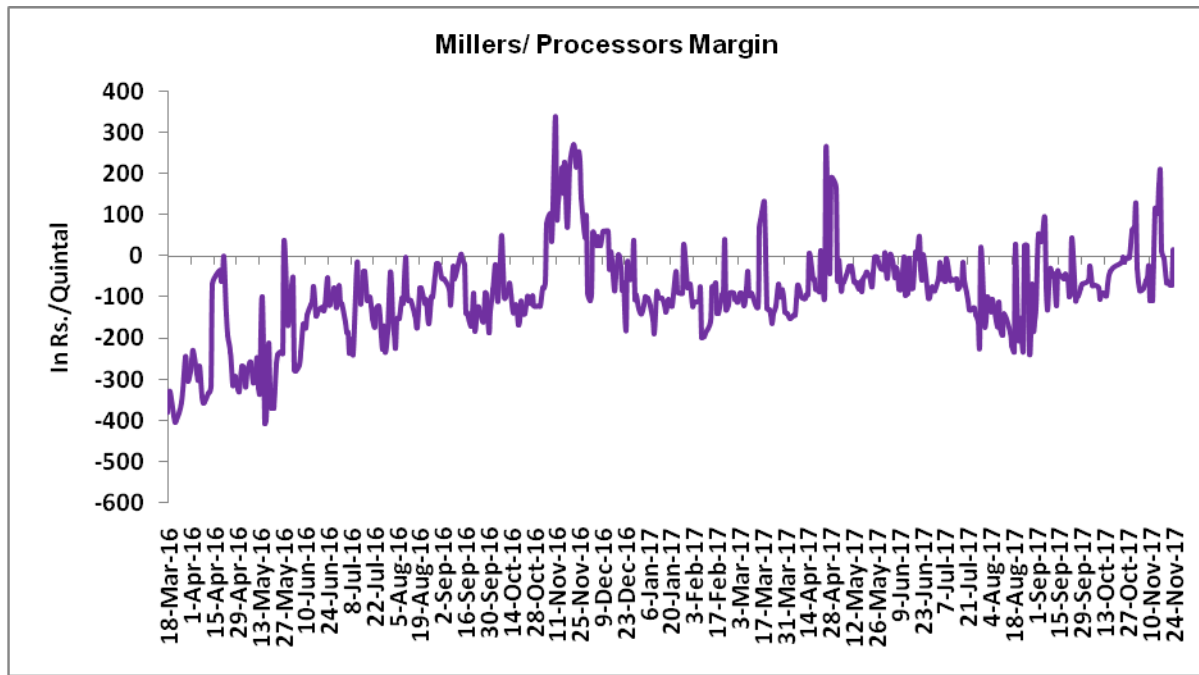
- In the week ended 24<sup>th</sup> November'17, Guar seed weekly average prices increased by Rs - 185.50 /- qtl during the week compared to previous week and settled at Rs 3975 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 220.83/- qtl and settled at Rs. 8425 per quintal. 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 24 November'17, average crush margin is Rs. -42.89/Quintal, compared to last week's -84.60/Quintal. Therefore, crushing is favorable for Millers/Processors.

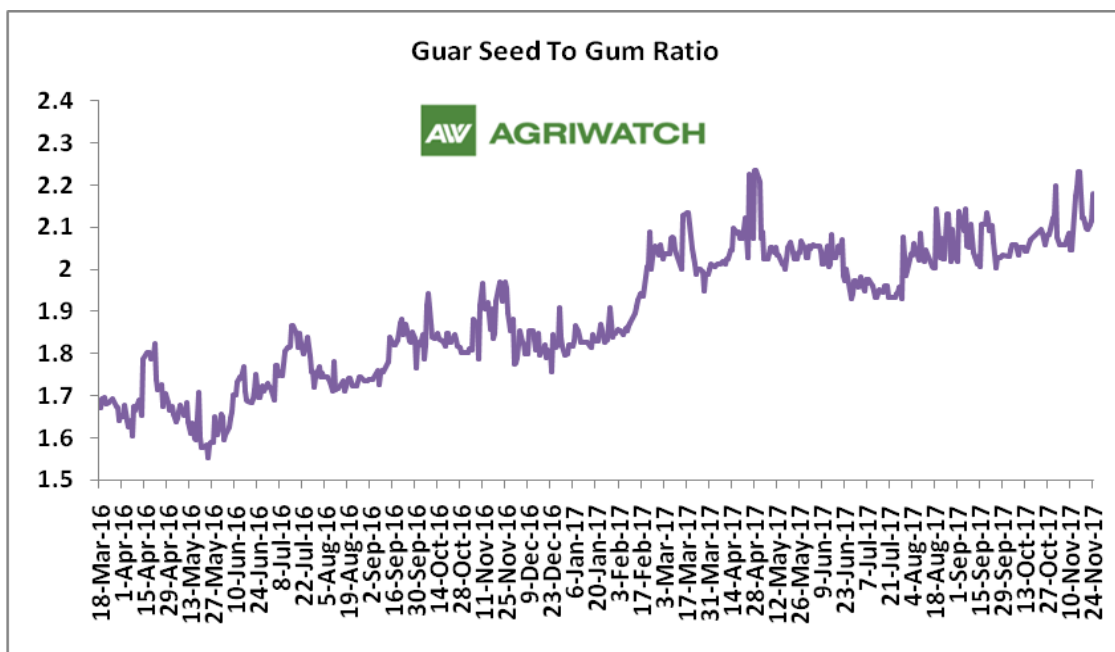
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



### Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 24 November'17 is 2.12, lower compared to last week's 2.17

Weak overseas demand of gum and good demand of seed from millers has decreased the overall ratio.





## Technical Analysis (Guar Seed)

Commodity: Guar Seed  
Contract: January

Exchange: NCDEX  
Expiry: January 19, 2017



### Technical Commentary:

- Rise in price and open interest indicates long 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	January	3675	3580	3879	4245	4330
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	January	Buy	Above 3875	4020	4135	3788



### Technical Analysis (Guar Gum)

Commodity: Guar Gum  
Contract: January

Exchange: NCDEX  
Expiry: January 19, 2017

#### Guar Gum (January Weekly Chart)



#### 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: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	January	8245	8060	8709	9495	9640
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Buy	Above 8700	9035	9290	8499

**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>18th to 24th November 2017</b>	<b>11th to 17th November 2017</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1320	1344	<b>-24</b>
<b>Korma</b>	Jodhpur	1916	1931	<b>-15</b>
<b>Churi</b>	Sri-Ganganagar	1181	1203	<b>-22</b>
<b>Korma</b>	Sri-Ganganagar	1747	1806	<b>-59</b>

<b>Guar Export Weekly Average Prices (Prices in \$/MT)</b>				
<b>Commodity</b>	<b>Variety</b>	<b>18th to 24th November 2017</b>	<b>11th to 17th November 2017</b>	<b>Change</b>
<b>Guargum Split</b>		1300	1272	<b>28</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1608	1578	<b>30</b>
	200 Mesh 3500 CPS	1531	1502	<b>29</b>
<b>Guargum Meal</b>	40%	308	306	<b>2</b>
	50%	401	398	<b>2</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>18<sup>th</sup> to 24<sup>th</sup> November 2017</b>	<b>11<sup>th</sup> to 17<sup>th</sup> November 2017</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3786	3609	<b>177</b>
		Jodhpur(Delivery)	3975	3790	<b>186</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3596	3555	<b>41</b>
		Sri-Ganganagar (Delivery)	3736	3684	<b>52</b>
		Rawla (Loose)	3583	3535	<b>48</b>
		Gharsana (Loose)	3575	3546	<b>29</b>
		Raisinghnagar (Loose)	3601	3549	<b>52</b>
	<b>Bikaner</b>	Bikaner (Loose)	3638	3563	<b>75</b>
		Bikaner (Delivery)	3820	3742	<b>79</b>
		Nokha(Loose)	3599	3543	<b>56</b>
		Nokha (Delivery)	3779	3721	<b>59</b>
		Khajuwala (Loose)	3620	3585	<b>35</b>
		Khajuwala (Delivery)	3801	3764	<b>37</b>
		Lunkaransar (Loose)	3579	3542	<b>38</b>
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3635	3585	<b>50</b>
		Hanumangarh (Delivery)	3816	3764	<b>52</b>
		Nohar (Loose)	3646	3585	<b>61</b>
		Pilibanga (Loose)	3588	3528	<b>60</b>

	<b>Nagaur</b>	Nagaur (Loose)	3496	3404	92
	<b>Churu</b>	Churu (Delivery)	3750	3725	25
	<b>Alwar</b>	Alwar (Loose)	3540	3525	15
Haryana	<b>Hisar</b>	Adampur (Loose)	3588	3592	-4
		Adampur (Delivery)	3767	3771	-4
	<b>Bhiwani</b>	Bhiwani (Delivery)	3791	3704	87
		Siwani (Loose)	3723	3690	33
	<b>Sirsa</b>	Sirsa (Loose)	3702	3618	84
		Dhabwali (Loose)	3628	3618	10
		Dhabwali (Delivery)	3810	3799	11
		Ellanabad (Loose)	3604	3604	Unch
	<b>Fatehabad</b>	Fatehabad (Loose)	3595	3550	45
Gujarat	<b>Banaskantha</b>	Deesa (Loose)	3342	3396	-54
	<b>Patan</b>	Patan (Loose)	3606	3518	88
	<b>Rajkot</b>	Rajkot (Loose)	3521	3488	33
	<b>Jamnagar</b>	Dhrol (Loose)	3010	3225	-215
Madhya Pradesh	<b>Gwalior</b>	Dabra (Loose)	NA	NA	-
<b>Guar Gum</b>					
Rajasthan	<b>Jodhpur</b>	Jodhpur	8425	8204	221
	<b>Alwar</b>	Alwar	8420	8325	95
	<b>Hanumangarh</b>	Nohar	8450	8283	167
Haryana	<b>Bhiwani</b>	Bhiwani	8422	8250	172
	<b>Sirsa</b>	Sirsa	8408	8242	167
		Dhabwali	8425	8263	163
		Ellanabad	8400	8300	100
	<b>Fatehabad</b>	Fatehabad	8375	8200	175

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			24-Nov-17	17-Nov-17	24-Oct-17	24-Nov-16
Rajasthan	<b>Jodhpur</b>	Jodhpur (Loose)	3800	3725	3700	3125
		Jodhpur(Delivery)	3990	3911	3885	3275
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3660	3500	3570	3200
		Sri-Ganganagar (Delivery)	3810	3650	3720	3350
		Rawla (Loose)	3680	3500	3500	3200
		Gharsana (Loose)	3670	3500	3515	3100
		Raisinghnagar (Loose)	3700	3500	3520	3230
	<b>Bikaner</b>	Bikaner (Loose)	3700	3560	3560	3275



		Bikaner (Delivery)	3885	3738	3738	3425
		Nokha(Loose)	3690	3510	3500	3200
		Nokha (Delivery)	3875	3686	3675	3315
		Khajuwala (Loose)	3690	3580	3520	3230
		Khajuwala (Delivery)	3875	3759	3696	3359
		Lunkaransar (Loose)	3650	3500	3500	3150
	Hanumangarh	Hanumangarh (Loose)	3700	3585	3500	3200
		Hanumangarh (Delivery)	3885	3764	3675	3350
		Nohar (Loose)	3700	3550	3500	3300
		Pilibanga (Loose)	3650	3520	3450	3175
	Nagaur	Nagaur (Loose)	3700	3400	3400	3150
	Churu	Churu (Delivery)	3850	3700	3600	3350
	Alwar	Alwar (Loose)	3650	3500	3250	3100
Haryana	Hisar	Adampur (Loose)	3600	3550	3550	3250
		Adampur (Delivery)	3780	3728	3728	3400
	Bhiwani	Bhiwani (Delivery)	3850	3725	3625	3300
		Siwani (Loose)	3775	3675	3600	3350
	Sirsa	Sirsa (Loose)	3775	3600	3575	3275
		Dhabwali (Loose)	3750	3550	3460	3280
		Dhabwali (Delivery)	3938	3728	3633	3280
		Ellanabad (Loose)	3650	3600	3475	3230
	Fatehabad	Fatehabad (Loose)	3700	3550	3400	3050
Gujarat	Banaskantha	Deesa (Loose)	3425	3375	Closed	3005
	Patan	Patan (Loose)	3695	3500	Closed	3050
	Rajkot	Rajkot (Loose)	3610	3445	Closed	3150
	Jamnagar	Dhrol (Loose)	NA	3225	Closed	2780
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8700	8300	8100	6450
	Alwar	Alwar	8700	8300	8250	6400
	Hanumangarh	Nohar	8600	8200	8050	6400
Haryana	Bhiwani	Bhiwani	8650	8250	8050	7100
	Sirsa	Sirsa	8650	8200	8100	6300
		Dhabwali	8650	8250	8000	6450
		Ellanabad	8600	8300	8000	6300
	Fatehabad	Fatehabad	8500	8200	8100	6000

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			18 <sup>th</sup> to 24 <sup>th</sup> November 2017	11 <sup>th</sup> to 17 <sup>th</sup> November 2017	
Rajasthan	Jodhpur	Jodhpur	2075	627	1448
	Sri-Ganganagar	Sri-Ganganagar	9000	15950	-6950
		Rawla	10500	7700	2800
		Gharsana	12500	8000	4500
		Raisinghnagar	9200	6700	2500
	Bikaner	Bikaner	4400	3400	1000
		Nokha	9800	7400	2400
		Khajuwala	14200	7700	6500
		Lunkaransar	3200	3900	-700
	Hanumangarh	Hanumangarh	1250	1175	75
		Nohar	11000	5800	5200
		Pilibanga	1850	1665	185
	Nagaur	Nagaur	3700	3500	200
	Churu	Churu	9000	12000	-3000
	Alwar	Alwar	1950	2200	-250
Haryana	Hisar	Adampur	6200	6900	-700
	Bhiwani	Bhiwani	12000	6400	5600
		Siwani	4900	4600	300
	Sirsa	Sirsa	6700	6600	100
		Dhabwali	1040	1100	-60
		Ellanabad	2350	2350	Unch
	Fatehabad	Fatehabad	1300	100	1200
Gujarat	Banaskantha	Deesa	1900	1570	330
	Patan	Patan	682	872	-190
	Rajkot	Rajkot	1580	2060	-480
	Jamnagar	Dhrol	4	1	3
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			142281	120270	22011

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