

# Guar Weekly Research Report

## Contents

- ❖ Executive Summary
- ❖ Recommendations
- ❖ Domestic Market Fundamentals
- ❖ Processing Margins
- ❖ Technical Analysis (Futures Market)
- ❖ Guar Seed & Gum Prices at Key Spot Markets

## Executive Summary

### Domestic Guar Seed Market Summary

*All India weekly average prices increased by 2.78 percent to Rs. 3470.55 per quintal during the week ended 30th November 2017. Guar seed average price were ruling at Rs 3376.62 per quintal during 16-23 November 2017. As compared to prices in the week 24-30 November 2016, the prices are firm by 15.45 percent. Prices are expected to remain steady to firm in coming days.*

*Total guar seed arrivals in the month of November'17 were around 680519 quintals compared to 406924 quintals. Lower crop size in current year and higher arrivals in November'17 directly imply that farmers or traders have sold stock of their old crop.*

*As per latest update by DGCIS, India has exported around 281895 metric tonnes of guar gum in April-October (2017-18) compared to 195623 metric tonnes in April-October (2016-17). In terms of value, exports have increased by around 56.8 percent. Total crop availability is around 19 lakh tonnes compared to 25.64 lakh tonnes last year. Carryover stocks have also decreased due to higher exports compared to last year.*

*As per trade sources, around 85-90 percent harvesting is complete in Barmer. Traders are expecting firmness in future market with reduction in arrival pressure. Guar January future also remained firm today and closed at 3960. Furthermore, future market can see good resistance at 4000 as a lot of selling activity is likely to take place by traders who took positions at lower levels.*

*As per data released by Baker Hughes, the number of oilrigs in USA has increased to 929 as on 01st December 2017 up by 6 compared to last week and by 332 compared to 02nd December 2016. The total number of oilrigs was recorded at 2077 worldwide in October'17 compared to 1620 in the corresponding month last year. 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.*

*As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (6000 quintals) compared to previous week arrivals of 6200 quintals.*

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

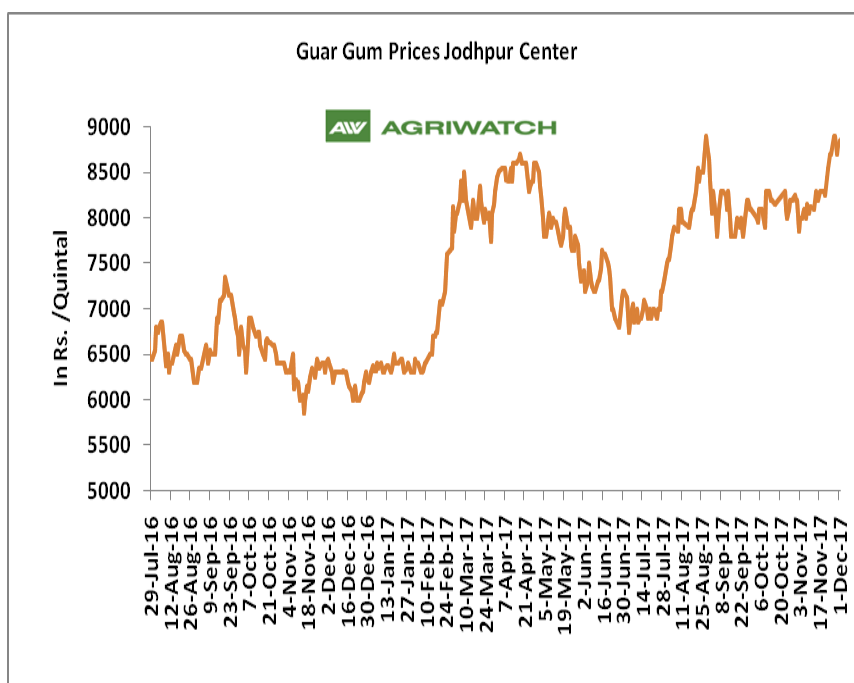
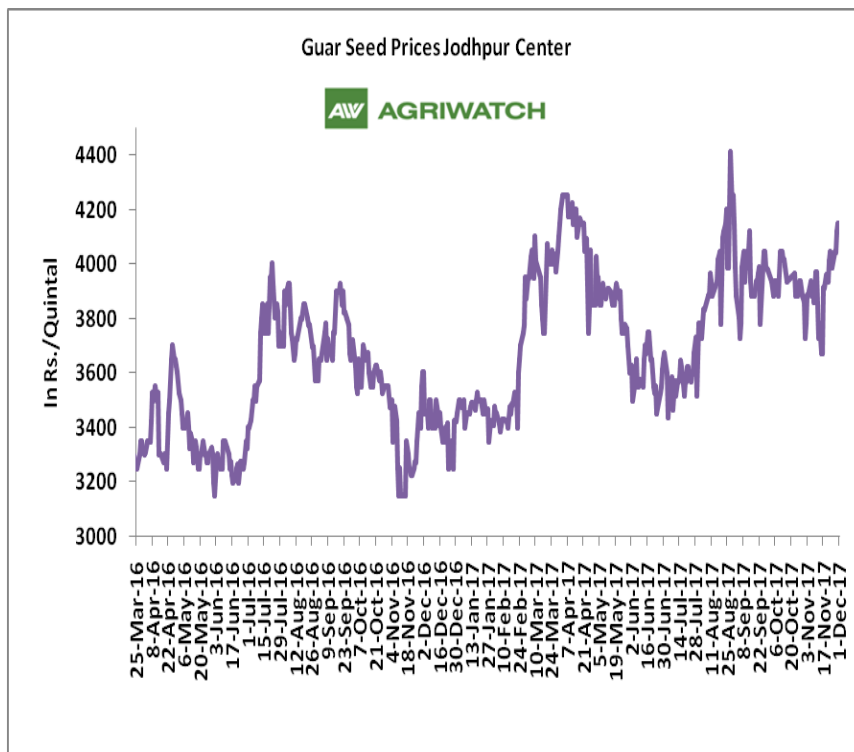
### Recommendation:

**Weekly Call - : Market participants are advised to Buy Guar seed at 3915 levels for a target of 4140 with a stop loss at 3846 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

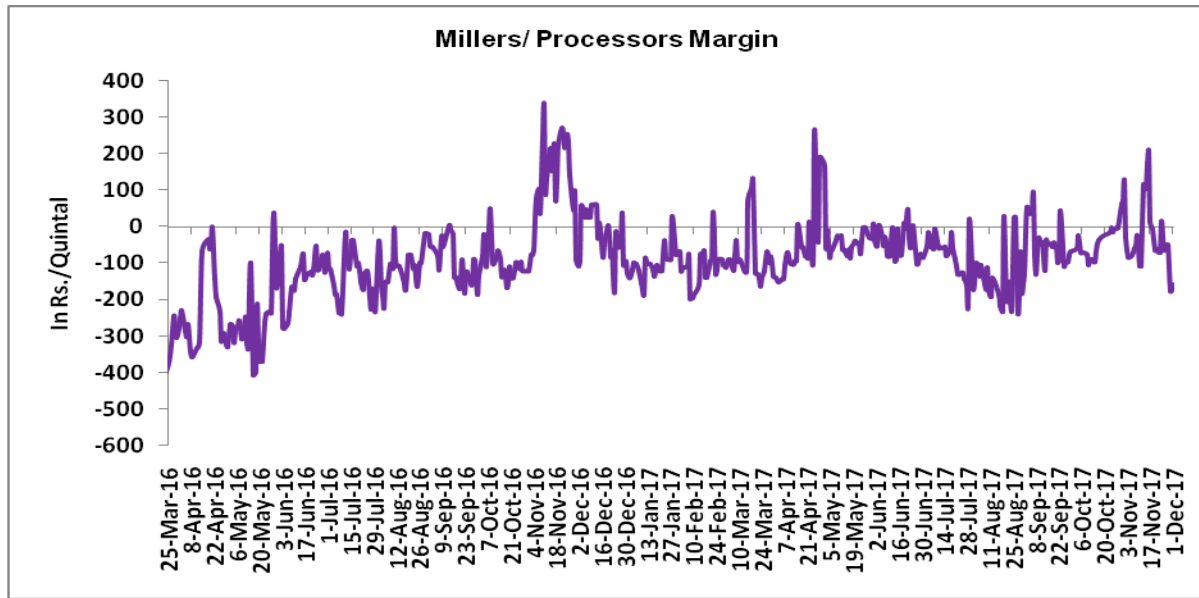
- In the week ended 01<sup>st</sup> December'17, Guar seed weekly average prices increased by Rs - 106.75 /- qtl during the week compared to previous week and settled at Rs 4082 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 383.33/- qtl and settled at Rs. 8808 per quintal. 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 01<sup>st</sup> December'17, average crush margin is Rs. -112.26/Quintal, compared to last week's -42.89/Quintal. Therefore, crushing is favorable for Millers/Processors.

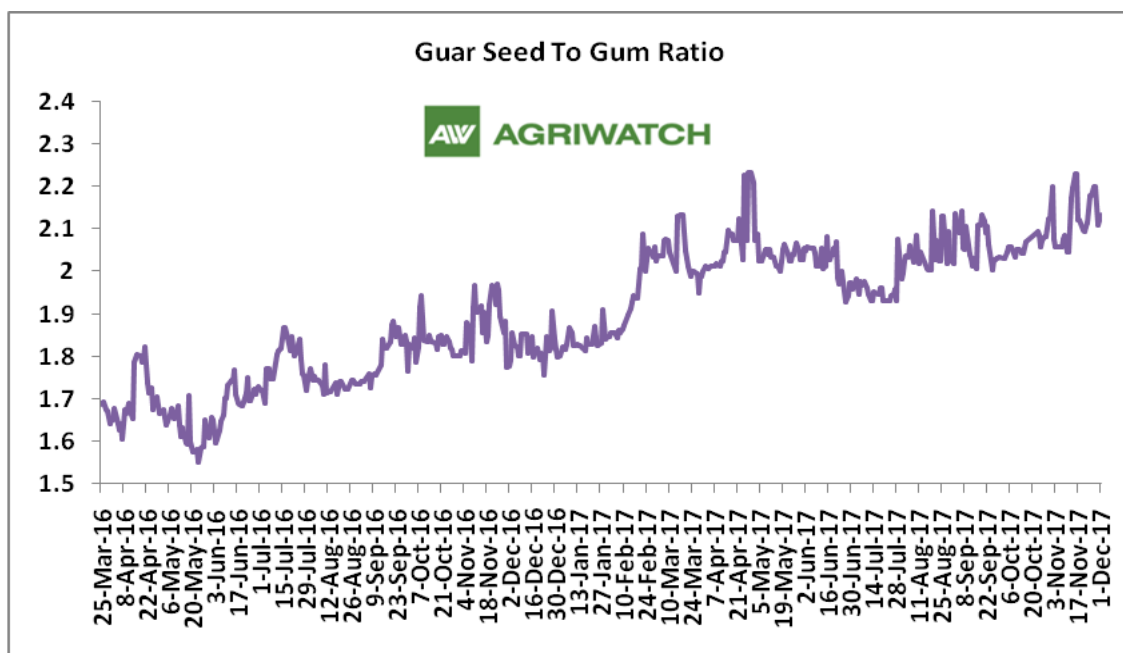
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



### Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 01<sup>st</sup> December'17 is 2.16, lower compared to last week's 2.12

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: 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 above 9 and 18 day EMAs.

### Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	January	3755	3670	3906.5	4250	4335
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	January	Buy	Above 3915	4030	4140	3846



## 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	8365	8180	8794	9615	9760
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Buy	Above 8820	9155	9410	8619

**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>25th November to 1st December 2017</b>	<b>18th to 24th November 2017</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1332	1320	<b>12</b>
<b>Korma</b>	Jodhpur	1888	1916	<b>-28</b>
<b>Churi</b>	Sri-Ganganagar	1191	1181	<b>9</b>
<b>Korma</b>	Sri-Ganganagar	1713	1747	<b>-34</b>

<b>Guar Export Weekly Average Prices (Prices in \$/MT)</b>				
<b>Commodity</b>	<b>Variety</b>	<b>25th November to 1st December 2017</b>	<b>18th to 24th November 2017</b>	<b>Change</b>
<b>Guargum Split</b>		1367	1300	<b>67</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1677	1608	<b>69</b>
	200 Mesh 3500 CPS	1599	1531	<b>68</b>
<b>Guargum Meal</b>	40%	305	308	<b>-3</b>
	50%	406	401	<b>5</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>25th November to 1st December 2017</b>	<b>18th to 24th November 2017</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3888	3786	<b>102</b>
		Jodhpur(Delivery)	4082	3975	<b>107</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3699	3596	<b>103</b>
		Sri-Ganganagar (Delivery)	3842	3736	<b>106</b>
		Rawla (Loose)	3702	3583	<b>119</b>
		Gharsana (Loose)	3702	3575	<b>127</b>
		Raisinghnagar (Loose)	3714	3601	<b>113</b>
	<b>Bikaner</b>	Bikaner (Loose)	3743	3638	<b>105</b>
		Bikaner (Delivery)	3931	3820	<b>110</b>
		Nokha(Loose)	3735	3599	<b>136</b>
		Nokha (Delivery)	3922	3779	<b>143</b>
		Khajuwala (Loose)	3737	3620	<b>117</b>
		Khajuwala (Delivery)	3924	3801	<b>123</b>
		Lunkaransar (Loose)	3675	3579	<b>96</b>
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3723	3635	<b>88</b>
		Hanumangarh (Delivery)	3909	3816	<b>93</b>
		Nohar (Loose)	3700	3646	<b>54</b>

		Pilibanga (Loose)	3699	3588	111
	<b>Nagaur</b>	Nagaur (Loose)	3696	3496	200
	<b>Churu</b>	Churu (Delivery)	3875	3750	125
	<b>Alwar</b>	Alwar (Loose)	3683	3540	143
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3717	3588	129
		Adampur (Delivery)	3903	3767	136
	<b>Bhiwani</b>	Bhiwani (Delivery)	3892	3791	101
		Siwani (Loose)	3823	3723	101
	<b>Sirsa</b>	Sirsa (Loose)	3738	3702	36
		Dhabwali (Loose)	3753	3628	125
		Dhabwali (Delivery)	3941	3810	131
		Ellanabad (Loose)	3679	3604	75
	<b>Fatehabad</b>	Fatehabad (Loose)	3713	3595	118
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	3571	3342	229
	<b>Patan</b>	Patan (Loose)	3668	3606	63
	<b>Rajkot</b>	Rajkot (Loose)	3670	3521	149
	<b>Jamnagar</b>	Dhrol (Loose)	2500	3010	-510
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	-
<b>Guar Gum</b>					
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	8808	8425	383
	<b>Alwar</b>	Alwar	8725	8420	305
	<b>Hanumangarh</b>	Nohar	8542	8450	92
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	8718	8422	297
	<b>Sirsa</b>	Sirsa	8717	8408	308
		Dhabwali	8717	8425	292
		Ellanabad	8742	8400	342
	<b>Fatehabad</b>	Fatehabad	8708	8375	333

<b>Week on Week Price: Scenario of Guarseed and Guargum:</b>						
<b>Commodity</b>	<b>District</b>	<b>Centre</b>	<b>Today</b>	<b>Week Ago</b>	<b>Month Ago</b>	<b>Year Ago</b>
<b>Guar Seed</b>			<b>1-Dec-17</b>	<b>24-Nov-17</b>	<b>1-Nov-17</b>	<b>1-Dec-16</b>
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3950	3800	3550	3450
		Jodhpur(Delivery)	4148	3990	3728	3600
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3700	3660	3450	3300
		Sri-Ganganagar (Delivery)	3850	3810	3600	3450
		Rawla (Loose)	3740	3680	3425	3260
		Gharsana (Loose)	3735	3670	3420	3250
		Raisinghnagar (Loose)	3740	3700	3425	3280



	<b>Bikaner</b>	Bikaner (Loose)	3725	3700	3600	3325
		Bikaner (Delivery)	3911	3885	3780	3475
		Nokha(Loose)	3760	3690	3420	3250
		Nokha (Delivery)	3948	3875	3591	3367
		Khajuwala (Loose)	3700	3690	3450	3280
		Khajuwala (Delivery)	3885	3875	3623	3411
		Lunkaransar (Loose)	3700	3650	3500	3300
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3725	3700	3440	3250
		Hanumangarh (Delivery)	3911	3885	3612	3400
		Nohar (Loose)	3725	3700	3450	3270
		Pilibanga (Loose)	3775	3650	3348	3200
	<b>Nagaur</b>	Nagaur (Loose)	3650	3700	3400	3150
	<b>Churu</b>	Churu (Delivery)	3900	3850	3450	3350
	<b>Alwar</b>	Alwar (Loose)	3700	3650	3300	3100
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3750	3600	3525	3325
		Adampur (Delivery)	3938	3780	3701	3475
	<b>Bhiwani</b>	Bhiwani (Delivery)	3900	3850	3550	3400
		Siwani (Loose)	3870	3775	3675	3375
	<b>Sirsa</b>	Sirsa (Loose)	3720	3775	3475	3325
		Dhabwali (Loose)	3770	3750	3450	3300
		Dhabwali (Delivery)	3959	3938	3623	3450
		Ellanabad (Loose)	3700	3650	NA	3275
	<b>Fatehabad</b>	Fatehabad (Loose)	3750	3700	NA	3250
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	3600	3425	3375	3175
	<b>Patan</b>	Patan (Loose)	3685	3695	3430	3160
	<b>Rajkot</b>	Rajkot (Loose)	NA	3610	3455	3300
	<b>Jamnagar</b>	Dhrol (Loose)	NA	NA	3110	2750
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	8850	8700	8200	6400
	<b>Alwar</b>	Alwar	8700	8700	7850	6200
	<b>Hanumangarh</b>	Nohar	8500	8600	8000	6400
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	8750	8650	7950	6400
	<b>Sirsa</b>	Sirsa	8750	8650	7600	6400
		Dhabwali	8850	8650	7700	6400
		Ellanabad	8800	8600	NA	6350
	<b>Fatehabad</b>	Fatehabad	8800	8500	NA	6300

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			25th November to 1st December 2017	18th to 24th November 2017	
Rajasthan	Jodhpur	Jodhpur	1362	2075	-713
	Sri-Ganganagar	Sri-Ganganagar	9800	9000	800
		Rawla	8000	10500	-2500
		Gharsana	10000	12500	-2500
		Raisinghnagar	9500	9200	300
	Bikaner	Bikaner	3400	4400	-1000
		Nokha	9100	9800	-700
		Khajuwala	12800	14200	-1400
		Lunkaransar	4000	3200	800
	Hanumangarh	Hanumangarh	1200	1250	-50
		Nohar	7800	11000	-3200
		Pilibanga	950	1850	-900
	Nagaur	Nagaur	2550	3700	-1150
	Churu	Churu	9400	9000	400
	Alwar	Alwar	4200	1950	2250
Haryana	Hisar	Adampur	6000	6200	-200
	Bhiwani	Bhiwani	7500	12000	-4500
		Siwani	5400	4900	500
	Sirsa	Sirsa	10400	6700	3700
		Dhabwali	1100	1040	60
		Ellanabad	2500	2350	150
	Fatehabad	Fatehabad	2000	1300	700
Gujarat	Banaskantha	Deesa	2935	1900	1035
	Patan	Patan	851	682	169
	Rajkot	Rajkot	1650	1580	70
	Jamnagar	Dhrol	2	4	-2
Madhya Pradesh	Gwalior	Dabra	0	NA	-
Total Arrivals/Above Markets			134400	142281	-7881

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2017 Indian Agribusiness Systems Pvt Ltd.