

# 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 4.17 percent to Rs. 3615.24 per quintal during the week ended 08th December 2017. Guar seed average price were ruling at Rs 3470.55 per quintal during 24-30 November 2017. As compared to prices in the week 01-08 December 2016, the prices are firm by 21.21 percent. Prices are expected to remain steady to firm in coming days.*

*Guar prices remained bearish in the past week due to low export demand of guar gum. Traders are expecting guar to remain firm in coming days due to decreasing arrival pressure and a revival in export demand is expected. Total crop availability is around 19 lakh tonnes compared to 25.64 lakh tonnes last year. Furthermore, exports during Oct'16-Sep'17 are around 62.92 percent higher compared to last year for the same period.*

*As per latest update, India has exported 24450 tonnes of guar gum in the month of September down by around 8.85 percent compared to previous month. However it is higher by around 21.51 percent compared to September'16. Furthermore, 6990 tonnes of guar meal and 3160 tonnes of guar split have been exported by India in September'17.*

*As per data released by Baker Hughes, the number of oil rigs in USA has increased to 931 as on 08th December 2017 up by 2 compared to last week and by 307 compared to 09th December 2016. The total number of oilrigs was recorded at 2057 worldwide in November'17 compared to 1678 in the same 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.*

*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 far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (5500 quintals) compared to previous week arrivals of 6000 quintals.*

*As far as Arrivals are concerned, Bikaner market reported lower arrivals (2950 quintals) compared to previous week 3400 quintals.*

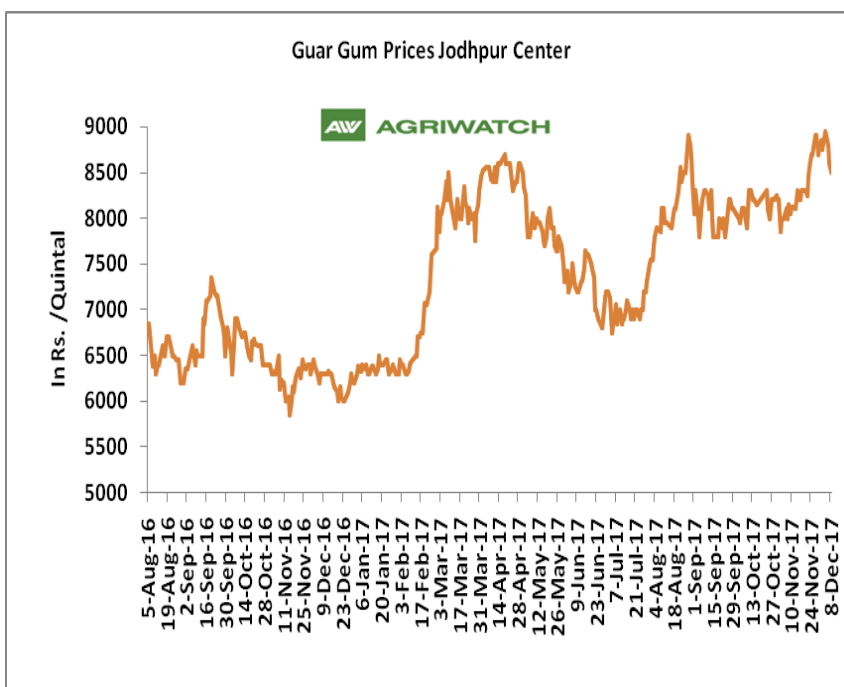
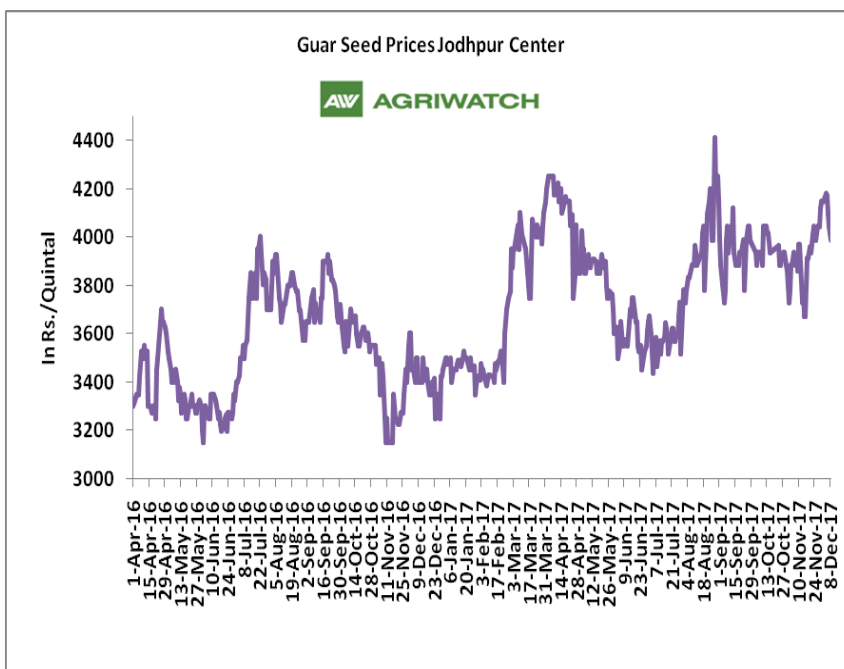
### Recommendation:

**Weekly Call - : Market participants are advised to Buy Guar seed at 3870 levels for a target of 4095 with a stop loss at 3801 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

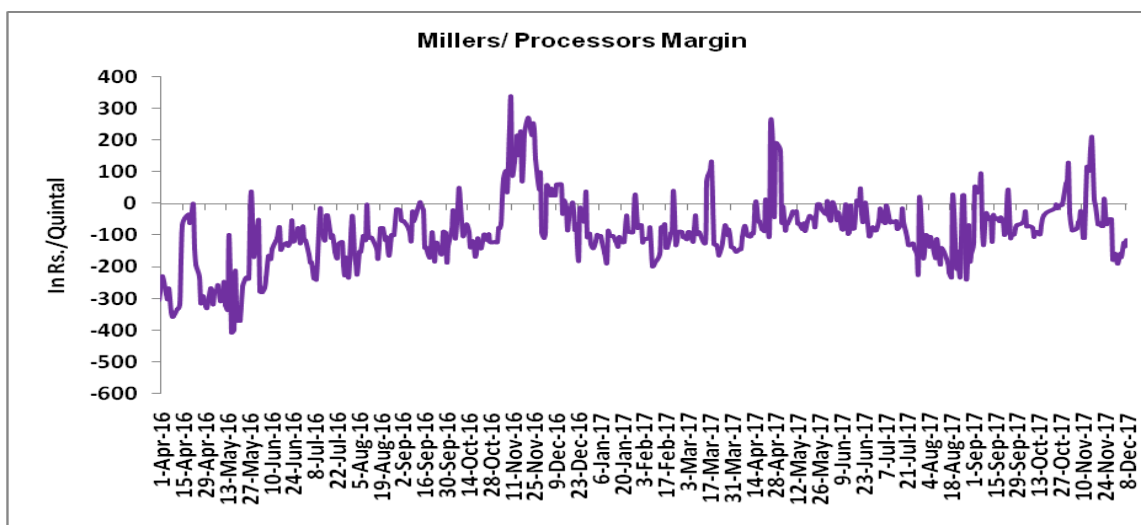
- In the week ended 08<sup>th</sup> December'17, Guar seed weekly average prices increased by Rs - 22.75 /- qtl during the week compared to previous week and settled at Rs 4105 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 58.33/- qtl and settled at Rs. 8750 per quintal. 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 08<sup>th</sup> December'17, average crush margin is Rs. -147.42/Quintal, compared to last week's -112.26/Quintal. Therefore, crushing is favorable for Millers/Processors.

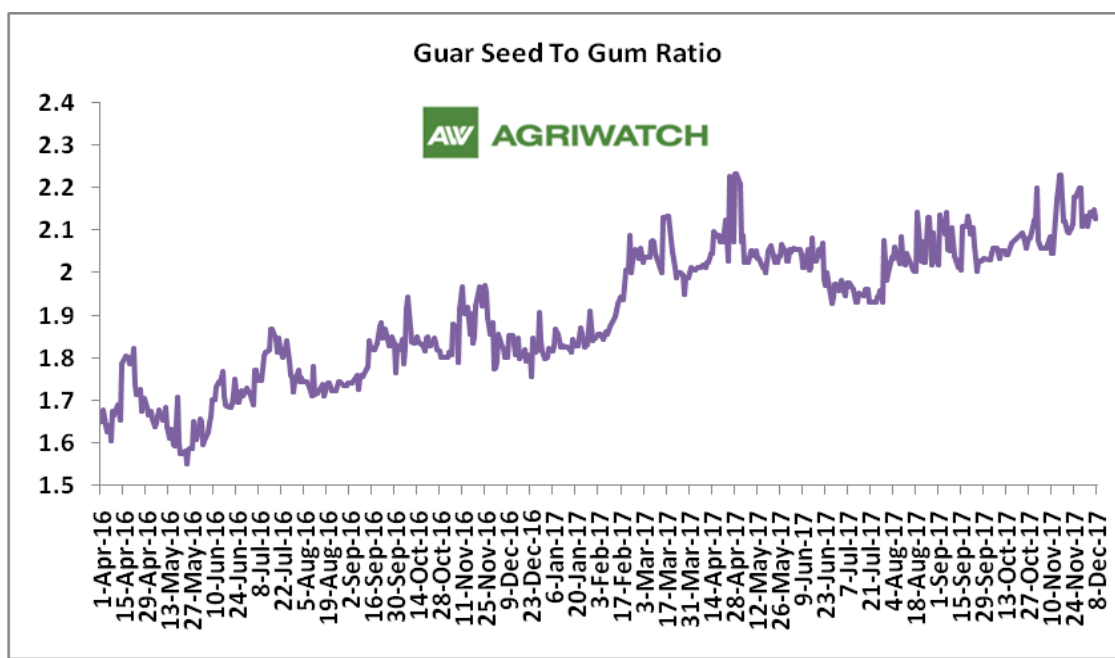
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



### Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 08<sup>th</sup> December'17 is 2.13, lower compared to last week's 2.16

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: January

Exchange: NCDEX  
Expiry: January 19, 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 above 9 and 18 day EMAs.

#### Strategy: Buy

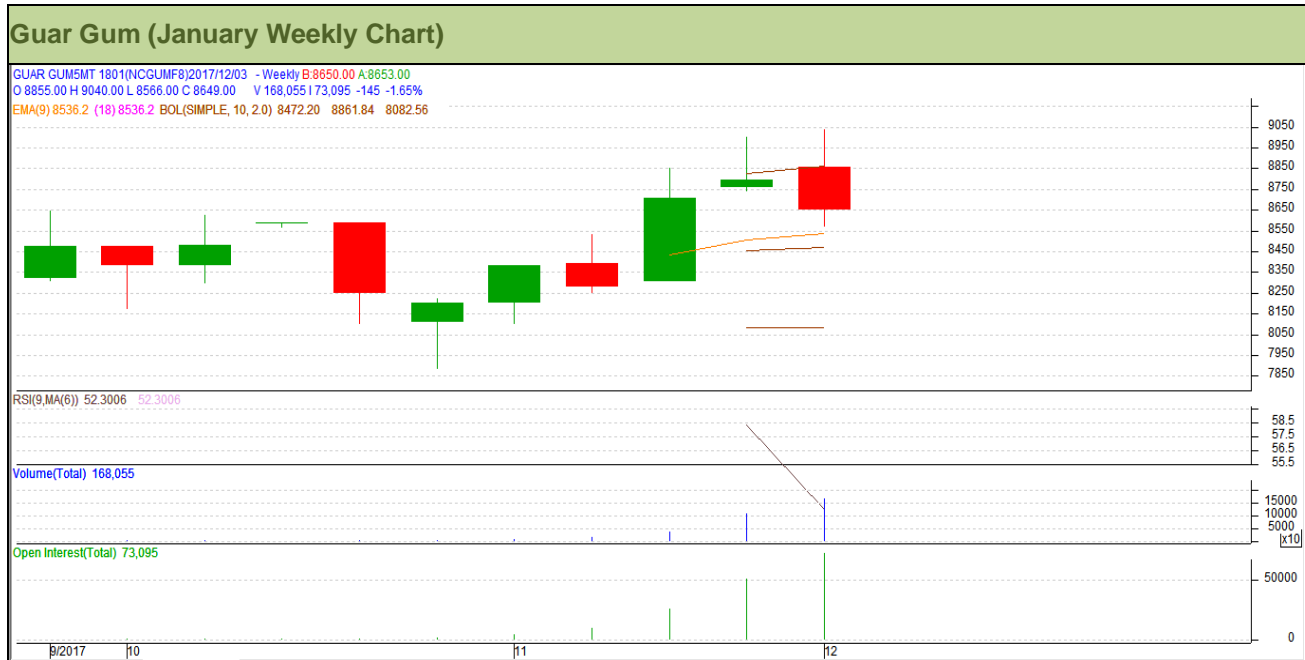
Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	January	3710	3625	3872.5	4205	4290
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	January	Buy	Above 3870	3985	4095	3801



### Technical Analysis (Guar Gum)

Commodity: Guar Gum  
Contract: January

Exchange: NCDEX  
Expiry: January 19, 2017



#### Technical Commentary:

- Fall in price and rise in open interest indicates short 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	8165	7980	8649	9415	9560
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Buy	Above 8620	8955	9210	8419

**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>2nd to 8th December 2017</b>	<b>25th Nov to 1st Dec 2017</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1350	1332	<b>18</b>
<b>Korma</b>	Jodhpur	1875	1888	<b>-13</b>
<b>Churi</b>	Sri-Ganganagar	1216	1191	<b>25</b>
<b>Korma</b>	Sri-Ganganagar	1713	1713	<b>Unch</b>

<b>Guar Export Weekly Average Prices (Prices in \$/MT)</b>				
<b>Commodity</b>	<b>Variety</b>	<b>2nd to 8th December 2017</b>	<b>25th Nov to 1st Dec 2017</b>	<b>Change</b>
<b>Guargum Split</b>		1370	1367	<b>4</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1681	1677	<b>4</b>
	200 Mesh 3500 CPS	1603	1599	<b>4</b>
<b>Guargum Meal</b>	40%	315	305	<b>11</b>
	50%	409	406	<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>2nd to 8th December 2017</b>	<b>25th Nov to 1st Dec 2017</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	3909	3888	<b>22</b>
		Jodhpur(Delivery)	4105	4082	<b>23</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3724	3699	<b>25</b>
		Sri-Ganganagar (Delivery)	3842	3842	<b>Unch</b>
		Rawla (Loose)	3707	3702	<b>5</b>
		Gharsana (Loose)	3710	3702	<b>8</b>
		Raisinghnagar (Loose)	3731	3714	<b>17</b>
	<b>Bikaner</b>	Bikaner (Loose)	3743	3743	<b>-1</b>
		Bikaner (Delivery)	3930	3931	<b>-1</b>
		Nokha(Loose)	3726	3735	<b>-9</b>
		Nokha (Delivery)	3912	3922	<b>-10</b>
		Khajuwala (Loose)	3753	3737	<b>16</b>
		Khajuwala (Delivery)	3940	3924	<b>17</b>
		Lunkaransar (Loose)	3700	3675	<b>25</b>
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3717	3723	<b>-6</b>
		Hanumangarh (Delivery)	3903	3909	<b>-6</b>

		Nohar (Loose)	3700	3700	Unch
		Pilibanga (Loose)	3638	3699	-62
	Nagaur	Nagaur (Loose)	3643	3696	-53
	Churu	Churu (Delivery)	3867	3875	-8
	Alwar	Alwar (Loose)	3658	3683	-25
Haryana	Hisar	Adampur (Loose)	3751	3717	35
		Adampur (Delivery)	3939	3903	36
	Bhiwani	Bhiwani (Delivery)	3876	3892	-16
		Siwani (Loose)	3828	3823	4
	Sirsa	Sirsa (Loose)	3708	3738	-29
		Dhabwali (Loose)	3728	3753	-25
		Dhabwali (Delivery)	3915	3941	-26
		Ellanabad (Loose)	3678	3679	-2
	Fatehabad	Fatehabad (Loose)	3746	3713	33
Gujarat	Banaskantha	Deesa (Loose)	3663	3571	92
	Patan	Patan (Loose)	3749	3668	81
	Rajkot	Rajkot (Loose)	3680	3670	10
	Jamnagar	Dhrol (Loose)	3505	2500	1005
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8750	8808	-58
	Alwar	Alwar	8750	8725	25
	Hanumangarh	Nohar	8610	8542	68
Haryana	Bhiwani	Bhiwani	8730	8718	12
	Sirsa	Sirsa	8721	8717	4
		Dhabwali	8733	8717	17
		Ellanabad	8750	8742	8
	Fatehabad	Fatehabad	8800	8708	92

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			8-Dec-17	1-Dec-17	8-Nov-17	8-Dec-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3800	3950	3740	3300
		Jodhpur(Delivery)	3990	4148	3927	3500
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3700	3700	3510	3250
		Sri-Ganganagar (Delivery)	3750	3850	3660	3350
		Rawla (Loose)	3670	3740	3500	3190
		Gharsana (Loose)	3660	3735	3510	3170



		Raisinghnagar (Loose)	3720	3740	3555	3160
	<b>Bikaner</b>	Bikaner (Loose)	3710	3725	3580	3200
		Bikaner (Delivery)	3896	3911	3759	3300
		Nokha(Loose)	3690	3760	3550	3200
		Nokha (Delivery)	3875	3948	3728	3315
		Khajuwala (Loose)	3700	3700	3550	3170
		Khajuwala (Delivery)	3885	3885	3728	3297
		Lunkaransar (Loose)	3650	3700	3550	3150
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3700	3725	3525	3225
		Hanumangarh (Delivery)	3885	3911	3701	3370
		Nohar (Loose)	3700	3725	3525	3225
		Pilibanga (Loose)	3620	3775	3422	3250
	<b>Nagaur</b>	Nagaur (Loose)	3600	3650	3300	3100
	<b>Churu</b>	Churu (Delivery)	3800	3900	3670	3300
	<b>Alwar</b>	Alwar (Loose)	3625	3700	3480	3100
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3750	3750	3600	3225
		Adampur (Delivery)	3938	3938	3780	3350
	<b>Bhiwani</b>	Bhiwani (Delivery)	3825	3900	3700	3300
		Siwani (Loose)	3800	3870	3650	3250
	<b>Sirsa</b>	Sirsa (Loose)	3700	3720	3600	3240
		Dhabwali (Loose)	3650	3770	3590	3150
		Dhabwali (Delivery)	3833	3959	3770	3300
		Ellanabad (Loose)	3700	3700	3550	3100
	<b>Fatehabad</b>	Fatehabad (Loose)	3700	3750	3500	3300
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	3625	3600	3350	3090
	<b>Patan</b>	Patan (Loose)	3750	3685	3440	3160
	<b>Rajkot</b>	Rajkot (Loose)	3650	NA	3470	3150
	<b>Jamnagar</b>	Dhrol (Loose)	3505	NA	NA	2585
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	8500	8850	8150	6300
	<b>Alwar</b>	Alwar	8750	8700	8250	6300
	<b>Hanumangarh</b>	Nohar	8650	8500	8100	6350
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	8550	8750	8100	6300
	<b>Sirsa</b>	Sirsa	8600	8750	8150	6300
		Dhabwali	8650	8850	8125	6350
		Ellanabad	8800	8800	8100	6250
	<b>Fatehabad</b>	Fatehabad	8750	8800	8100	6400

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			2nd to 8th December 2017	25th Nov to 1st Dec 2017	
Rajasthan	Jodhpur	Jodhpur	1116	1362	-246
	Sri-Ganganagar	Sri-Ganganagar	11000	9800	1200
		Rawla	7000	8000	-1000
		Gharsana	7700	10000	-2300
		Raisinghnagar	6600	9500	-2900
	Bikaner	Bikaner	2950	3400	-450
		Nokha	7400	9100	-1700
		Khajuwala	9500	12800	-3300
		Lunkaransar	4600	4000	600
	Hanumangarh	Hanumangarh	1435	1200	235
		Nohar	6100	7800	-1700
		Pilibanga	1250	950	300
	Nagaur	Nagaur	1650	2550	-900
	Churu	Churu	8400	9400	-1000
	Alwar	Alwar	2200	4200	-2000
Haryana	Hisar	Adampur	5500	6000	-500
	Bhiwani	Bhiwani	5500	7500	-2000
		Siwani	5600	5400	200
	Sirsa	Sirsa	6200	10400	-4200
		Dhabwali	980	1100	-120
		Ellanabad	2200	2500	-300
	Fatehabad	Fatehabad	2200	2000	200
Gujarat	Banaskantha	Deesa	2555	2935	-380
	Patan	Patan	481	851	-370
	Rajkot	Rajkot	800	1650	-850
	Jamnagar	Dhrol	11	2	9
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			110928	134400	-23472

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