

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices decreased by 1.91 percent to Rs. 3546.17 per quintal during the week ended 15th December 2017. Guar seed average price were ruling at Rs 3615.24 per quintal during 01-08 December 2017. As compared to prices in the week 09-15 December 2016, the prices are firm by 23.03 percent. Prices are expected to remain steady to firm in coming days.

The wholesale price index of guar seed has decreased from 85.2 in October 2017 to 84.5 in November 2017. The WPI for November 2017 is up by 10 compared to last year for the same month and by 0.4 compared to November 2015.

As per millers recovery of guar gum from guar seed is coming around 30-30.5 kg of guar gum this year compared to around 32 kg last year. Export demand for guar gum is good due to recovery in oil prices. As of now guar gum prices in Jodhpur are hovering around Rs 8600 per kg.

Oil has crossed \$65 a barrel mark for the first time since mid-2015. As per latest reports oil inventories with U.S. have also decreased. Furthermore OPEC as well as Non-OPEC countries have decided to continue their production cuts. All this will further support oil prices in the near future and demand for guar gum is likely to increase.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 930 as on 15th December 2017 down by 1 compared to last week and by 293 compared to 16th 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, 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 far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (5200 quintals) compared to previous week arrivals of 5500 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (2350 quintals) compared to previous week 2950 quintals.

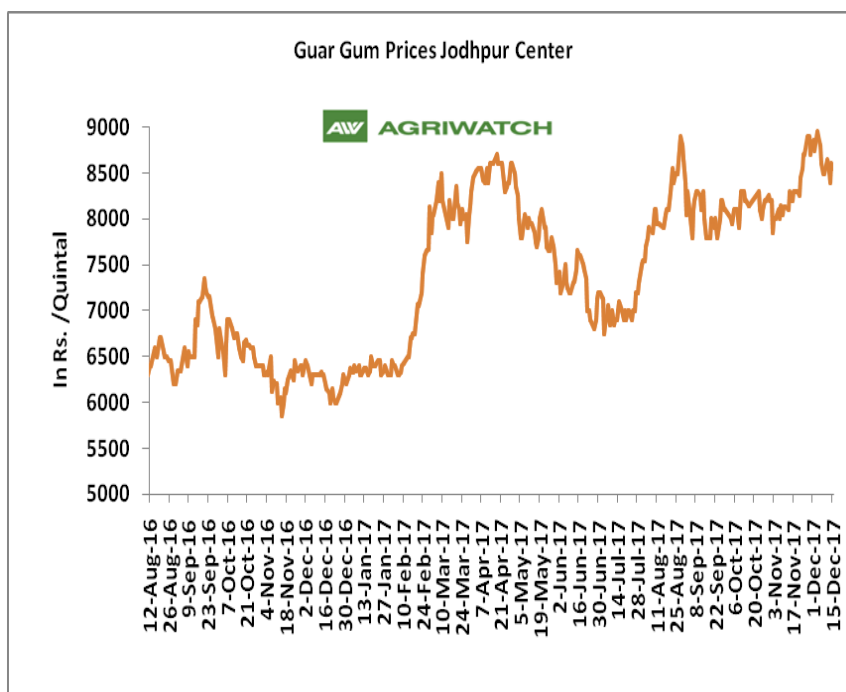
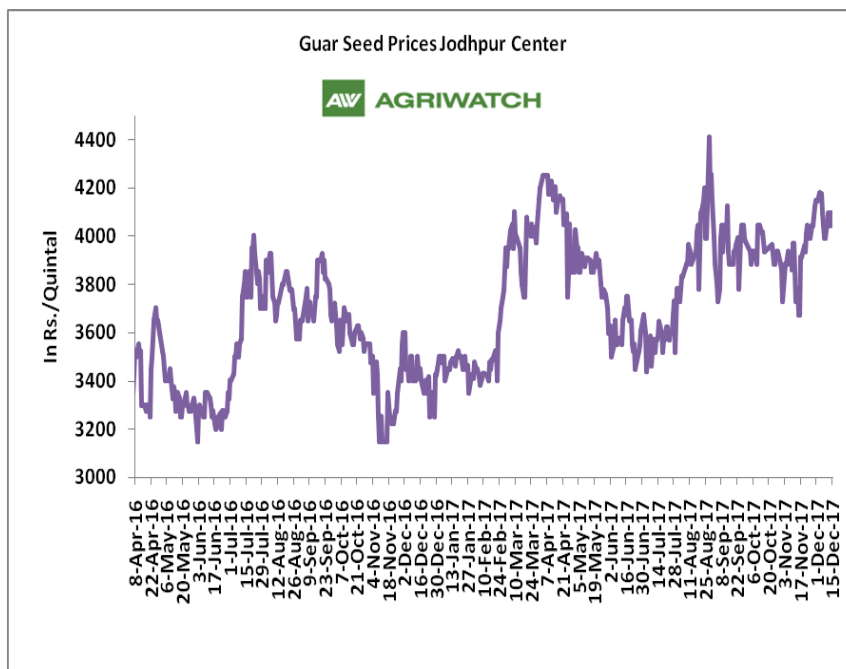
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 3855 levels for a target of 4080 with a stop loss at 3786 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

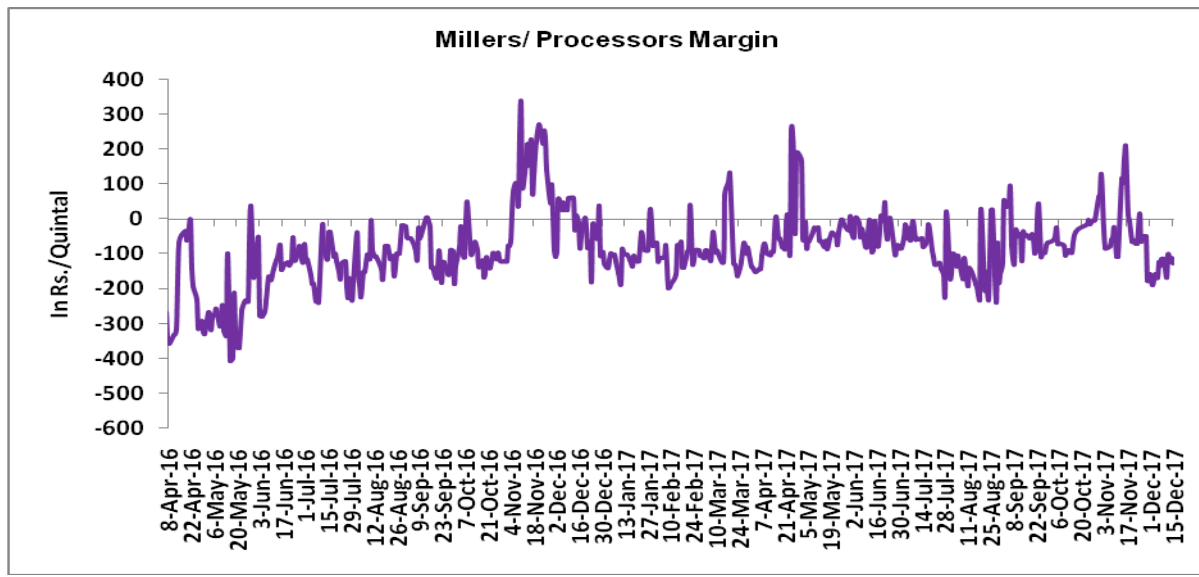
- In the week ended 15th December'17, Guar seed weekly average prices decreased by Rs - 37.63 /- qtl during the week compared to previous week and settled at Rs 4067 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 200/- qtl and settled at Rs. 8550 per quintal. Weak demand 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 15th December'17, average crush margin is Rs. -124.58/Quintal, compared to last week's -147.42/Quintal. Therefore, crushing is favorable for Millers/Processors.

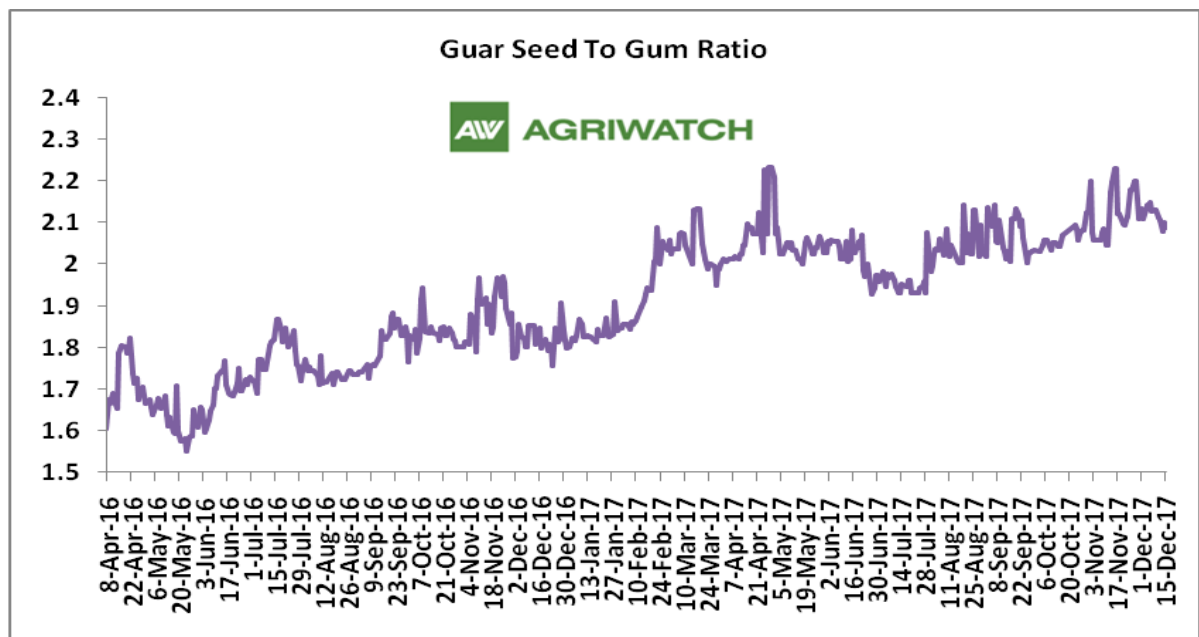
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 15th December'17 is 2.10, higher compared to last week's 2.13

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	3695	3610	3869.5	4190	4275
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	January	Buy	Above 3855	3970	4080	3786



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	7990	7805	8488	9240	9385
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Buy	Above 8445	8780	9035	8244

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	9th to 15th December 2017	2nd to 8th December 2017	Change
Churi	Jodhpur	1450	1350	100
Korma	Jodhpur	1875	1875	Unch
Churi	Sri-Ganganagar	1306	1216	91
Korma	Sri-Ganganagar	1720	1713	8

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	9th to 15th December 2017	2nd to 8th December 2017	Change
Guargum Split		1367	1370	-3
Guargum Powder	200 Mesh 5000 CPS	1678	1681	-3
	200 Mesh 3500 CPS	1600	1603	-3
Guargum Meal	40%	311	315	-5
	50%	404	409	-5

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			9th to 15th December 2017	2nd to 8th December 2017	
Rajasthan	Jodhpur	Jodhpur (Loose)	3873	3909	-36
		Jodhpur(Delivery)	4067	4105	-38
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3729	3724	5
		Sri-Ganganagar (Delivery)	3827	3842	-15
		Rawla (Loose)	3688	3707	-19
		Gharsana (Loose)	3701	3710	-9
		Raisinghnagar (Loose)	3723	3731	-8
	Bikaner	Bikaner (Loose)	3735	3743	-8
		Bikaner (Delivery)	3922	3930	-8
		Nokha(Loose)	3738	3726	13
		Nokha (Delivery)	3925	3912	13
		Khajuwala (Loose)	3703	3753	-49
		Khajuwala (Delivery)	3889	3940	-52
		Lunkaransar (Loose)	3700	3700	Unch
	Hanumangarh	Hanumangarh (Loose)	3764	3717	47
		Hanumangarh (Delivery)	3952	3903	49

		Nohar (Loose)	3760	3700	60
		Pilibanga (Loose)	3687	3638	49
	Nagaur	Nagaur (Loose)	3606	3643	-38
	Churu	Churu (Delivery)	3775	3867	-92
	Alwar	Alwar (Loose)	3642	3658	-17
Haryana	Hisar	Adampur (Loose)	3739	3751	-12
		Adampur (Delivery)	3926	3939	-13
	Bhiwani	Bhiwani (Delivery)	3886	3876	10
		Siwani (Loose)	3844	3828	17
	Sirsa	Sirsa (Loose)	3728	3708	19
		Dhabwali (Loose)	3709	3728	-19
		Dhabwali (Delivery)	3748	3915	-167
		Ellanabad (Loose)	3716	3678	38
	Fatehabad	Fatehabad (Loose)	3677	3746	-69
Gujarat	Banaskantha	Deesa (Loose)	3640	3663	-23
	Patan	Patan (Loose)	3742	3749	-7
	Rajkot	Rajkot (Loose)	3681	3680	1
	Jamnagar	Dhrol (Loose)	3470	3505	-35
Madhya Pradesh	Gwalior	Dabra (Loose)	2333	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8550	8750	-200
	Alwar	Alwar	8650	8750	-100
	Hanumangarh	Nohar	8600	8610	-10
Haryana	Bhiwani	Bhiwani	8650	8730	-80
	Sirsa	Sirsa	8633	8721	-88
		Dhabwali	8621	8733	-113
		Ellanabad	8558	8750	-192
	Fatehabad	Fatehabad	8642	8800	-158

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			15-Dec-17	8-Dec-17	15-Nov-17	15-Dec-16
Rajasthan	Jodhpur	Jodhpur (Loose)	3900	3800	3500	3260
		Jodhpur(Delivery)	4095	3990	3675	3450
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3800	3700	3575	3200
		Sri-Ganganagar (Delivery)	3920	3750	3725	3350
		Rawla (Loose)	3700	3670	3550	3180
		Gharsana (Loose)	3690	3660	3550	3200

		Raisinghnagar (Loose)	3720	3720	3565	3230
	Bikaner	Bikaner (Loose)	3750	3710	3580	3240
		Bikaner (Delivery)	3938	3896	3759	3390
		Nokha(Loose)	3760	3690	3550	3250
		Nokha (Delivery)	3948	3875	3728	3367
		Khajuwala (Loose)	3725	3700	3610	3215
		Khajuwala (Delivery)	3911	3885	3791	3344
		Lunkaransar (Loose)	3700	3650	3550	3160
	Hanumangarh	Hanumangarh (Loose)	3750	3700	3550	3225
		Hanumangarh (Delivery)	3938	3885	3728	3375
		Nohar (Loose)	3800	3700	3580	3220
		Pilibanga (Loose)	3700	3620	3550	3225
	Nagaur	Nagaur (Loose)	3500	3600	3475	3100
	Churu	Churu (Delivery)	3750	3800	3750	3300
	Alwar	Alwar (Loose)	3600	3625	3550	3050
Haryana	Hisar	Adampur (Loose)	3750	3750	3600	3225
		Adampur (Delivery)	3938	3938	3780	3375
	Bhiwani	Bhiwani (Delivery)	3920	3825	3750	3350
		Siwani (Loose)	3850	3800	3700	3300
	Sirsa	Sirsa (Loose)	3720	3700	3630	3270
		Dhabwali (Loose)	3725	3650	3600	3200
		Dhabwali (Delivery)	3725	3833	3780	3350
		Ellanabad (Loose)	3700	3700	3600	3235
	Fatehabad	Fatehabad (Loose)	3700	3700	NA	3100
Gujarat	Banaskantha	Deesa (Loose)	3650	3625	3375	3090
	Patan	Patan (Loose)	3695	3750	3555	3045
	Rajkot	Rajkot (Loose)	3725	3650	3485	3065
	Jamnagar	Dhrol (Loose)	NA	3505	NA	2805
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8550	8500	8200	6300
	Alwar	Alwar	8500	8750	8350	6400
	Hanumangarh	Nohar	8600	8650	8300	6500
Haryana	Bhiwani	Bhiwani	8800	8550	8300	6500
	Sirsa	Sirsa	8500	8600	8300	6300
		Dhabwali	8550	8650	8250	6300
		Ellanabad	8500	8800	8300	6300
	Fatehabad	Fatehabad	8550	8750	NA	6100

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			9th to 15th December 2017	2nd to 8th December 2017	
Rajasthan	Jodhpur	Jodhpur	868	1116	-248
	Sri-Ganganagar	Sri-Ganganagar	5600	11000	-5400
		Rawla	5500	7000	-1500
		Gharsana	4500	7700	-3200
		Raisinghnagar	1800	6600	-4800
	Bikaner	Bikaner	2350	2950	-600
		Nokha	5400	7400	-2000
		Khajuwala	9700	9500	200
		Lunkaransar	2200	4600	-2400
	Hanumangarh	Hanumangarh	575	1435	-860
		Nohar	5800	6100	-300
		Pilibanga	600	1250	-650
	Nagaur	Nagaur	1950	1650	300
	Churu	Churu	2200	8400	-6200
	Alwar	Alwar	1000	2200	-1200
Haryana	Hisar	Adampur	5200	5500	-300
	Bhiwani	Bhiwani	3300	5500	-2200
		Siwani	5800	5600	200
	Sirsa	Sirsa	4000	6200	-2200
		Dhabwali	925	980	-55
		Ellanabad	1750	2200	-450
	Fatehabad	Fatehabad	2500	2200	300
Gujarat	Banaskantha	Deesa	1820	2555	-735
	Patan	Patan	419	481	-62
	Rajkot	Rajkot	740	800	-60
	Jamnagar	Dhrol	1	11	-10
Madhya Pradesh	Gwalior	Dabra	300	NA	-
Total Arrivals/Above Markets			76798	110928	-34130

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