

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices decreased by 1.31 percent to Rs. 3506.16 per quintal during the week ended 23rd December 2017. Guar seed average price were ruling at Rs 3546.17 per quintal during 09-15 December 2017. As compared to prices in the week 16-23 December 2016, the prices are firm by 20.83 percent. Prices are expected to remain steady to firm in coming days.

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. Guar seed January future contract closed at Rs 4024.50/quintal compared to Rs 3869.50/quintal in previous week.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 931 as on 22nd December 2017 up by 1 compared to last week and 278 compared to 23rd 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 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 8880 per kg.

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 higher arrivals (7700 quintals) compared to previous week arrivals of 5200 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1800 quintals) compared to previous week 2350 quintals.

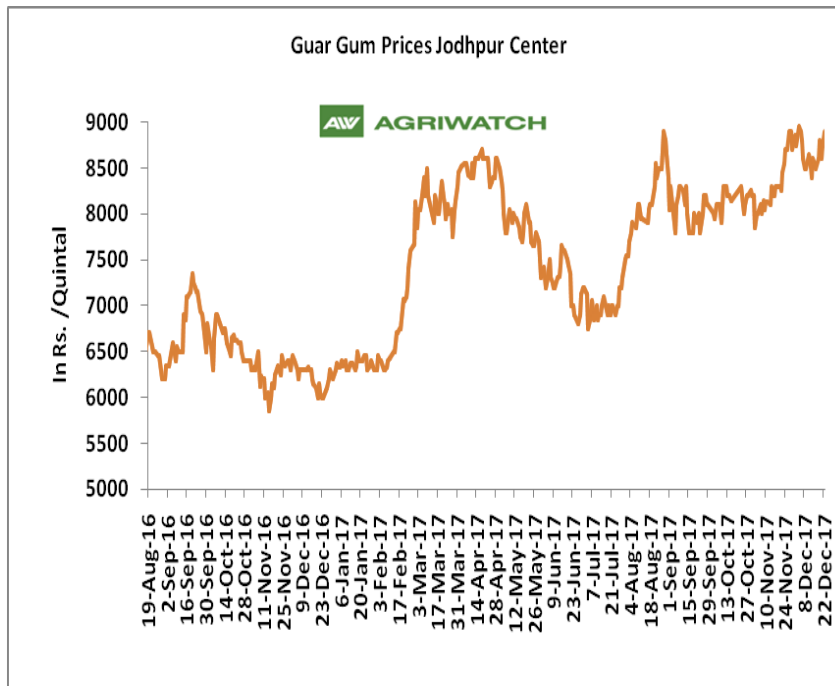
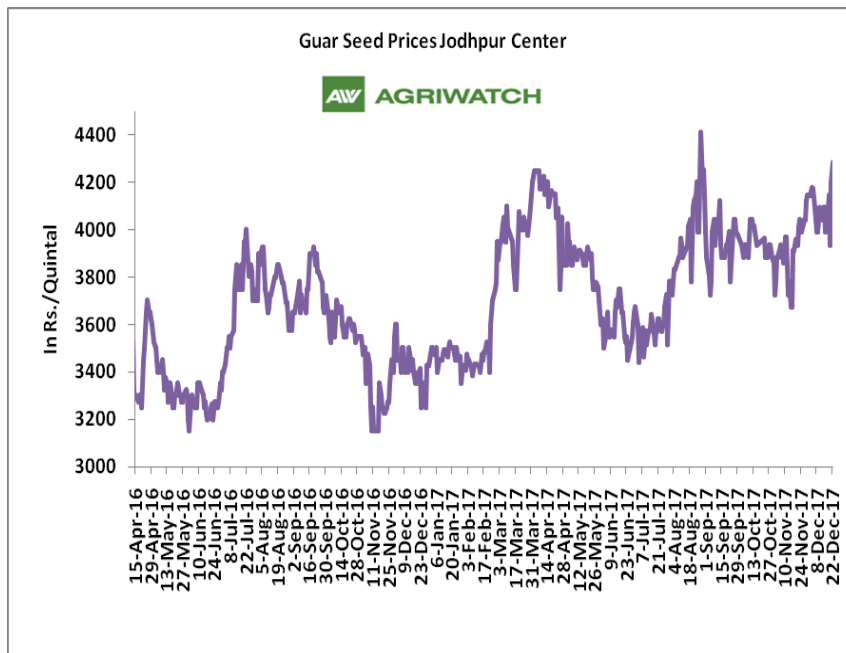
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 4020 levels for a target of 4315 with a stop loss at 3915 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

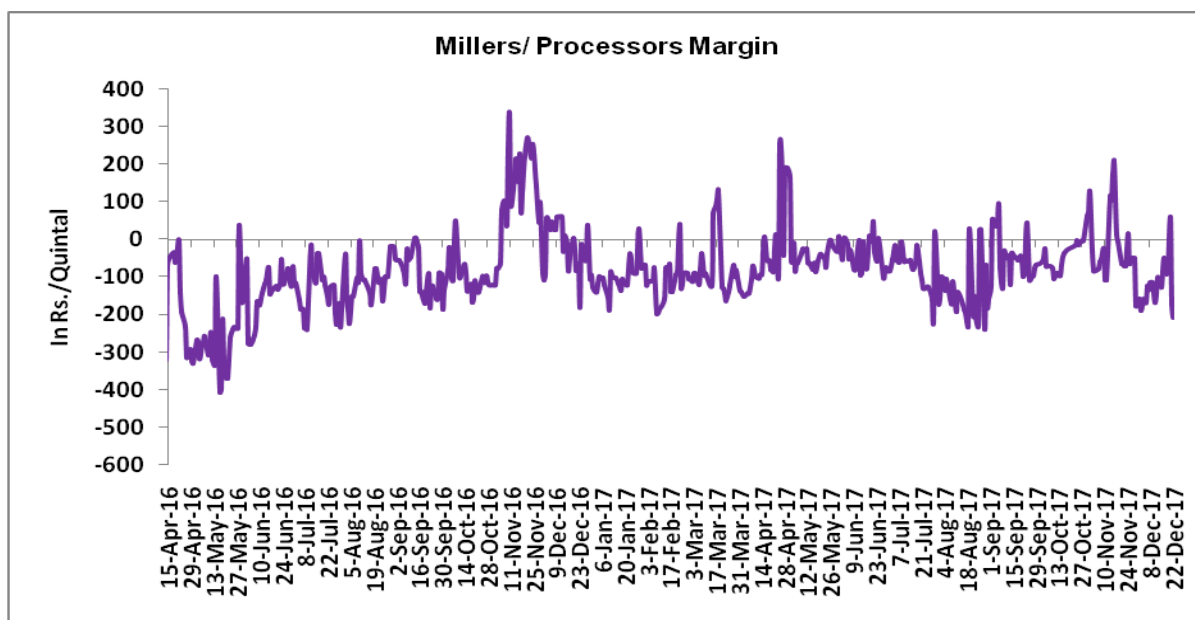
- In the week ended 22nd December'17, Guar seed weekly average prices increased by Rs - 42.00 /- qtl during the week compared to previous week and settled at Rs 4109 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 141.67/- qtl and settled at Rs. 8692 per quintal. Firm demand 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 22nd December'17, average crush margin is Rs. -91.44/Quintal, compared to last week's -124.58/Quintal. Therefore, crushing is favorable for Millers/Processors.

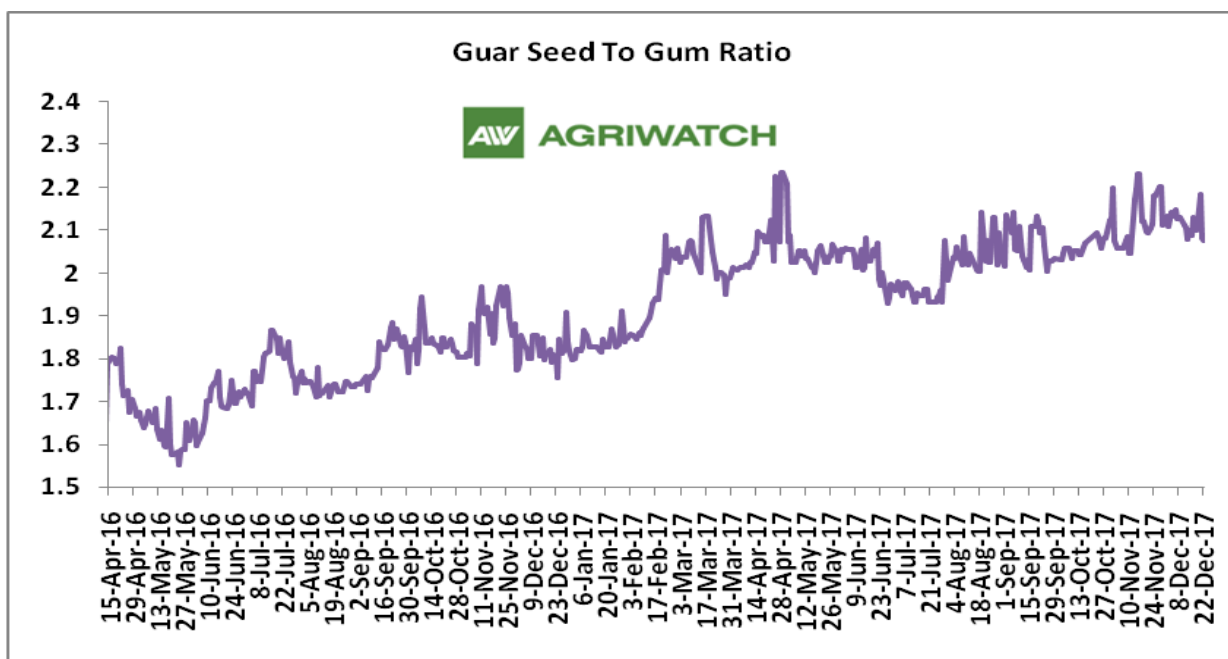
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 22nd December'17 is 2.12, higher compared to last week's 2.10

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 fall in open interest indicates short covering.
- 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	3790	3695	4024.5	4445	4560
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	January	Buy	Above 4020	4195	4315	3915



Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: January

Exchange: NCDEX
Expiry: January 19, 2017



Technical Commentary:

- Rise in price and fall in open interest indicates short covering.
- 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	8590	8425	8880	9555	9680
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Buy	Above 8900	9155	9390	8747

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	16th to 22th December 2017	9th to 15th December 2017	Change
Churi	Jodhpur	1500	1450	50
Korma	Jodhpur	1892	1875	17
Churi	Sri-Ganganagar	1342	1306	35
Korma	Sri-Ganganagar	1763	1720	43
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	16th to 22th December 2017	9th to 15th December 2017	Change
Guargum Split		1347	1367	-20
Guargum Powder	200 Mesh 5000 CPS	1659	1678	-19
	200 Mesh 3500 CPS	1581	1600	-19
Guargum Meal	40%	325	311	14
	50%	406	404	2
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			16th to 22th December 2017	9th to 15th December 2017	
Rajasthan	Jodhpur	Jodhpur (Loose)	3913	3873	40
		Jodhpur(Delivery)	4109	4067	42
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3756	3729	28
		Sri-Ganganagar (Delivery)	3906	3825	81
		Rawla (Loose)	3766	3688	78
		Gharsana (Loose)	3770	3701	69
		Raisinghnagar (Loose)	3796	3723	73
	Bikaner	Bikaner (Loose)	3815	3735	80
		Bikaner (Delivery)	3992	3922	71
		Nokha(Loose)	3817	3738	78
		Nokha (Delivery)	4008	3925	82
		Khajuwala (Loose)	3809	3703	106
		Khajuwala (Delivery)	3993	3889	104
		Lunkaransar (Loose)	3775	3700	75
	Hanumangarh	Hanumangarh (Loose)	3773	3764	10
		Hanumangarh (Delivery)	3962	3952	10

		Nohar (Loose)	3808	3760	48
		Pilibanga (Loose)	3780	3687	93
	Nagaur	Nagaur (Loose)	3681	3606	75
	Churu	Churu (Delivery)	3875	3775	100
	Alwar	Alwar (Loose)	3650	3642	8
Haryana	Hisar	Adampur (Loose)	3818	3739	79
		Adampur (Delivery)	4009	3926	83
	Bhiwani	Bhiwani (Delivery)	3958	3886	73
		Siwani (Loose)	3900	3844	56
	Sirsa	Sirsa (Loose)	3826	3728	98
		Dhabwali (Loose)	3800	3709	91
		Dhabwali (Delivery)	3990	3895	95
		Ellanabad (Loose)	3788	3716	73
	Fatehabad	Fatehabad (Loose)	3754	3677	78
Gujarat	Banaskantha	Deesa (Loose)	3730	3640	90
	Patan	Patan (Loose)	3722	3742	-20
	Rajkot	Rajkot (Loose)	3754	3681	73
	Jamnagar	Dhrol (Loose)	NA	3470	-
Madhya Pradesh	Gwalior	Dabra (Loose)	3650	3500	150
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8692	8550	142
	Alwar	Alwar	8600	8650	-50
	Hanumangarh	Nohar	8633	8600	33
Haryana	Bhiwani	Bhiwani	8705	8650	55
	Sirsa	Sirsa	8667	8633	33
		Dhabwali	8625	8621	4
		Ellanabad	8650	8558	92
	Fatehabad	Fatehabad	8642	8642	Unch

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			22-Dec-17	16-Dec-17	22-Nov-17	22-Dec-16
Rajasthan	Jodhpur	Jodhpur (Loose)	4080	3800	3820	3200
		Jodhpur(Delivery)	4284	3990	4011	3350
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3850	3700	3615	3152
		Sri-Ganganagar (Delivery)	4000	3850	3690	3302
		Rawla (Loose)	3850	3715	3600	3115
		Gharsana (Loose)	3880	3720	3580	3060

		Raisinghnagar (Loose)	3900	3730	3600	3070
	Bikaner	Bikaner (Loose)	3900	NR	3635	3080
		Bikaner (Delivery)	4095	NR	3817	3230
		Nokha(Loose)	3900	3750	3600	3100
		Nokha (Delivery)	4095	3938	3780	3212
		Khajuwala (Loose)	3920	3725	3600	3081
		Khajuwala (Delivery)	4116	3911	3780	3204
		Lunkaransar (Loose)	3850	3700	3600	3000
	Hanumangarh	Hanumangarh (Loose)	3820	3750	3646	3060
		Hanumangarh (Delivery)	4011	3938	3828	3210
		Nohar (Loose)	3850	3800	3650	3100
		Pilibanga (Loose)	3850	3700	3560	3050
	Nagaur	Nagaur (Loose)	3800	3500	3350	3200
	Churu	Churu (Delivery)	3850	3900	3750	3200
	Alwar	Alwar (Loose)	3650	3650	3550	2950
Haryana	Hisar	Adampur (Loose)	3925	3750	3600	3080
		Adampur (Delivery)	4121	3938	3780	3230
	Bhiwani	Bhiwani (Delivery)	4050	3900	3800	3070
		Siwani (Loose)	3910	3860	3725	3150
	Sirsa	Sirsa (Loose)	3900	3780	3765	3080
		Dhabwali (Loose)	3900	3725	3590	3100
		Dhabwali (Delivery)	4095	3911	3770	3250
		Ellanabad (Loose)	3900	3700	3600	3080
	Fatehabad	Fatehabad (Loose)	3750	3700	3575	3150
Gujarat	Banaskantha	Deesa (Loose)	3855	3610	3300	2925
	Patan	Patan (Loose)	3855	3695	3530	2925
	Rajkot	Rajkot (Loose)	3800	3725	3510	2975
	Jamnagar	Dhrol (Loose)	NA	NA	NA	2890
Madhya Pradesh	Gwalior	Dabra (Loose)	3700	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8900	8500	8450	6050
	Alwar	Alwar	8600	8600	8500	6100
	Hanumangarh	Nohar	8700	8600	8400	6300
Haryana	Bhiwani	Bhiwani	8950	8650	8400	6000
	Sirsa	Sirsa	8900	8500	8400	6100
		Dhabwali	8900	8550	8400	6150
		Ellanabad	8900	8500	8400	6100
	Fatehabad	Fatehabad	8700	8550	8400	6300

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			16th to 22th December 2017	9th to 15th December 2017	
Rajasthan	Jodhpur	Jodhpur	1241	868	373
	Sri-Ganganagar	Sri-Ganganagar	6100	5600	500
		Rawla	5500	5500	Unch
		Gharsana	5600	4500	1100
		Raisinghnagar	2600	1800	800
	Bikaner	Bikaner	1800	2350	-550
		Nokha	4000	5400	-1400
		Khajuwala	7200	9700	-2500
		Lunkaransar	5800	2200	3600
	Hanumangarh	Hanumangarh	1500	575	925
		Nohar	8300	5800	2500
		Pilibanga	1050	600	450
	Nagaur	Nagaur	1900	1950	-50
	Churu	Churu	6000	2200	3800
	Alwar	Alwar	1550	1000	550
Haryana	Hisar	Adampur	7700	5200	2500
	Bhiwani	Bhiwani	4200	3300	900
		Siwani	5200	5800	-600
	Sirsa	Sirsa	5700	4000	1700
		Dhabwali	645	925	-280
		Ellanabad	2400	1750	650
	Fatehabad	Fatehabad	2900	2500	400
Gujarat	Banaskantha	Deesa	1651	1820	-169
	Patan	Patan	1024	419	605
	Rajkot	Rajkot	1150	740	410
	Jamnagar	Dhrol	NA	1	-
Madhya Pradesh	Gwalior	Dabra	500	300	200
Total Arrivals/Above Markets			93211	76798	16413

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