



Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices increased by 4.84 percent to Rs. 3675.97 per quintal during the week ended 31st December 2017. Guar seed average price were ruling at Rs 3506.16 per quintal during 16-23 December 2017. As compared to prices in the week 24-31 December 2016, the prices are firm by 26.26 percent. Prices are expected to remain steady to firm in coming days.

Guar future prices have closed at Rs 4076 per quintal compared to previous week close of Rs 4024.50 per quintal. Prices are expected to remain steady to firm in near future. Export demand for guar gum is likely to pick up due to higher oil prices and lower carryover stocks compared to last year.

As per latest update, option trading in guar will start from 14th January'2018 on Makar Sakranti. NCDEX already has approval from SEBI. Guar will be the second commodity after gold in which options would be traded.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 929 as on 29th December 2017 down by 2 compared to last week and up by 271 compared to 30th 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 market sources, guar future prices are expected to reach Rs 4800 per quintal in upcoming months because of lower production, good export demand and lower carryover stocks.

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 (5500 quintals) compared to previous week arrivals of 7700 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (2600 quintals) compared to previous week 1800 quintals.

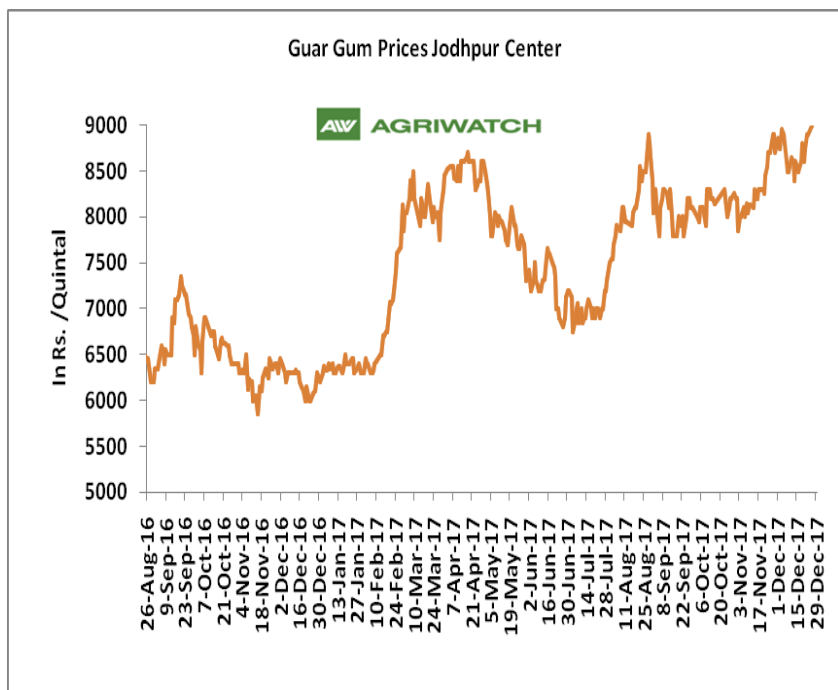
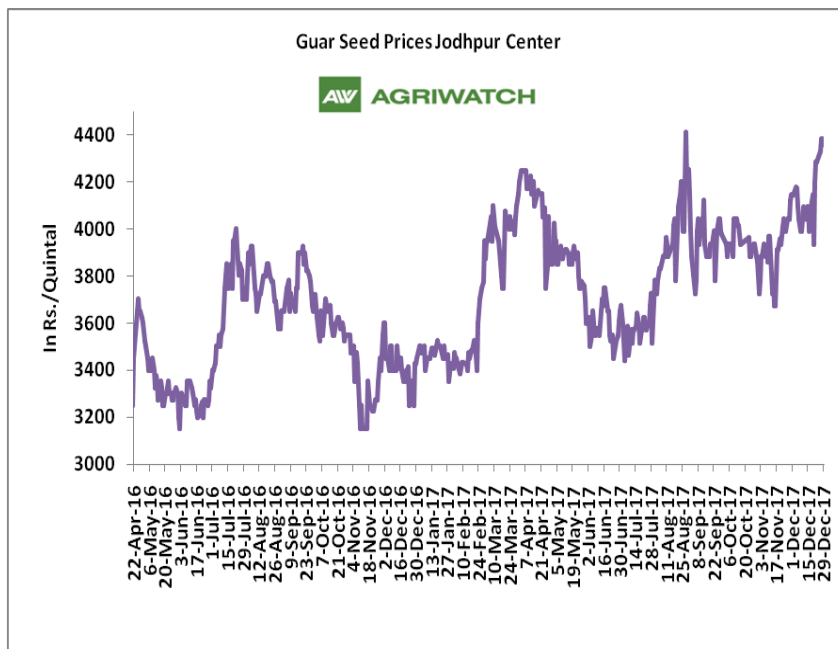
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 4035 levels for a target of 4330 with a stop loss at 3930 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

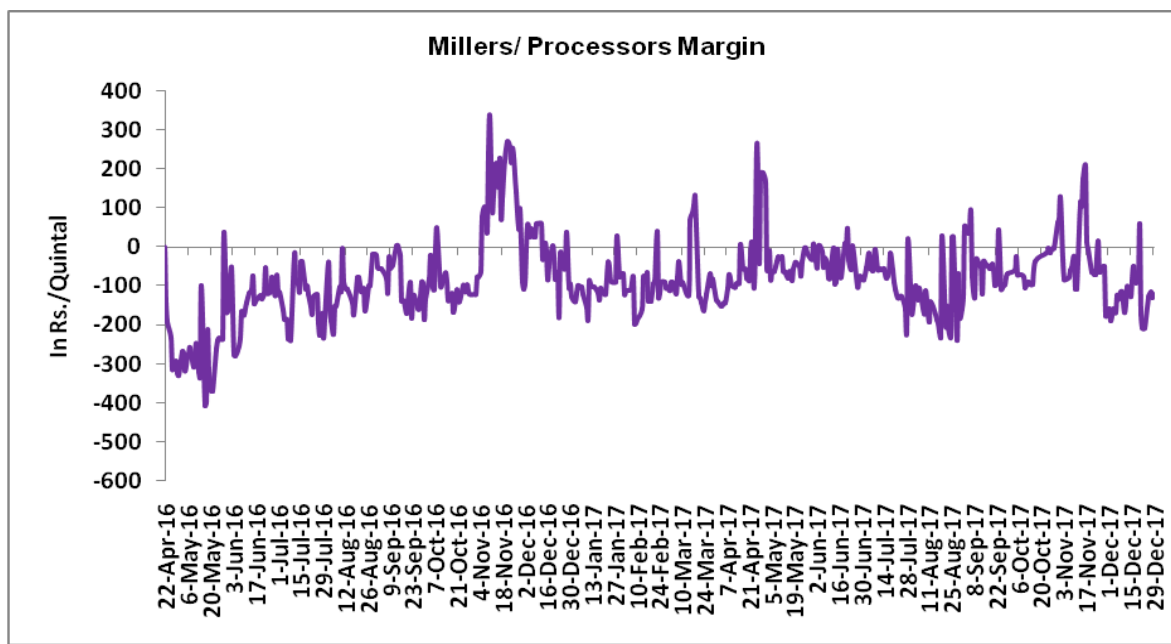
- In the week ended 29th December'17, Guar seed weekly average prices increased by Rs - 239.05.00 /- qtl during the week compared to previous week and settled at Rs 4348 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 378.33/- qtl and settled at Rs. 9070 per quintal. Firm demand 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 29th December'17, average crush margin is Rs. -140.51/Quintal, compared to last week's -91.44/Quintal. Therefore, crushing is favorable for Millers/Processors.

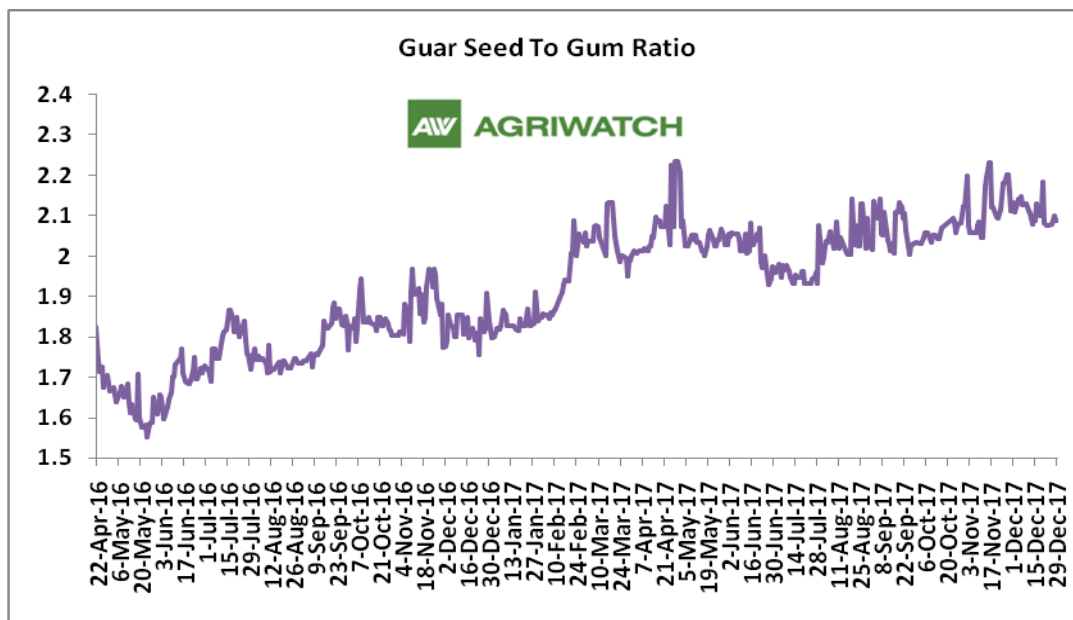
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 29th December'17 is 2.09, lower compared to last week's 2.12

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:

- 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	3805	3710	4076	4460	4575
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	January	Buy	Above 4035	4210	4330	3930



Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: January

Exchange: NCDEX
Expiry: January 19, 2017

Guar Gum (January Weekly Chart)



Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- 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	8565	8400	8880	9530	9655
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Buy	Above 8855	9130	9365	8722

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	23rd to 29th December 2017	16th to 22th December 2017	Change
Churi	Jodhpur	1580	1500	80
Korma	Jodhpur	1960	1892	69
Churi	Sri-Ganganagar	1470	1342	128
Korma	Sri-Ganganagar	1793	1763	30
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	23rd to 29th December 2017	16th to 22th December 2017	Change
Guargum Split		1405	1347	58
Guargum Powder	200 Mesh 5000 CPS	1655	1659	-5
	200 Mesh 3500 CPS	1577	1581	-5
Guargum Meal	40%	340	325	15
	50%	406	406	Unch
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			23rd to 29th December 2017	16th to 22th December 2017	
Rajasthan	Jodhpur	Jodhpur (Loose)	4141	3913	228
		Jodhpur(Delivery)	4348	4109	239
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3944	3756	188
		Sri-Ganganagar (Delivery)	4094	3906	188
		Rawla (Loose)	3947	3766	181
		Gharsana (Loose)	3944	3770	174
		Raisinghnagar (Loose)	3978	3796	182
	Bikaner	Bikaner (Loose)	3958	3815	143
		Bikaner (Delivery)	4156	3992	164
		Nokha(Loose)	3951	3817	134
		Nokha (Delivery)	4149	4008	141
		Khajuwala (Loose)	3978	3809	169
		Khajuwala (Delivery)	4177	3993	184
		Lunkaransar (Loose)	3905	3775	130
	Hanumangarh	Hanumangarh (Loose)	3970	3773	197
		Hanumangarh (Delivery)	4169	3962	207

		Nohar (Loose)	3980	3808	172
		Pilibanga (Loose)	3950	3780	170
	Nagaur	Nagaur (Loose)	3860	3681	179
	Churu	Churu (Delivery)	4040	3875	165
	Alwar	Alwar (Loose)	3800	3650	150
Haryana	Hisar	Adampur (Loose)	3997	3818	179
		Adampur (Delivery)	4197	4009	188
	Bhiwani	Bhiwani (Delivery)	4105	3958	147
		Siwani (Loose)	4065	3900	165
	Sirsa	Sirsa (Loose)	3985	3826	159
		Dhabwali (Loose)	4037	3800	237
		Dhabwali (Delivery)	4239	3990	249
		Ellanabad (Loose)	3990	3788	202
	Fatehabad	Fatehabad (Loose)	3928	3754	174
Gujarat	Banaskantha	Deesa (Loose)	3845	3730	115
	Patan	Patan (Loose)	3909	3722	187
	Rajkot	Rajkot (Loose)	3968	3754	214
	Jamnagar	Dhrol (Loose)	3600	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	3650	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9070	8692	378
	Alwar	Alwar	8980	8600	380
	Hanumangarh	Nohar	9020	8633	387
Haryana	Bhiwani	Bhiwani	9050	8705	345
	Sirsa	Sirsa	9030	8667	363
		Dhabwali	9090	8625	465
		Ellanabad	8990	8650	340
	Fatehabad	Fatehabad	8880	8642	238

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			29-Dec-17	22-Dec-17	29-Nov-17	29-Dec-16
Rajasthan	Jodhpur	Jodhpur (Loose)	4150	4080	3925	3275
		Jodhpur(Delivery)	4358	4284	4121	3425
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4000	3850	3700	3150
		Sri-Ganganagar (Delivery)	4150	4000	3850	3300
		Rawla (Loose)	3960	3850	3685	3120
		Gharsana (Loose)	3950	3880	3695	3150

		Raisinghnagar (Loose)	3980	3900	3700	3260
	Bikaner	Bikaner (Loose)	3930	3900	3750	3175
		Bikaner (Delivery)	4127	4095	3938	3325
		Nokha(Loose)	3925	3900	3725	3175
		Nokha (Delivery)	4121	4095	3911	3200
		Khajuwala (Loose)	3960	3920	3720	3100
		Khajuwala (Delivery)	4158	4116	3906	3160
		Lunkaransar (Loose)	3925	3850	3600	3150
	Hanumangarh	Hanumangarh (Loose)	4025	3820	3700	3085
		Hanumangarh (Delivery)	4226	4011	3885	3235
		Nohar (Loose)	4000	3850	3650	3150
		Pilibanga (Loose)	4000	3850	3650	3140
	Nagaur	Nagaur (Loose)	3900	3800	3700	2900
	Churu	Churu (Delivery)	4100	3850	3800	3300
	Alwar	Alwar (Loose)	3850	3650	3650	3050
Haryana	Hisar	Adampur (Loose)	4000	3925	3725	3200
		Adampur (Delivery)	4200	4121	3911	3350
	Bhiwani	Bhiwani (Delivery)	4150	4050	3850	3200
		Siwani (Loose)	4075	3910	3820	3260
	Sirsa	Sirsa (Loose)	3975	3900	3740	3225
		Dhabwali (Loose)	3990	3900	3750	3200
		Dhabwali (Delivery)	4190	4095	3938	3350
		Ellanabad (Loose)	3950	3900	3650	3200
	Fatehabad	Fatehabad (Loose)	3960	3750	3700	3100
Gujarat	Banaskantha	Deesa (Loose)	3860	3855	3550	3005
	Patan	Patan (Loose)	3930	3855	3650	3115
	Rajkot	Rajkot (Loose)	NA	3800	3685	3055
	Jamnagar	Dhrol (Loose)	NA	NA	NA	2750
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	3700	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9100	8900	8700	6300
	Alwar	Alwar	9100	8600	8650	6300
	Hanumangarh	Nohar	9200	8700	8500	6300
Haryana	Bhiwani	Bhiwani	9000	8950	8660	6250
	Sirsa	Sirsa	9000	8900	8700	6350
		Dhabwali	9150	8900	8650	6300
		Ellanabad	8950	8900	8700	6250
	Fatehabad	Fatehabad	8800	8700	8700	6100

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			23rd to 29th December 2017	16th to 22th December 2017	
Rajasthan	Jodhpur	Jodhpur	860	1241	-381
	Sri-Ganganagar	Sri-Ganganagar	4100	6100	-2000
		Rawla	3000	5500	-2500
		Gharsana	1950	5600	-3650
		Raisinghnagar	4200	2600	1600
	Bikaner	Bikaner	2600	1800	800
		Nokha	5100	4000	1100
		Khajuwala	5900	7200	-1300
		Lunkaransar	5500	5800	-300
	Hanumangarh	Hanumangarh	1500	1500	Unch
		Nohar	4600	8300	-3700
		Pilibanga	500	1050	-550
	Nagaur	Nagaur	2850	1900	950
	Churu	Churu	3800	6000	-2200
	Alwar	Alwar	1200	1550	-350
Haryana	Hisar	Adampur	5500	7700	-2200
	Bhiwani	Bhiwani	12200	4200	8000
		Siwani	6300	5200	1100
	Sirsa	Sirsa	4400	5700	-1300
		Dhabwali	630	645	-15
		Ellanabad	1000	2400	-1400
	Fatehabad	Fatehabad	2550	2900	-350
Gujarat	Banaskantha	Deesa	1105	1651	-546
	Patan	Patan	980	1024	-44
	Rajkot	Rajkot	600	1150	-550
	Jamnagar	Dhrol	1	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	500	-
Total Arrivals/Above Markets			82926	93211	-10285

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