



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 4.58 percent to Rs. 3844.18 per quintal during the week ended 08th January 2018. Guar seed average price were ruling at Rs 3675.97 per quintal during 24-31 December 2017. As compared to prices in the week 01-08 January 2017, the prices are firm by 27.26 percent. Prices are expected to remain steady to firm in coming days.

As per latest update, India has exported 20437 tonnes of guar gum in the month of October down by around 16.44 percent compared to previous month. Furthermore, it is lower by around 16.44 percent compared to October'16. India also exported 10366 tonnes of guar meal and 2038 tonnes of guar split have been exported by India in October'17. Export demand for guar gum is good and is likely to increase in near future.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 924 as on 05th January 2018 down by 5 compared to last week and up by 259 compared to 06th January 2017. The total number of oilrigs was recorded at 2057 worldwide in November'17 compared to 1678 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.

Guar prices are likely to remain steady to firm in near future due to good export demand and decrease in arrival pressure. 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. Traders are holding onto their remaining stocks and are targeting price of Rs 4750-4850 per quintal in future.

As per latest update by DGCIS, India has exported around 321570 metric tonnes of guar gum in April-November (2017-18) compared to 226431 metric tonnes in April- November (2016-17). In terms of value, exports have increased by around 60.4 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 (5000 quintals) compared to previous week arrivals of 5500 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (2900 quintals) compared to previous week 2600 quintals.

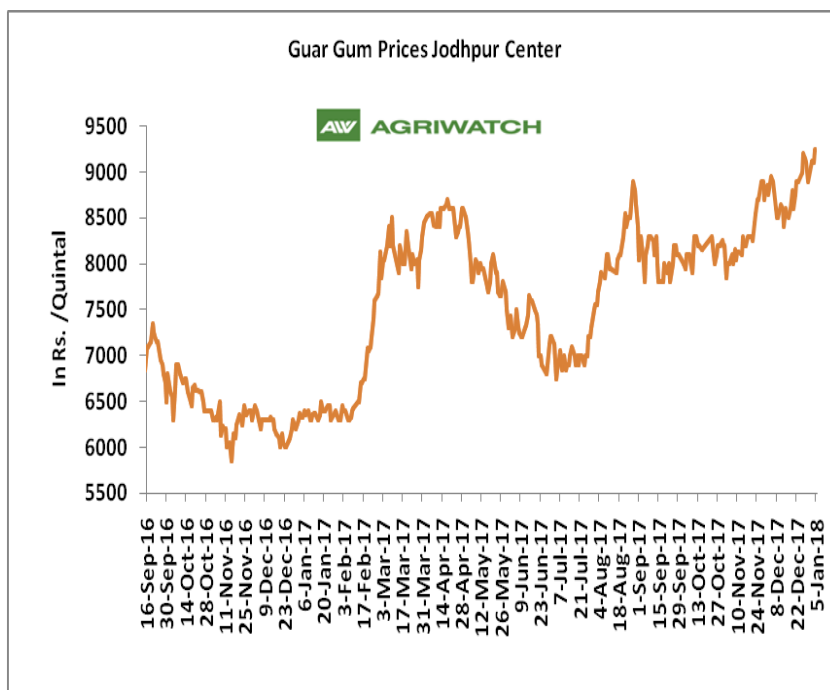
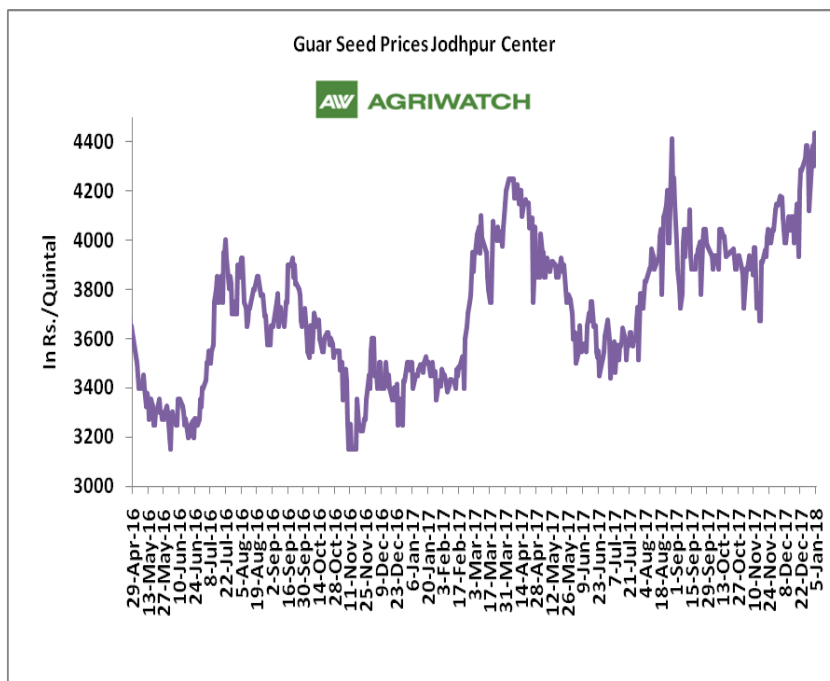
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 4241 levels for a target of 4510 with a stop loss at 4157 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

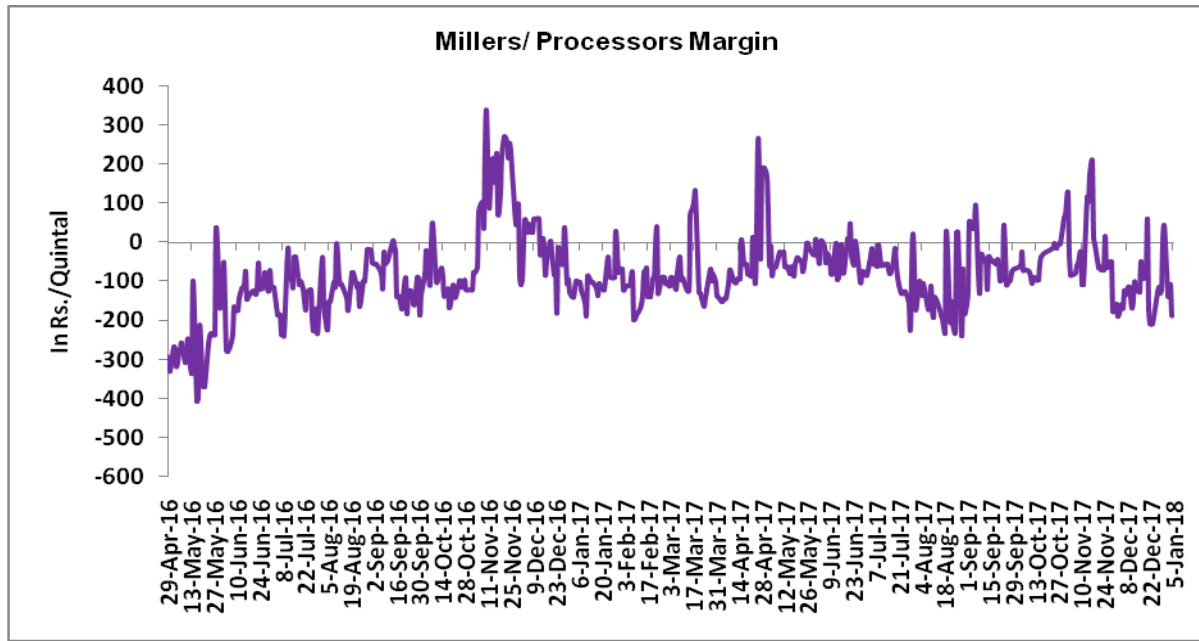
- In the week ended 05th January'18, Guar seed weekly average prices decreased by Rs - 11.55 /- qtl during the week compared to previous week and settled at Rs 4337 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 55.00/- qtl and settled at Rs. 9125 per quintal. Firm demand for 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 05th January'18, average crush margin is Rs. -115.80/Quintal, compared to last week's -140.51/Quintal. Therefore, crushing is not favorable for Millers/Processors.

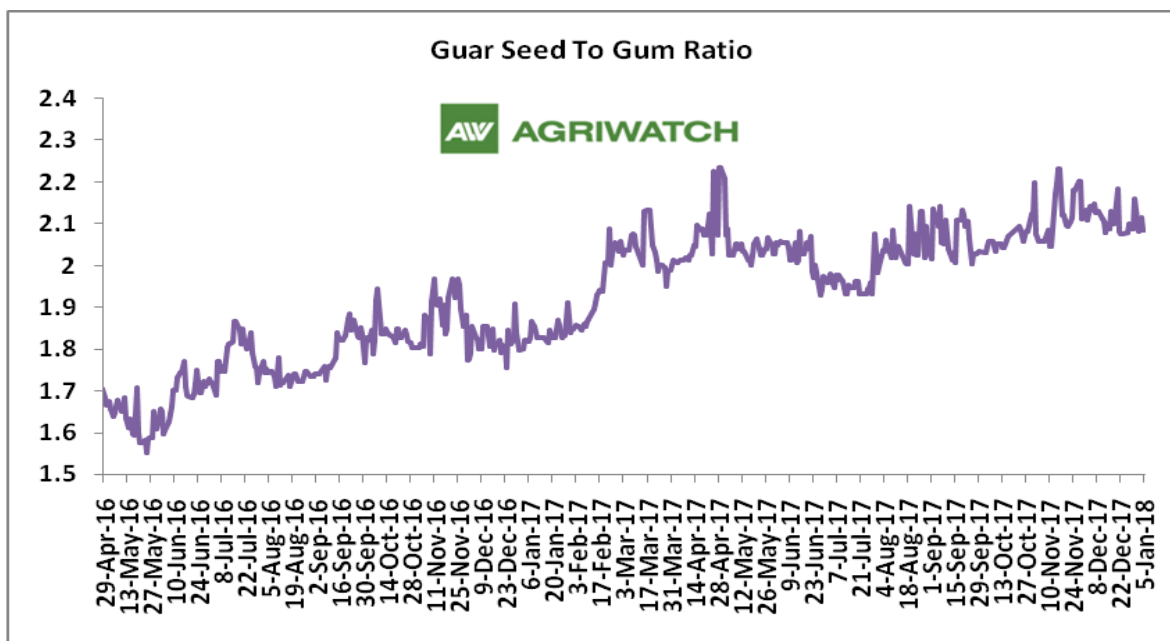
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 05th January'18 is 2.11, higher compared to last week's 2.09

Overall, buoyant demand of gum from overseas and good demand of seed from millers has increased the overall ratio.





Technical Analysis (Guar Seed)

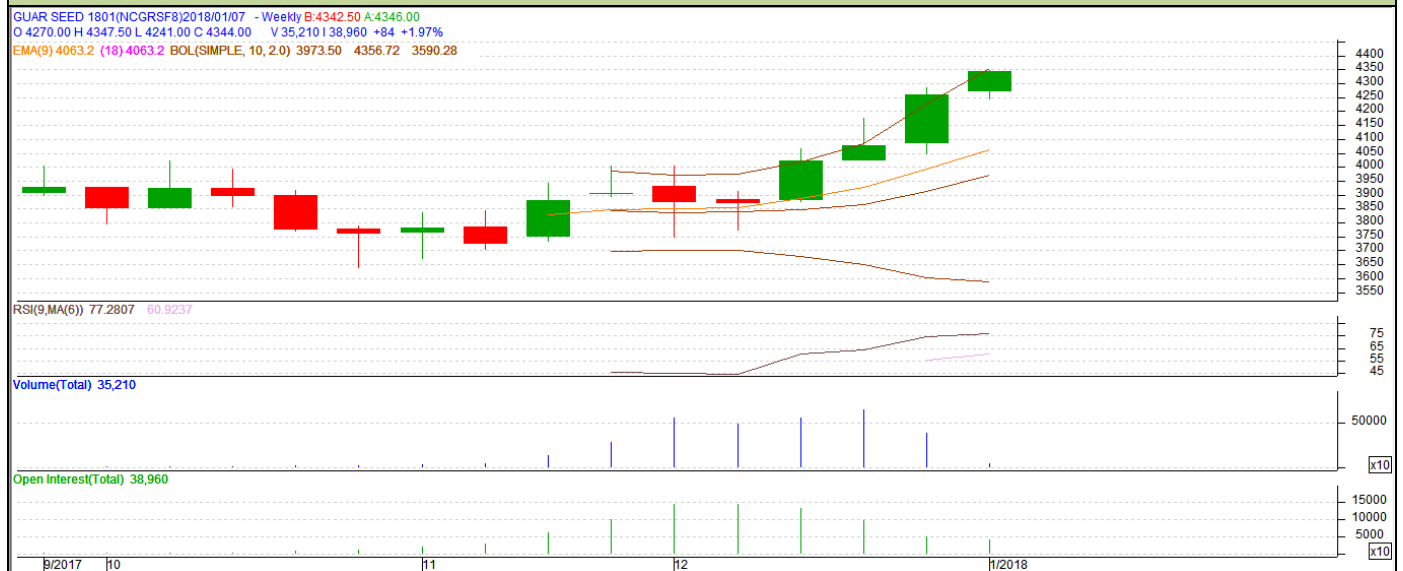
Commodity: Guar Seed

Contract: January

Exchange: NCDEX

Expiry: January 19, 2017

Guar Seed (January Weekly Chart)



Technical Commentary:

- Rise in price and fall in open interest indicates short covering.
- RSI is moving in overbought 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 | 4075 | 4010 | 4260 | 4595 | 4670 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Seed | NCDEX | January | Buy | Above 4241 | 4385 | 4510 | 4157 |



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 | 9020 | 8915 | 9405 | 10175 | 10290 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Gum | NCDEX | January | Buy | Above 9375 | 9755 | 10050 | 9147 |

Guar Seed & Gum Prices at Key Spot Markets

| Guar by – Products Weekly Average Prices: | | | | |
|--|----------------|---|-----------------------------------|---------------|
| Commodity | Centre | 30th Dec2017 to 5th January 2018 | 23rd to 29th December 2017 | Change |
| Churi | Jodhpur | 1570 | 1500 | 70 |
| Korma | Jodhpur | 1965 | 1892 | 74 |
| Churi | Sri-Ganganagar | 1433 | 1342 | 91 |
| Korma | Sri-Ganganagar | 1785 | 1763 | 22 |
| Prices in Rs/75kg | | | | |

| Guar Export Weekly Average Prices: | | | | |
|---|-------------------|---|-----------------------------------|---------------|
| Commodity | Variety | 30th Dec2017 to 5th January 2018 | 23rd to 29th December 2017 | Change |
| Guargum Split | | 1432 | 1405 | 27 |
| Guargum Powder | 200 Mesh 5000 CPS | 1731 | 1655 | 76 |
| | 200 Mesh 3500 CPS | 1652 | 1577 | 76 |
| Guargum Meal | 40% | 359 | 340 | 18 |
| | 50% | 409 | 406 | 3 |
| Prices in \$/MT | | | | |

| Guar Seed Weekly Average Prices: | | | | | |
|---|-----------------------|---------------------------|---|---|---------------|
| Commodity | District | Centre | Weekly Prices (Average) (Rs/Qtl) | | Change |
| Guar Seed | | | 30th Dec2017 to 5th January 2018 | 23rd to 29th December 2017 | |
| Rajasthan | Jodhpur | Jodhpur (Loose) | 4130 | 4141 | -11 |
| | | Jodhpur(Delivery) | 4337 | 4348 | -12 |
| | Sri-Ganganagar | Sri-Ganganagar(Loose) | 4005 | 3944 | 61 |
| | | Sri-Ganganagar (Delivery) | 4155 | 4094 | 61 |
| | | Rawla (Loose) | 4018 | 3947 | 71 |
| | | Gharsana (Loose) | 3989 | 3944 | 45 |
| | | Raisinghnagar (Loose) | 4061 | 3978 | 83 |
| | Bikaner | Bikaner (Loose) | 4008 | 3958 | 50 |
| | | Bikaner (Delivery) | 4208 | 4156 | 53 |
| | | Nokha(Loose) | 3972 | 3951 | 21 |
| | | Nokha (Delivery) | 4171 | 4149 | 22 |
| | | Khajuwala (Loose) | 4019 | 3978 | 41 |
| | | Khajuwala (Delivery) | 4220 | 4177 | 43 |
| | | Lunkaransar (Loose) | 3990 | 3905 | 85 |
| | Hanumangarh | Hanumangarh (Loose) | 4045 | 3970 | 75 |
| | | Hanumangarh (Delivery) | 4247 | 4169 | 79 |

| | | | | | |
|-----------------|-------------|---------------------|------|------|-----|
| | | Nohar (Loose) | 4046 | 3980 | 66 |
| | | Pilibanga (Loose) | 4056 | 3950 | 106 |
| | Nagaur | Nagaur (Loose) | 3940 | 3860 | 80 |
| | Churu | Churu (Delivery) | 4140 | 4040 | 100 |
| | Alwar | Alwar (Loose) | 3870 | 3800 | 70 |
| Haryana | Hisar | Adampur (Loose) | 4036 | 3997 | 39 |
| | | Adampur (Delivery) | 4238 | 4197 | 41 |
| | Bhiwani | Bhiwani (Delivery) | 4171 | 4105 | 66 |
| | | Siwani (Loose) | 4092 | 4065 | 27 |
| | Sirsa | Sirsa (Loose) | 4052 | 3985 | 67 |
| | | Dhabwali (Loose) | 4091 | 4037 | 54 |
| | | Dhabwali (Delivery) | 4296 | 4239 | 57 |
| | | Ellanabad (Loose) | 3977 | 3990 | -13 |
| | Fatehabad | Fatehabad (Loose) | 4000 | 3928 | 72 |
| Gujarat | Banaskantha | Deesa (Loose) | 3929 | 3845 | 84 |
| | Patan | Patan (Loose) | 3955 | 3909 | 46 |
| | Rajkot | Rajkot (Loose) | 3942 | 3968 | -26 |
| | Jamnagar | Dhrol (Loose) | 3678 | 3600 | 78 |
| Madhya Pradesh | Gwalior | Dabra (Loose) | 3700 | NA | - |
| Guar Gum | | | | | |
| Rajasthan | Jodhpur | Jodhpur | 9125 | 9070 | 55 |
| | Alwar | Alwar | 9080 | 8980 | 100 |
| | Hanumangarh | Nohar | 9170 | 9020 | 150 |
| Haryana | Bhiwani | Bhiwani | 9129 | 9050 | 79 |
| | Sirsa | Sirsa | 9100 | 9030 | 70 |
| | | Dhabwali | 9170 | 9090 | 80 |
| | | Ellanabad | 9080 | 8990 | 90 |
| | Fatehabad | Fatehabad | 9040 | 8880 | 160 |

| Week on Week Price: Scenario of Guarseed and Guargum: | | | | | | |
|--|----------------|---------------------------|----------|-----------|-----------|----------|
| Commodity | District | Centre | Today | Week Ago | Month Ago | Year Ago |
| Guar Seed | | | 5-Jan-18 | 29-Dec-17 | 5-Dec-17 | 5-Jan-17 |
| Rajasthan | Jodhpur | Jodhpur (Loose) | 4225 | 4150 | 3975 | 3330 |
| | | Jodhpur(Delivery) | 4436 | 4358 | 4174 | 3480 |
| | Sri-Ganganagar | Sri-Ganganagar(Loose) | 4025 | 4000 | 3750 | 3176 |
| | | Sri-Ganganagar (Delivery) | 4175 | 4150 | 3900 | 3326 |
| | | Rawla (Loose) | 4030 | 3960 | 3750 | 3180 |
| | | Gharsana (Loose) | 4010 | 3950 | 3755 | 3200 |

| | | | | | | |
|-----------------------|--------------------|------------------------|------|------|------|------|
| | | Raisinghnagar (Loose) | 4100 | 3980 | 3750 | 3200 |
| | Bikaner | Bikaner (Loose) | 4030 | 3930 | 3750 | 3210 |
| | | Bikaner (Delivery) | 4232 | 4127 | 3938 | 3360 |
| | | Nokha(Loose) | 4010 | 3925 | 3760 | 3200 |
| | | Nokha (Delivery) | 4211 | 4121 | 3948 | 3315 |
| | | Khajuwala (Loose) | 4055 | 3960 | 3800 | 3225 |
| | | Khajuwala (Delivery) | 4258 | 4158 | 3990 | 3354 |
| | | Lunkaransar (Loose) | 4000 | 3925 | 3700 | 3150 |
| | Hanumangarh | Hanumangarh (Loose) | 4100 | 4025 | 3725 | 3200 |
| | | Hanumangarh (Delivery) | 4305 | 4226 | 3911 | 3350 |
| | | Nohar (Loose) | 4080 | 4000 | 3800 | 3200 |
| | | Pilibanga (Loose) | 4100 | 4000 | 3680 | 3150 |
| | Nagaur | Nagaur (Loose) | 4000 | 3900 | 3660 | 3050 |
| | Churu | Churu (Delivery) | 4150 | 4100 | 3900 | 3350 |
| | Alwar | Alwar (Loose) | 3900 | 3850 | 3650 | 3100 |
| Haryana | Hisar | Adampur (Loose) | 4100 | 4000 | NR | 3250 |
| | | Adampur (Delivery) | 4305 | 4200 | NR | 3400 |
| | Bhiwani | Bhiwani (Delivery) | 4225 | 4150 | 3950 | 3300 |
| | | Siwani (Loose) | 4150 | 4075 | 3860 | 3300 |
| | Sirsa | Sirsa (Loose) | 4075 | 3975 | 3725 | 3235 |
| | | Dhabwali (Loose) | 3985 | 3990 | 3800 | 3150 |
| | | Dhabwali (Delivery) | 4184 | 4190 | 3990 | 3300 |
| | | Ellanabad (Loose) | 3985 | 3950 | 3700 | 3200 |
| | Fatehabad | Fatehabad (Loose) | 4000 | 3960 | 3800 | 3200 |
| Gujarat | Banaskantha | Deesa (Loose) | 4025 | 3860 | 3675 | 3075 |
| | Patan | Patan (Loose) | 4035 | 3930 | 3800 | 3095 |
| | Rajkot | Rajkot (Loose) | 3950 | NA | 3720 | 3125 |
| | Jamnagar | Dhrol (Loose) | 3605 | NA | NA | 3025 |
| Madhya Pradesh | Gwalior | Dabra (Loose) | NA | NA | NA | NA |
| Guar Gum | | | | | | |
| Rajasthan | Jodhpur | Jodhpur | 9250 | 9100 | 8900 | 6325 |
| | Alwar | Alwar | 9100 | 9100 | 8800 | 6400 |
| | Hanumangarh | Nohar | 9200 | 9200 | 8700 | 6400 |
| Haryana | Bhiwani | Bhiwani | 9250 | 9000 | 8850 | 6400 |
| | Sirsa | Sirsa | 9150 | 9000 | 8850 | 6350 |
| | | Dhabwali | 9150 | 9150 | 8700 | 6400 |
| | | Ellanabad | 9150 | 8950 | 8800 | 6300 |
| | Fatehabad | Fatehabad | 9150 | 8800 | 8850 | 6300 |

| Guar Cumulative Arrivals in Key Centers: | | | | | |
|--|----------------|----------------|--|--|--------|
| Commodity | District | Centre | Weekly Arrivals (Quintals) | | Change |
| Guar Seed | | | 30 th Dec2017 to 5 th January 2018 | 23 rd to 29 th December 2017 | |
| Rajasthan | Jodhpur | Jodhpur | 602 | 860 | -258 |
| | Sri-Ganganagar | Sri-Ganganagar | 3200 | 4100 | -900 |
| | | Rawla | 2100 | 3000 | -900 |
| | | Gharsana | 1350 | 1950 | -600 |
| | | Raisinghnagar | 2200 | 4200 | -2000 |
| | Bikaner | Bikaner | 2900 | 2600 | 300 |
| | | Nokha | 5400 | 5100 | 300 |
| | | Khajuwala | 5500 | 5900 | -400 |
| | | Lunkaransar | 2100 | 5500 | -3400 |
| | Hanumangarh | Hanumangarh | 870 | 1500 | -630 |
| | | Nohar | 3800 | 4600 | -800 |
| | | Pilibanga | 300 | 500 | -200 |
| | Nagaur | Nagaur | 2500 | 2850 | -350 |
| | Churu | Churu | 5300 | 3800 | 1500 |
| | Alwar | Alwar | 1050 | 1200 | -150 |
| Haryana | Hisar | Adampur | 5000 | 5500 | -500 |
| | Bhiwani | Bhiwani | 10500 | 12200 | -1700 |
| | | Siwani | 6500 | 6300 | 200 |
| | Sirsa | Sirsa | 2800 | 4400 | -1600 |
| | | Dhabwali | 350 | 630 | -280 |
| | | Ellanabad | 625 | 1000 | -375 |
| | Fatehabad | Fatehabad | 1000 | 2550 | -1550 |
| Gujarat | Banaskantha | Deesa | 657 | 1105 | -448 |
| | Patan | Patan | 874 | 980 | -106 |
| | Rajkot | Rajkot | 1750 | 600 | 1150 |
| | Jamnagar | Dhrol | 5 | 1 | 4 |
| Madhya Pradesh | Gwalior | Dabra | 1200 | NA | - |
| Total Arrivals/Above Markets | | | 70433 | 82926 | -12493 |

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> © 2018 Indian Agribusiness Systems Pvt Ltd.