



# 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 5.33 percent to Rs. 4049.06 per quintal during the week ended 15th January 2018. Guar seed average price were ruling at Rs 3844.18 per quintal during 01-08 January 2018. As compared to prices in the week 09-15 January 2017, the prices are firm by 6.36 percent. Prices are expected to remain steady to firm in coming days.*

*As per latest update, option trading in guar has started 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 millers' recovery of guar gum from guar seed is around 30-31 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 9600 per kg.*

*Guar future prices have closed slightly higher at Rs 4354.50 per quintal compared to previous week close of Rs 4333 per quintal. 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 upcoming months.*

*As per data released by Baker Hughes, the number of oil rigs in USA has decreased to 939 as on 12th January 2018 up by 15 compared to last week and up 280 compared to 13th January 2017. The total number of oilrigs was recorded at 2089 worldwide in December'17 compared to 1772 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.*

*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 higher arrivals (9100 quintals) compared to previous week arrivals of 5000 quintals.*

*As far as Arrivals are concerned, Bikaner market reported lower arrivals (2800 quintals) compared to previous week 2900 quintals.*

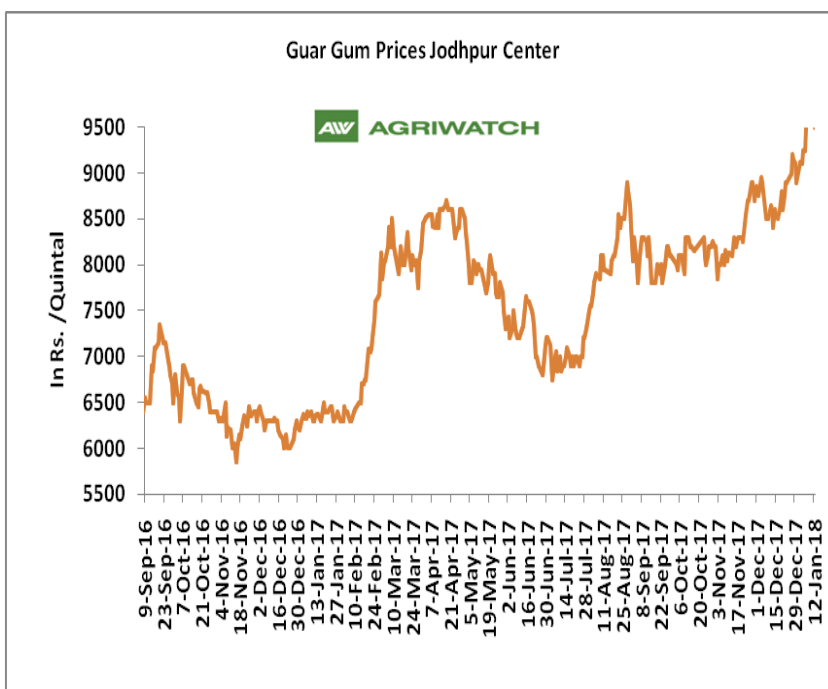
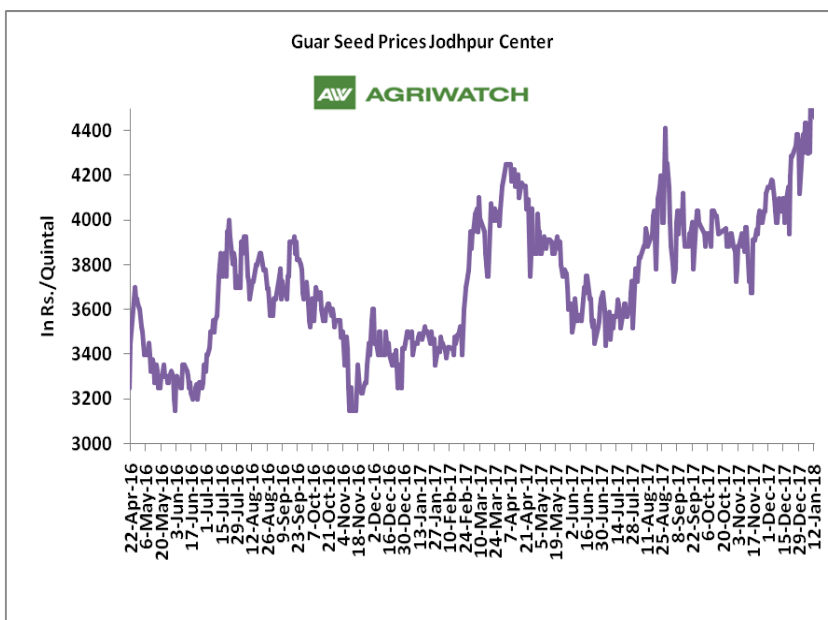
### **Recommendation:**

**Weekly Call - : Market participants are advised to Buy Guar seed at 4375 levels for a target of 4490 with a stop loss at 4306 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

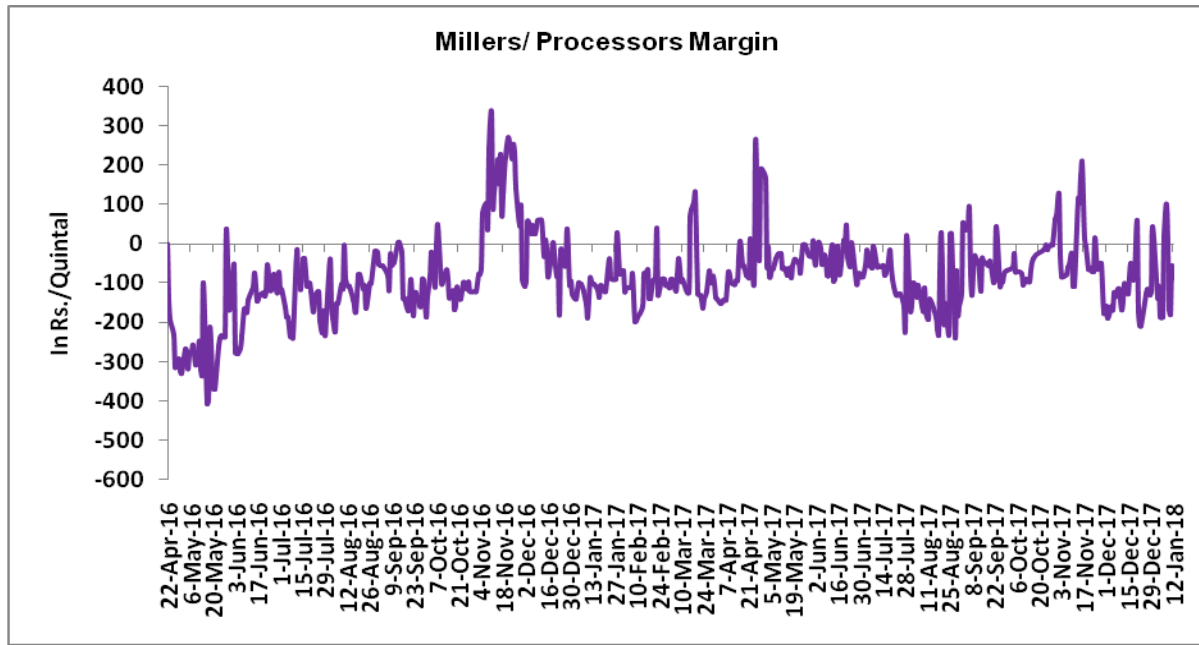
- In the week ended 12<sup>th</sup> January'18, Guar seed weekly average prices increased by Rs - 125.13/- qtl during the week compared to previous week and settled at Rs 4462 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 504.17/- qtl and settled at Rs. 9125 per quintal. Firm 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 12<sup>th</sup> January'18, average crush margin is Rs. -62.65/Quintal, compared to last week's -115.80/Quintal. Therefore, crushing is not favorable for Millers/Processors.

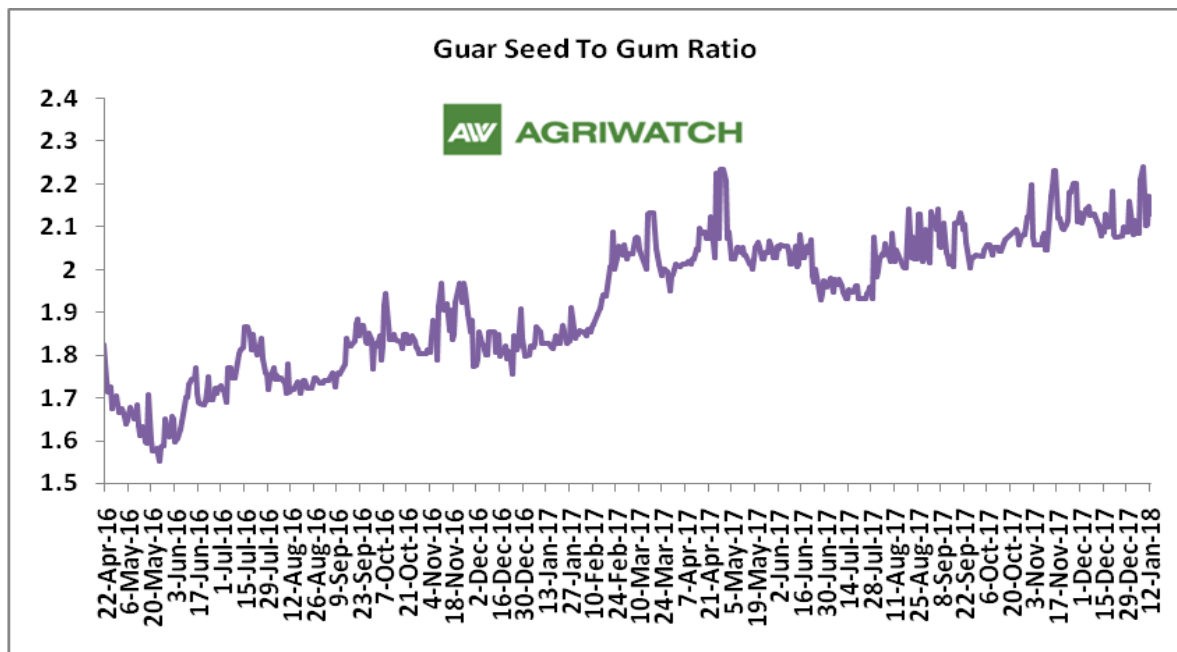
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



### Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 12<sup>th</sup> January'18 is 2.16, higher compared to last week's 2.11

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: February

Exchange: NCDEX  
Expiry: February 20, 2017

### Guar Seed (February Weekly Chart)



### Technical Commentary:

- Rise in price and open interest indicates long buildup.
- 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	February	4225	4150	4354.50	4630	4685
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	February	Buy	Above 4375	4490	4565	4306



## Technical Analysis (Guar Gum)

Commodity: Guar Gum  
Contract: February

Exchange: NCDEX  
Expiry: February 20, 2017

### Guar Gum (February Weekly Chart)



### 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	February	9120	9005	9465	10075	10190
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	February	Buy	Above 9480	9775	9950	9303

**Guar Seed & Gum Prices at Key Spot Markets**

<b>Guar by – Products Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Centre</b>	<b>06th January to 12th January 2018</b>	<b>30th Dec2017 to 5th January 2018</b>	<b>Change</b>
<b>Churi</b>	Jodhpur	1592	1570	<b>22</b>
<b>Korma</b>	Jodhpur	1988	1965	<b>23</b>
<b>Churi</b>	Sri-Ganganagar	1457	1433	<b>24</b>
<b>Korma</b>	Sri-Ganganagar	1800	1785	<b>15</b>
<b>Prices in Rs/75kg</b>				

<b>Guar Export Weekly Average Prices:</b>				
<b>Commodity</b>	<b>Variety</b>	<b>06th January to 12th January 2018</b>	<b>30th Dec2017 to 5th January 2018</b>	<b>Change</b>
<b>Guargum Split</b>		1506	1432	<b>74</b>
<b>Guargum Powder</b>	200 Mesh 5000 CPS	1820	1731	<b>90</b>
	200 Mesh 3500 CPS	1742	1652	<b>90</b>
<b>Guargum Meal</b>	40%	346	359	<b>-13</b>
	50%	414	409	<b>5</b>
<b>Prices in \$/MT</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>06th January to 12th January 2018</b>	<b>30th Dec2017 to 5th January 2018</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	4249	4130	<b>119</b>
		Jodhpur(Delivery)	4462	4337	<b>125</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	4221	4005	<b>216</b>
		Sri-Ganganagar (Delivery)	4371	4155	<b>216</b>
		Rawla (Loose)	4202	4018	<b>184</b>
		Gharsana (Loose)	4158	3989	<b>169</b>
		Raisinghnagar (Loose)	4255	4061	<b>194</b>
	<b>Bikaner</b>	Bikaner (Loose)	4174	4008	<b>166</b>
		Bikaner (Delivery)	4383	4208	<b>174</b>
		Nokha(Loose)	4129	3972	<b>157</b>
		Nokha (Delivery)	4336	4171	<b>165</b>
		Khajuwala (Loose)	4228	4019	<b>209</b>
		Khajuwala (Delivery)	4439	4220	<b>219</b>
		Lunkaransar (Loose)	4158	3990	<b>168</b>
	<b>Hanumangarh</b>	Hanumangarh (Loose)	4200	4045	<b>155</b>
		Hanumangarh (Delivery)	4410	4247	<b>163</b>

		Nohar (Loose)	4280	4046	234
		Pilibanga (Loose)	4220	4056	164
	Nagaur	Nagaur (Loose)	4058	3940	118
	Churu	Churu (Delivery)	4225	4140	85
	Alwar	Alwar (Loose)	4005	3870	135
Haryana	Hisar	Adampur (Loose)	4292	4036	256
		Adampur (Delivery)	4506	4238	269
	Bhiwani	Bhiwani (Delivery)	4396	4171	225
		Siwani (Loose)	4293	4092	201
	Sirsa	Sirsa (Loose)	4208	4052	156
		Dhabwali (Loose)	4138	4091	47
		Dhabwali (Delivery)	4311	4296	15
		Ellanabad (Loose)	4204	3977	227
	Fatehabad	Fatehabad (Loose)	4258	4000	258
Gujarat	Banaskantha	Deesa (Loose)	4113	3929	184
	Patan	Patan (Loose)	4132	3955	177
	Rajkot	Rajkot (Loose)	4112	3942	170
	Jamnagar	Dhrol (Loose)	3814	3678	136
Madhya Pradesh	Gwalior	Dabra (Loose)	3700	3700	Unch
<b>Guar Gum</b>					
Rajasthan	Jodhpur	Jodhpur	9629	9125	504
	Alwar	Alwar	9505	9080	425
	Hanumangarh	Nohar	9500	9170	330
Haryana	Bhiwani	Bhiwani	9679	9129	550
	Sirsa	Sirsa	9542	9100	442
		Dhabwali	9450	9170	280
		Ellanabad	9575	9080	495
	Fatehabad	Fatehabad	9492	9040	452

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			12-Jan-18	5-Jan-18	12-Dec-17	12-Jan-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4250	4225	3890	3325
		Jodhpur(Delivery)	4463	4436	4085	3475
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4350	4025	3700	3190
		Sri-Ganganagar (Delivery)	4500	4175	3850	3340
		Rawla (Loose)	4150	4030	3700	3180
		Gharsana (Loose)	4150	4010	3700	3230



		Raisinghnagar (Loose)	4250	4100	NA	3220
	<b>Bikaner</b>	Bikaner (Loose)	4150	4030	3730	3215
		Bikaner (Delivery)	4358	4232	3917	3365
		Nokha (Loose)	4100	4010	3750	3240
		Nokha (Delivery)	4305	4211	3938	3357
		Khajuwala (Loose)	4180	4055	3725	3215
		Khajuwala (Delivery)	4389	4258	3911	3344
		Lunkaransar (Loose)	4150	4000	3700	3150
	<b>Hanumangarh</b>	Hanumangarh (Loose)	4250	4100	3860	3200
		Hanumangarh (Delivery)	4463	4305	4053	3350
		Nohar (Loose)	4300	4080	3750	3180
		Pilibanga (Loose)	4150	4100	NA	3200
	<b>Nagaur</b>	Nagaur (Loose)	4000	4000	3650	3050
	<b>Churu</b>	Churu (Delivery)	NA	4150	NR	3350
	<b>Alwar</b>	Alwar (Loose)	NA	3900	NA	3100
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	4300	4100	3700	3200
		Adampur (Delivery)	4515	4305	3885	3350
	<b>Bhiwani</b>	Bhiwani (Delivery)	4500	4225	3900	3300
		Siwani (Loose)	4280	4150	3840	3300
	<b>Sirsa</b>	Sirsa (Loose)	4200	4075	3725	3240
		Dhabwali (Loose)	4000	3985	3700	3170
		Dhabwali (Delivery)	4000	4184	3885	3320
		Ellanabad (Loose)	4200	3985	3700	3200
	<b>Fatehabad</b>	Fatehabad (Loose)	4200	4000	3650	3200
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	4080	4025	3625	3045
	<b>Patan</b>	Patan (Loose)	4100	4035	3740	3085
	<b>Rajkot</b>	Rajkot (Loose)	4125	3950	3660	3075
	<b>Jamnagar</b>	Dhrol (Loose)	3860	3605	3470	2935
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	9500	9250	8600	6350
	<b>Alwar</b>	Alwar	NA	9100	NA	6400
	<b>Hanumangarh</b>	Nohar	9600	9200	8600	6350
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	9650	9250	8700	6450
	<b>Sirsa</b>	Sirsa	9500	9150	8650	6400
		Dhabwali	9400	9150	8625	6400
		Ellanabad	9600	9150	8450	6350
	<b>Fatehabad</b>	Fatehabad	9500	9150	8650	6300

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			06th January to 12th January 2018	30th Dec 2017 to 5th January 2018	
Rajasthan	Jodhpur	Jodhpur	705	602	103
	Sri-Ganganagar	Sri-Ganganagar	4500	3200	1300
		Rawla	2000	2100	-100
		Gharsana	1400	1350	50
		Raisinghnagar	2300	2200	100
	Bikaner	Bikaner	2800	2900	-100
		Nokha	5600	5400	200
		Khajuwala	4200	5500	-1300
		Lunkaransar	3500	2100	1400
	Hanumangarh	Hanumangarh	830	870	-40
		Nohar	3700	3800	-100
		Pilibanga	800	300	500
	Nagaur	Nagaur	3900	2500	1400
	Churu	Churu	5500	5300	200
	Alwar	Alwar	1150	1050	100
Haryana	Hisar	Adampur	9100	5000	4100
	Bhiwani	Bhiwani	18000	10500	7500
		Siwani	7400	6500	900
	Sirsa	Sirsa	3000	2800	200
		Dhabwali	640	350	290
		Ellanabad	775	625	150
	Fatehabad	Fatehabad	1750	1000	750
Gujarat	Banaskantha	Deesa	856	657	199
	Patan	Patan	1797	874	923
	Rajkot	Rajkot	1000	1750	-750
	Jamnagar	Dhrol	236	5	231
Madhya Pradesh	Gwalior	Dabra	1800	1200	600
Total Arrivals/Above Markets			89239	70433	18806

## 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.