



Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

Guar future market witnessed correction in last week and closed at Rs 4276.50 per quintal. Fresh positions are being created by traders with major downward corrections in the market. Long-term outlook is likely to stay bullish and prices are expected to reach Rs 4750-4800 per quintal. Traders have created fresh positions at lower levels and are expecting prices to touch Rs 4750-4800 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.

The wholesale price index of guar seed has increased from 84.5 in November 2017 to 90.00 in December 2017. The WPI for December 2017 is up by 6.51 percent compared to previous month and by 21.29 percent compared to December 2016.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 936 as on 19th January 2018 down by 3 compared to last week and up by 242 compared to 20th January 2017. The total number of oilrigs was recorded at 2089 worldwide in December'17 compared to 1772 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 29.50-30.50 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 9350-9400 per kg.

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 (8700 quintals) compared to previous week arrivals of 9100 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1950 quintals) compared to previous week 2800 quintals.

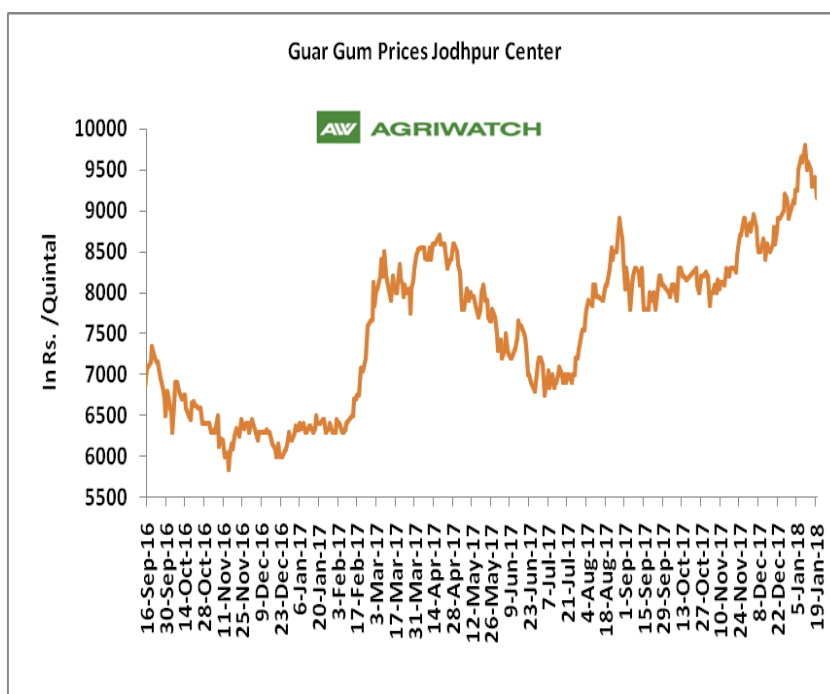
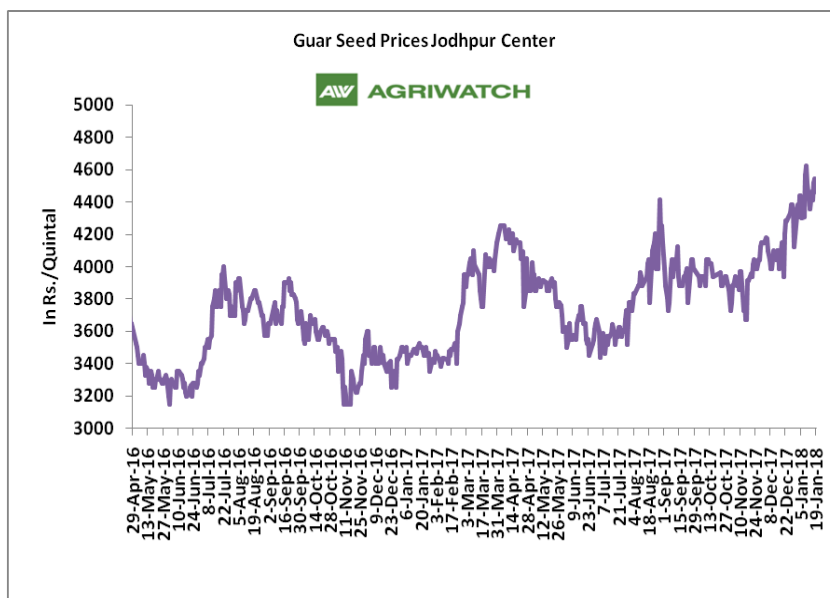
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 4255 levels for a target of 4495 with a stop loss at 4168 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

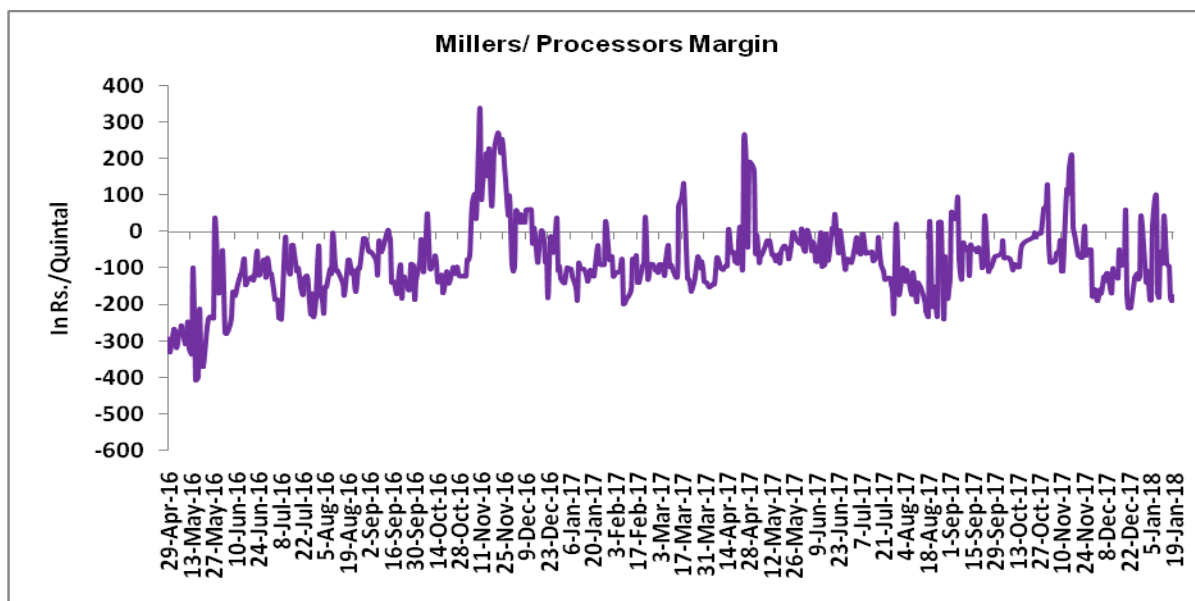
- In the week ended 19th January'18, Guar seed weekly average prices decreased by Rs - 3.50/- qtl during the week compared to previous week and settled at Rs 4458 per quintal.
- In addition, Guar gum weekly average prices were down by Rs. 245.83/- qtl and settled at Rs. 9383 per quintal. Weak demand 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 19th January'18, average crush margin is Rs. -114.64/Quintal, compared to last week's -62.65/Quintal. Therefore, crushing is not favorable for Millers/Processors.

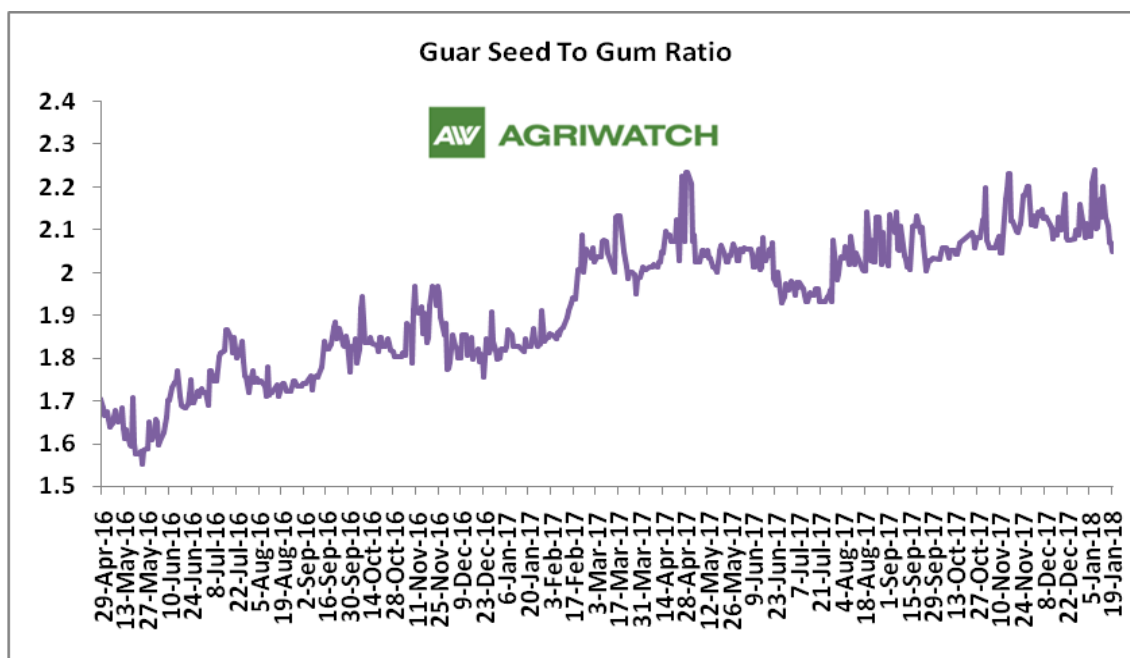
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 19th January'18 is 2.11, lower compared to last week's 2.16

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: February

Exchange: NCDEX
Expiry: February 20, 2017



Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- 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	4075	4000	4276.5	4630	4725
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	February	Buy	Above 4255	4400	4495	4168



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 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	February	8940	8835	9219	9975	10125
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	February	Buy	Above 9270	9585	9790	9081

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	13th January to 19th January 2018	06th January to 12th January 2018	Change
Churi	Jodhpur	1600	1592	8
Korma	Jodhpur	2031	1988	44
Churi	Sri-Ganganagar	1475	1457	19
Korma	Sri-Ganganagar	1838	1800	38
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	13th January to 19th January 2018	06th January to 12th January 2018	Change
Guargum Split		1494	1506	-12
Guargum Powder	200 Mesh 5000 CPS	1808	1820	-13
	200 Mesh 3500 CPS	1729	1742	-13
Guargum Meal	40%	345	346	-1
	50%	408	414	-6
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			13th January to 19th January 2018	06th January to 12th January 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4246	4249	-3
		Jodhpur(Delivery)	4458	4462	-4
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4143	4221	-78
		Sri-Ganganagar (Delivery)	4293	4371	-78
		Rawla (Loose)	4161	4202	-40
		Gharsana (Loose)	4120	4158	-38
		Raisinghnagar (Loose)	4218	4255	-37
	Bikaner	Bikaner (Loose)	4133	4174	-41
		Bikaner (Delivery)	4340	4383	-43
		Nokha(Loose)	4073	4129	-56
		Nokha (Delivery)	4277	4336	-59
		Khajuwala (Loose)	4169	4228	-58
		Khajuwala (Delivery)	4378	4439	-61
		Lunkaransar (Loose)	4155	4158	-3
	Hanumangarh	Hanumangarh (Loose)	4180	4200	-20
		Hanumangarh (Delivery)	4348	4410	-63

		Nohar (Loose)	4213	4280	-68
		Pilibanga (Loose)	4250	4220	30
	Nagaur	Nagaur (Loose)	4017	4058	-42
	Churu	Churu (Delivery)	4263	4225	38
	Alwar	Alwar (Loose)	4044	4005	39
Haryana	Hisar	Adampur (Loose)	4258	4292	-34
		Adampur (Delivery)	4471	4506	-35
	Bhiwani	Bhiwani (Delivery)	4433	4396	38
		Siwani (Loose)	4252	4293	-41
	Sirsa	Sirsa (Loose)	4199	4208	-8
		Dhabwali (Loose)	4213	4138	76
		Dhabwali (Delivery)	4424	4311	113
		Ellanabad (Loose)	4183	4204	-21
	Fatehabad	Fatehabad (Loose)	4208	4258	-50
Gujarat	Banaskantha	Deesa (Loose)	4024	4113	-89
	Patan	Patan (Loose)	4091	4132	-40
	Rajkot	Rajkot (Loose)	4101	4112	-11
	Jamnagar	Dhrol (Loose)	3805	3814	-9
Madhya Pradesh	Gwalior	Dabra (Loose)	4100	3700	400
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9383	9629	-246
	Alwar	Alwar	9444	9505	-61
	Hanumangarh	Nohar	9500	9500	Unch
Haryana	Bhiwani	Bhiwani	9469	9679	-210
	Sirsa	Sirsa	9390	9542	-152
		Dhabwali	9383	9450	-67
		Ellanabad	9375	9575	-200
	Fatehabad	Fatehabad	9378	9492	-113

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			19-Jan-18	12-Jan-18	19-Dec-17	19-Jan-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4250	4250	3950	3350
		Jodhpur(Delivery)	4463	4463	4148	3500
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4080	4350	3788	3230
		Sri-Ganganagar (Delivery)	4230	4500	3938	3380
		Rawla (Loose)	NR	4150	3760	3100
		Gharsana (Loose)	4070	4150	3770	3230

		Raisinghnagar (Loose)	4200	4250	NR	3240
	Bikaner	Bikaner (Loose)	4020	4150	3800	3295
		Bikaner (Delivery)	4221	4358	3990	3445
		Nokha(Loose)	4010	4100	3820	3280
		Nokha (Delivery)	4211	4305	4011	3398
		Khajuwala (Loose)	4110	4180	3820	3220
		Khajuwala (Delivery)	4316	4389	4011	3349
		Lunkaransar (Loose)	4050	4150	3800	3200
	Hanumangarh	Hanumangarh (Loose)	4150	4250	3800	3210
		Hanumangarh (Delivery)	4150	4463	3990	3360
		Nohar (Loose)	4150	4300	3800	3200
		Pilibanga (Loose)	NR	4150	3750	3220
	Nagaur	Nagaur (Loose)	4100	4000	3675	3150
	Churu	Churu (Delivery)	NR	4300	3900	3350
	Alwar	Alwar (Loose)	NR	4025	3650	3100
Haryana	Hisar	Adampur (Loose)	4190	4300	3825	3225
		Adampur (Delivery)	4400	4515	4016	3375
	Bhiwani	Bhiwani (Delivery)	4250	4500	4000	3250
		Siwani (Loose)	4160	4280	3940	3260
	Sirsa	Sirsa (Loose)	4100	4200	3860	3225
		Dhabwali (Loose)	NR	4000	3800	3250
		Dhabwali (Delivery)	NR	4200	3990	3400
		Ellanabad (Loose)	4075	4200	3800	3200
	Fatehabad	Fatehabad (Loose)	4150	4200	3800	3250
Gujarat	Banaskantha	Deesa (Loose)	3875	4080	3700	3060
	Patan	Patan (Loose)	NA	4100	3675	3120
	Rajkot	Rajkot (Loose)	NA	4125	3740	3080
	Jamnagar	Dhrol (Loose)	NA	3860	NA	2970
Madhya Pradesh	Gwalior	Dabra (Loose)	4100	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9150	9500	8800	6400
	Alwar	Alwar	NR	9525	8600	6400
	Hanumangarh	Nohar	9300	9600	8600	6500
Haryana	Bhiwani	Bhiwani	9150	9650	8850	6380
	Sirsa	Sirsa	9100	9500	8700	6400
		Dhabwali	NR	9400	8600	6500
		Ellanabad	9100	9600	8650	6450
	Fatehabad	Fatehabad	9120	9500	8650	6300

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			13th January to 19th January 2018	06th January to 12th January 2018	
Rajasthan	Jodhpur	Jodhpur	750	705	45
	Sri-Ganganagar	Sri-Ganganagar	3400	4500	-1100
		Rawla	950	2000	-1050
		Gharsana	1250	1400	-150
		Raisinghnagar	1700	2300	-600
	Bikaner	Bikaner	1950	2800	-850
		Nokha	5100	5600	-500
		Khajuwala	4100	4200	-100
		Lunkaransar	2100	3500	-1400
	Hanumangarh	Hanumangarh	1000	830	170
		Nohar	3500	3700	-200
		Pilibanga	270	800	-530
	Nagaur	Nagaur	3000	3900	-900
	Churu	Churu	8000	5500	2500
Haryana	Alwar	Alwar	900	1150	-250
	Hisar	Adampur	8700	9100	-400
	Bhiwani	Bhiwani	12500	18000	-5500
		Siwani	7400	7400	Unch
	Sirsa	Sirsa	1850	3000	-1150
		Dhabwali	315	640	-325
		Ellanabad	795	775	20
	Fatehabad	Fatehabad	1950	1750	200
Gujarat	Banaskantha	Deesa	612	856	-244
	Patan	Patan	437	1797	-1360
	Rajkot	Rajkot	920	1000	-80
	Jamnagar	Dhrol	1	236	-235
Madhya Pradesh	Gwalior	Dabra	4000	1800	2200
Total Arrivals/Above Markets			77450	89239	-11789

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