



Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices decreased by 4.95 percent to Rs. 3848.66 per quintal during the week ended 23rd January 2018. Guar seed average price were ruling at Rs 4049.06 per quintal during 09-15 January 2018. As compared to prices in the week 16-23 January 2017, the prices are firm by 1.84 percent. Prices are expected to remain steady to firm in coming days.

Traders are expecting guar to remain steady to firm in coming days with slight corrections due to lower arrivals and good export demand. Furthermore, exports during Oct'16-Sep'17 are around 62.92 percent higher compared to last year for the same period. Traders are holding onto their remaining stocks and are targeting price of Rs 5050-5100 per quintal in upcoming months.

As per latest update, India has exported around 322 thousand tonnes of guar gum during April-November 2017-18 compared to 231 thousand tonnes during the same period in 2016-17. In terms of value guar gum worth USD 401 million has exported during April-November 2017-18 compared to USD 262 million during the same period in 2016-17. In 2017-18, more than 55 percent has been exported to United States and rest to Norway, Russia, Germany, etc. Exports are likely to stay at higher side in near future.

As per data released by Baker Hughes, the number of oil rigs in USA has decreased to 947 as on 26th January 2018 up by 11 compared to last week and by 235 compared to 19th 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 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 (5500 quintals) compared to previous week arrivals of 8700 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1700 quintals) compared to previous week 1950 quintals.

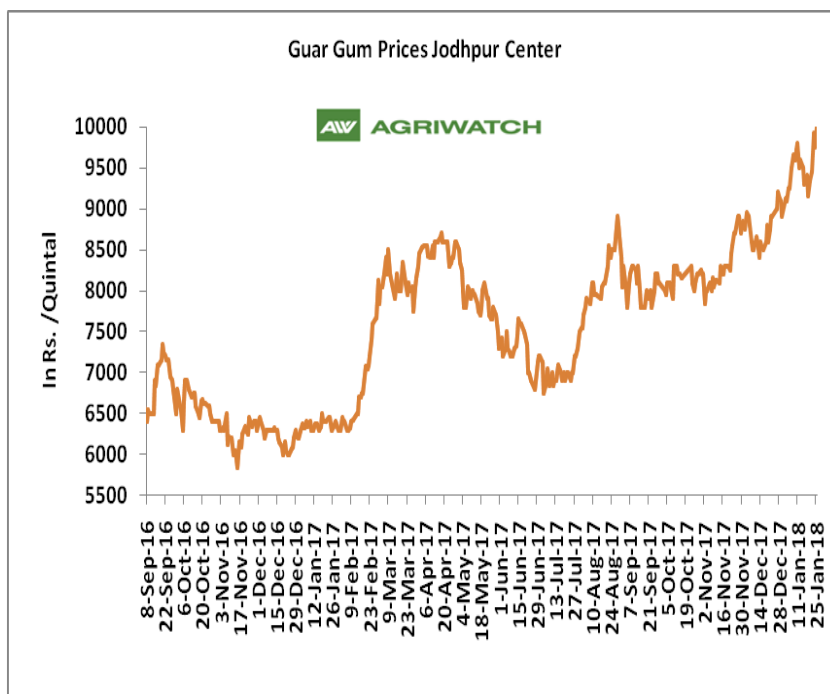
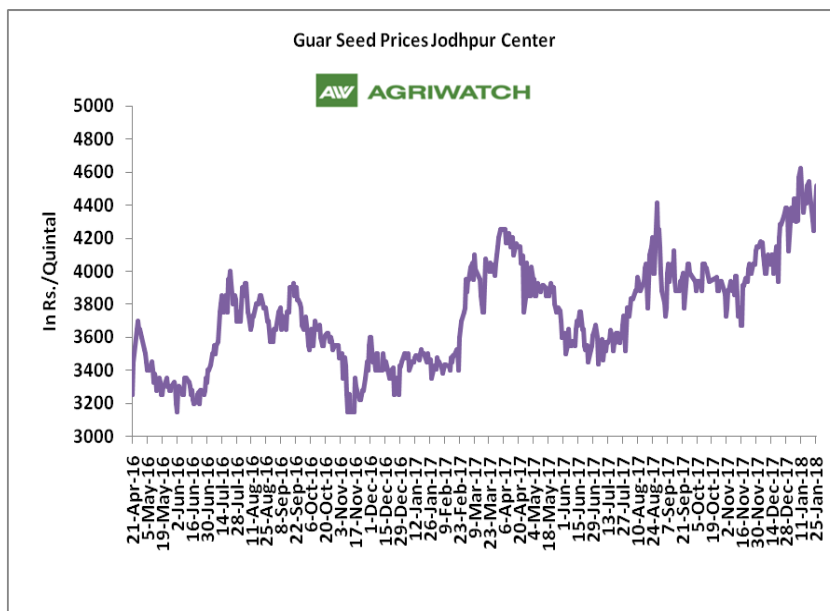
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 4600 levels for a target of 4745 with a stop loss at 4513 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

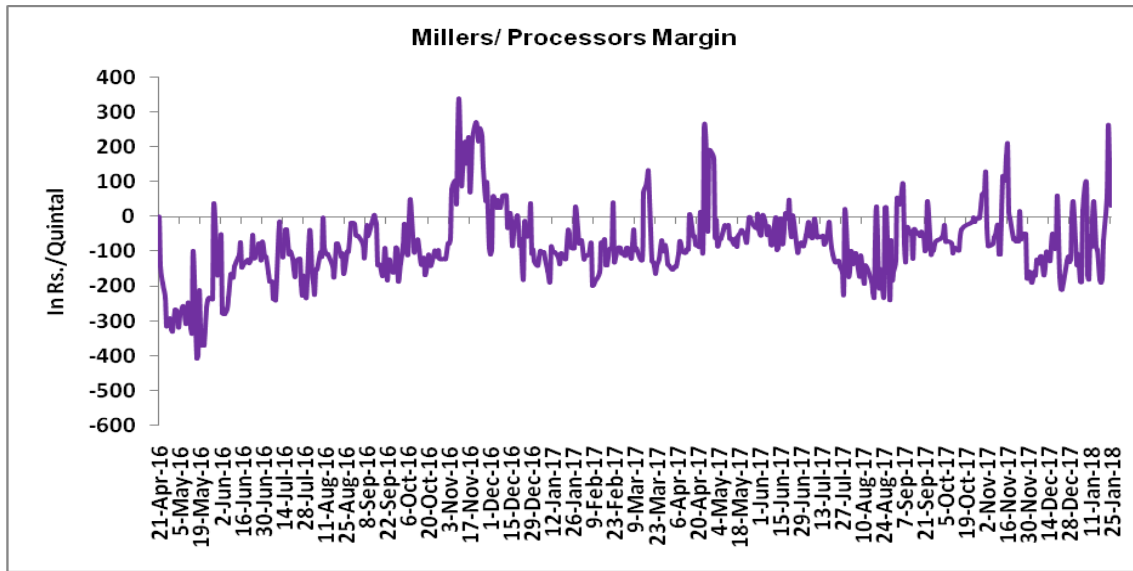
- In the week ended 25th January'18, Guar seed weekly average prices decreased by Rs - 101.68/- qtl during the week compared to previous week and settled at Rs 4356 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 311.67/- qtl and settled at Rs. 9695 per quintal. Firm demand 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 25th January'18, average crush margin is Rs. 88.66/Quintal, compared to last week's - 114.64/Quintal. Therefore, crushing is favorable for Millers/Processors.

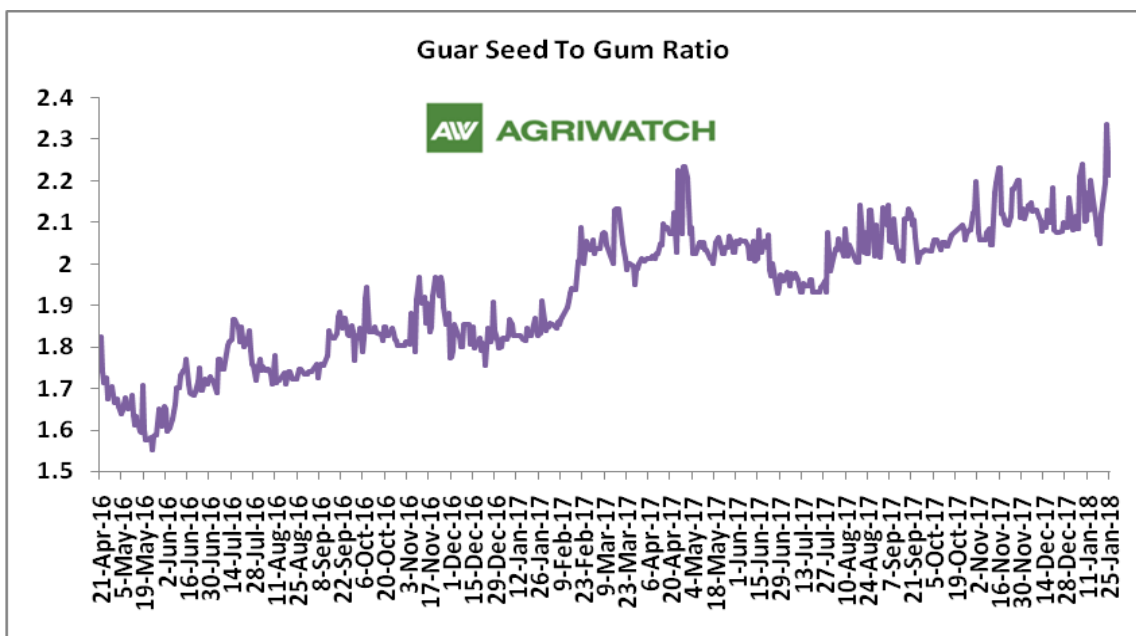
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 25th January'18 is 2.23, lower 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



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	February	4405	4320	4620.5	4935	4995
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	February	Buy	Above 4600	4745	4860	4513



Technical Analysis (Guar Gum)

Commodity: Guar Gum

Contract: February

Exchange: NCDEX

Expiry: February 20, 2017

Guar Gum (February Weekly Chart)



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 overbought region.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	February	9660	9545	9992	10595	10700
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	February	Buy	Above 9980	10255	10460	9815

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	20th to 25th January 2018	13th to 19th January 2018	Change
Churi	Jodhpur	1600	1600	Unch
Korma	Jodhpur	2063	2031	32
Churi	Sri-Ganganagar	1425	1475	-50
Korma	Sri-Ganganagar	1875	1838	37
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	20th to 25th January 2018	13th to 19th January 2018	Change
Guargum Split		1537	1494	43
Guargum Powder	200 Mesh 5000 CPS	1850	1808	42
	200 Mesh 3500 CPS	1772	1729	43
Guargum Meal	40%	345	345	0
	50%	423	408	15
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			20th to 25th January 2018	13th to 19th January 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4111	4246	-135
		Jodhpur(Delivery)	4317	4458	-141
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4215	4143	72
		Sri-Ganganagar (Delivery)	4365	4293	72
		Rawla (Loose)	NA	4161	-
		Gharsana (Loose)	4240	4120	120
		Raisinghnagar (Loose)	4278	4218	60
	Bikaner	Bikaner (Loose)	4220	4133	87
		Bikaner (Delivery)	4431	4340	91
		Nokha(Loose)	4158	4073	85
		Nokha (Delivery)	4365	4277	88
		Khajuwala (Loose)	4256	4169	87
		Khajuwala (Delivery)	4469	4378	91
		Lunkaransar (Loose)	4283	4155	128
	Hanumangarh	Hanumangarh (Loose)	4300	4180	120
		Hanumangarh (Delivery)	4515	4348	167

		Nohar (Loose)	4300	4213	87
		Pilibanga (Loose)	NA	4250	-
	Nagaur	Nagaur (Loose)	4150	4017	133
	Churu	Churu (Delivery)	4375	4263	112
	Alwar	Alwar (Loose)	4100	4044	56
Haryana	Hisar	Adampur (Loose)	4350	4258	92
		Adampur (Delivery)	4568	4471	97
	Bhiwani	Bhiwani (Delivery)	4481	4433	48
		Siwani (Loose)	4363	4252	111
	Sirsa	Sirsa (Loose)	4270	4199	71
		Dhabwali (Loose)	4227	4213	14
		Dhabwali (Delivery)	4438	4424	14
		Ellanabad (Loose)	4213	4183	30
	Fatehabad	Fatehabad (Loose)	4250	4208	42
Gujarat	Banaskantha	Deesa (Loose)	4112	4024	88
	Patan	Patan (Loose)	4123	4091	32
	Rajkot	Rajkot (Loose)	4130	4101	29
	Jamnagar	Dhrol (Loose)	NA	3805	-
Madhya Pradesh	Gwalior	Dabra (Loose)	4150	4100	50
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9619	9383	236
	Alwar	Alwar	9650	9444	206
	Hanumangarh	Nohar	9575	9500	75
Haryana	Bhiwani	Bhiwani	9750	9469	281
	Sirsa	Sirsa	9538	9390	148
		Dhabwali	9683	9383	300
		Ellanabad	9588	9375	213
	Fatehabad	Fatehabad	9553	9378	175

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			25-Jan-18	18-Jan-18	25-Dec-17	25-Jan-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4600	4325	4080	3300
		Jodhpur(Delivery)	4830	4541	4284	3450
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4400	4150	3850	3240
		Sri-Ganganagar (Delivery)	4550	4300	4000	3390
		Rawla (Loose)	NR	NR	3880	3160

		Gharsana (Loose)	4420	4110	3880	3210
		Raisinghnagar (Loose)	4520	4200	3920	3150
	Bikaner	Bikaner (Loose)	4380	4130	3900	3175
		Bikaner (Delivery)	4599	4337	4095	3325
		Nokha(Loose)	4255	4075	3900	3210
		Nokha (Delivery)	4468	4279	4095	3326
		Khajuwala (Loose)	4520	4166	3930	3150
		Khajuwala (Delivery)	4746	4374	4127	3276
		Lunkaransar (Loose)	4450	4150	3850	3100
	Hanumangarh	Hanumangarh (Loose)	4400	4200	3820	3240
		Hanumangarh (Delivery)	4620	4410	4011	3390
		Nohar (Loose)	4450	4225	3900	3170
		Pilibanga (Loose)	NR	NA	3850	3125
	Nagaur	Nagaur (Loose)	4250	4050	3800	3000
	Churu	Churu (Delivery)	NR	4200	3850	3300
	Alwar	Alwar (Loose)	4350	3900	3650	3050
Haryana	Hisar	Adampur (Loose)	4500	4260	3925	3175
		Adampur (Delivery)	4725	4473	4121	3325
	Bhiwani	Bhiwani (Delivery)	4650	4350	4050	3200
		Siwani (Loose)	4300	4280	4000	3225
	Sirsa	Sirsa (Loose)	4375	4200	3925	3185
		Dhabwali (Loose)	4300	NR	3930	3201
		Dhabwali (Delivery)	4515	NR	4127	3351
		Ellanabad (Loose)	4400	4175	3950	3150
	Fatehabad	Fatehabad (Loose)	4400	4150	3780	3230
Gujarat	Banaskantha	Deesa (Loose)	4125	NR	3800	3000
	Patan	Patan (Loose)	NA	NA	3835	3050
	Rajkot	Rajkot (Loose)	NR	4075	NA	3000
	Jamnagar	Dhrol (Loose)	3650	NA	NA	2770
M.P.	Gwalior	Dabra (Loose)	NA	4100	Closed	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	10000	9400	8900	6300
	Alwar	Alwar	10000	9350	8600	6300
	Hanumangarh	Nohar	10000	9500	8700	6400
Haryana	Bhiwani	Bhiwani	10000	9450	9000	6250
	Sirsa	Sirsa	9950	9500	8900	6300
		Dhabwali	9700	NR	8900	6450
		Ellanabad	10000	9350	8900	6300
	Fatehabad	Fatehabad	10000	9350	8700	6400

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			20th to 25th January 2018	13th to 19th January 2018	
Rajasthan	Jodhpur	Jodhpur	390	750	-360
	Sri-Ganganagar	Sri-Ganganagar	2600	3400	-800
		Rawla	NA	950	-
		Gharsana	1000	1250	-250
		Raisinghnagar	1800	1700	100
	Bikaner	Bikaner	1700	1950	-250
		Nokha	3800	5100	-1300
		Khajuwala	2900	4100	-1200
		Lunkaransar	1600	2100	-500
	Hanumangarh	Hanumangarh	365	1000	-635
		Nohar	2300	3500	-1200
		Pilibanga	NA	270	-
	Nagaur	Nagaur	2450	3000	-550
	Churu	Churu	4000	8000	-4000
	Alwar	Alwar	2000	900	1100
Haryana	Hisar	Adampur	5500	8700	-3200
	Bhiwani	Bhiwani	6500	12500	-6000
		Siwani	3800	7400	-3600
	Sirsa	Sirsa	1100	1850	-750
		Dhabwali	280	315	-35
		Ellanabad	451	795	-344
	Fatehabad	Fatehabad	850	1950	-1100
Gujarat	Banaskantha	Deesa	662	612	50
	Patan	Patan	794	437	357
	Rajkot	Rajkot	790	920	-130
	Jamnagar	Dhrol	NA	1	-
Madhya Pradesh	Gwalior	Dabra	500	4000	-3500
Total Arrivals/Above Markets			48132	77450	-29318

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