

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 7.86 percent to Rs. 4151.30 per quintal during the week ended 31st January 2018. Guar seed average price were ruling at Rs 3848.66 per quintal during 16-23 January 2018. As compared to prices in the week 24-31 January 2017, the prices are firm by 7.90 percent. Prices are expected to remain steady to firm in coming days.

Guar February future contract closed at Rs 4671 per quintal after touching high of Rs 4737 per quintal. It was higher by around Rs 50.5 per quintal compared to previous week. Traders are advised to buy on dip of Rs 150-180 per quintal for a target price of Rs 5000-5100 per quintal on upper side in long term. Market is expected to remain steady to firm in coming days with slight corrections due to lower arrivals and good export demand.

As per millers recovery of guar gum from guar seed is coming around 30.5-31.5 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 10000-10500 per kg.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 946 as on 02nd February 2018 down by 1 compared to last week and up by 217 compared to 03rd February 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, 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 far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (8900 quintals) compared to previous week arrivals of 5500 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (2200 quintals) compared to previous week 1700 quintals.

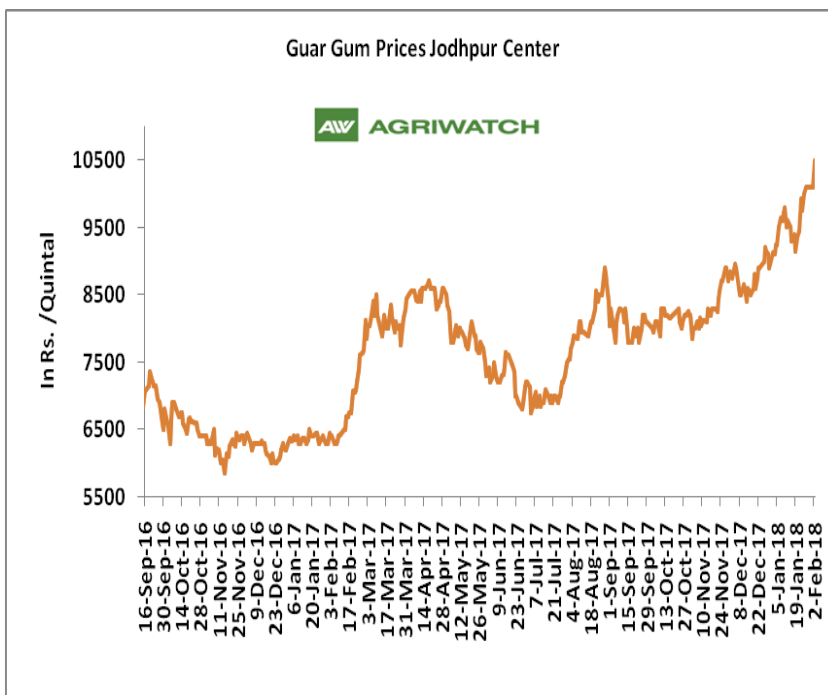
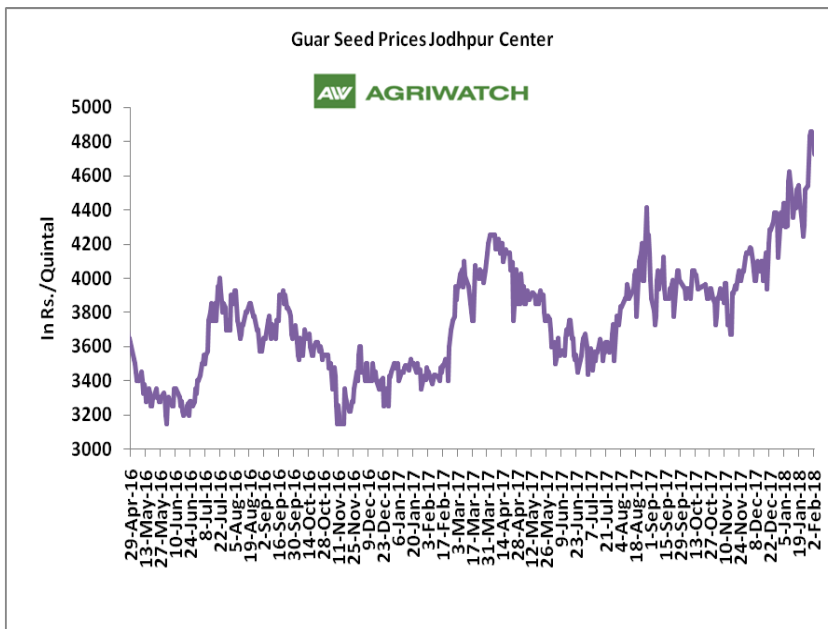
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 4615 levels for a target of 4750 with a stop loss at 4534 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

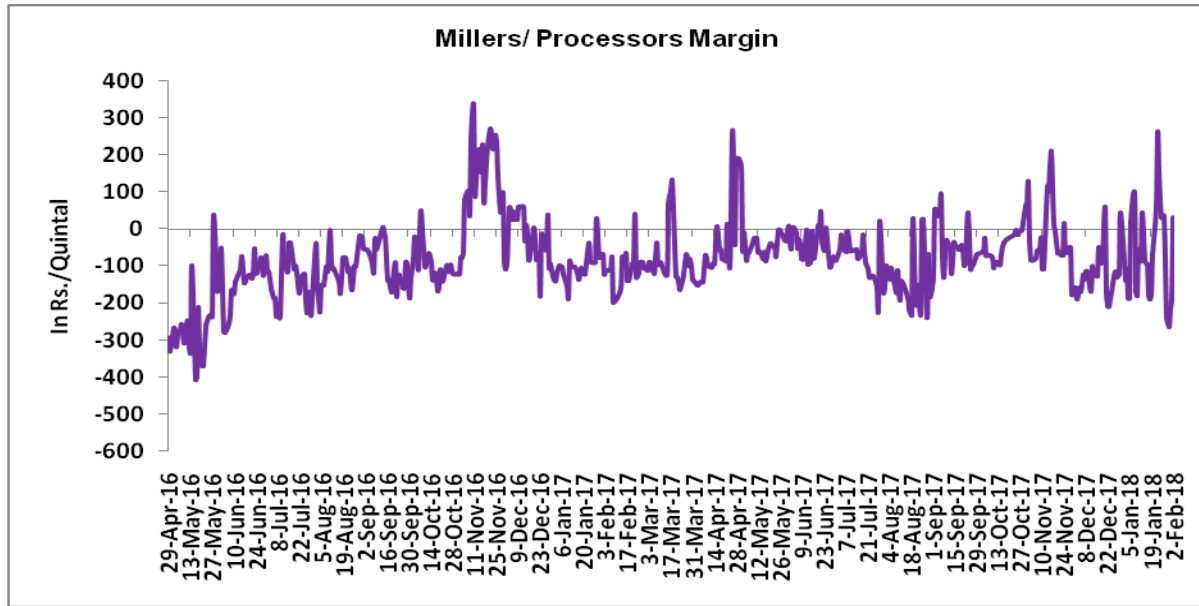
- In the week ended 02nd February'18, Guar seed weekly average prices increased by Rs - 416.68/- qtl during the week compared to previous week and settled at Rs 4773 per quintal.
- In addition, Guar gum weekly average prices were up by Rs. 471.67/- qtl and settled at Rs. 10167 per quintal. Firm demand 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 02nd February'18, average crush margin is Rs. -139.36/Quintal, compared to last week's 88.66/Quintal. Therefore, crushing is not favorable for Millers/Processors.

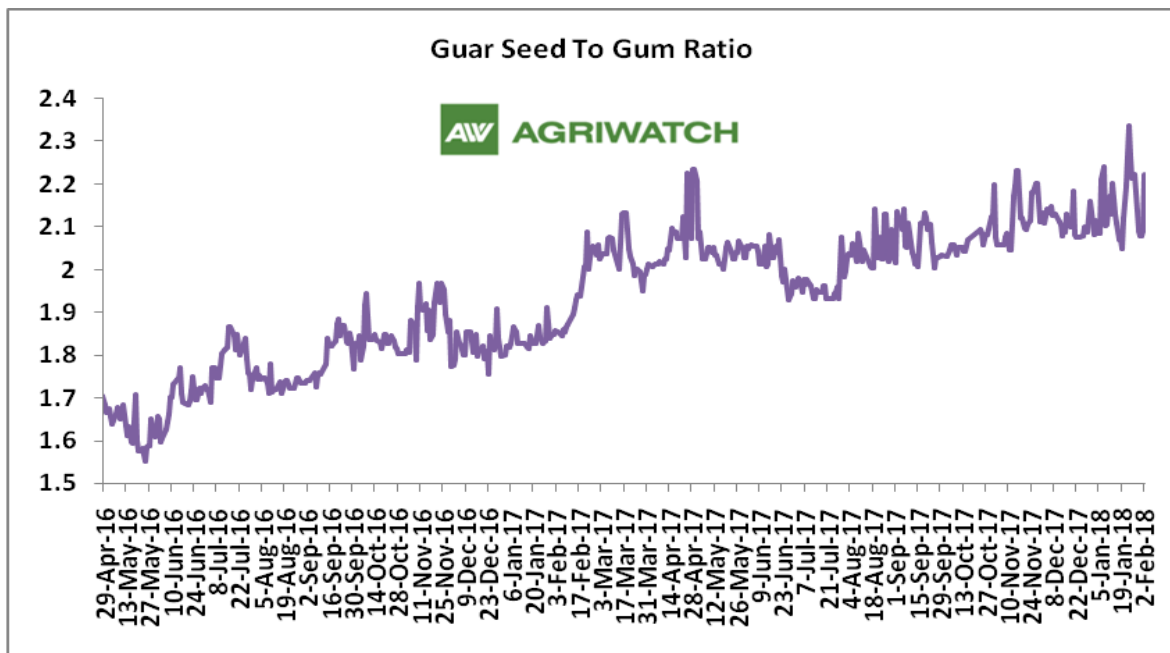
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 02nd February'18 is 2.13, lower compared to last week's 2.21

Weak overseas demand of gum and good demand of seed from millers has decreased the overall ratio.

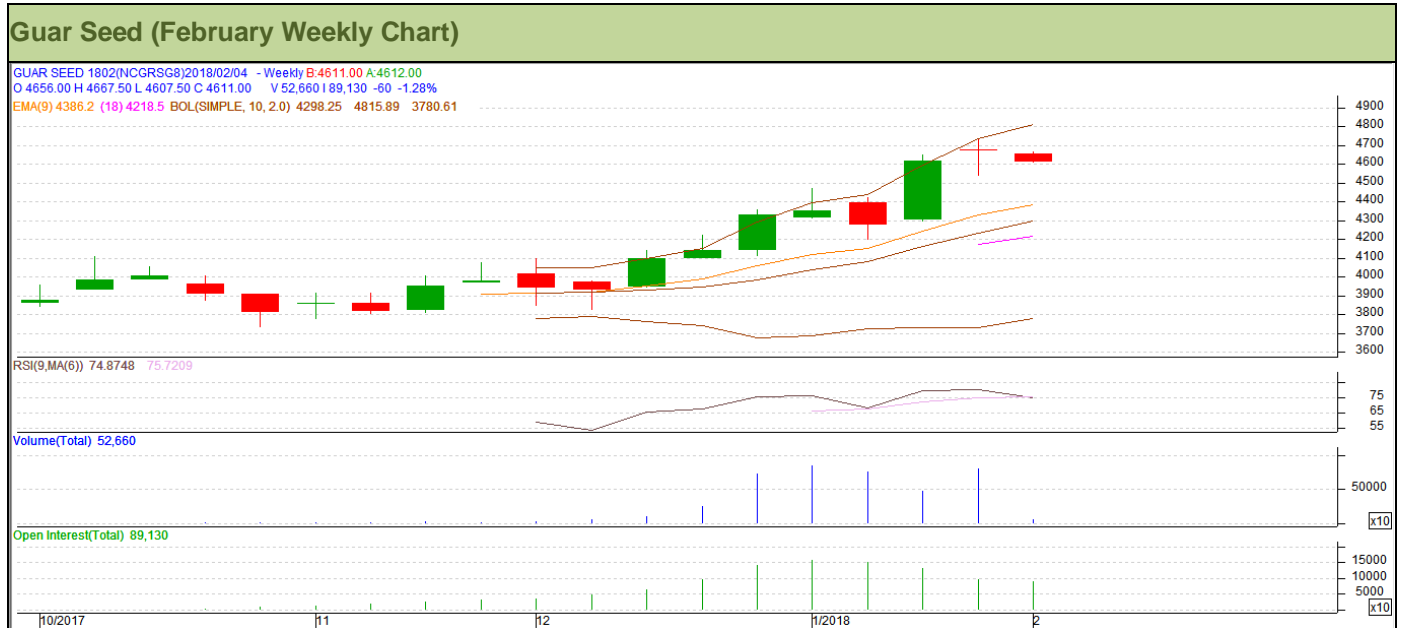




Technical Analysis (Guar Seed)

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 bearishness in market.
- Prices closed above 9 and 18 day EMAs.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	February	4410	4335	4671	4940	5000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	February	Buy	Above 4615	4750	4865	4534



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	9810	9705	10393	10820	10895
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	February	Buy	Above 10150	10470	10705	9958

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	27th January to 2nd February 2018	13th January to 19th January 2018	Change
Churi	Jodhpur	1605	1600	5
Korma	Jodhpur	2091	2063	28
Churi	Sri-Ganganagar	1435	1425	10
Korma	Sri-Ganganagar	1922	1875	47
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	27th January to 2nd February 2018	13th January to 19th January 2018	Change
Guargum Split		1599	1537	62
Guargum Powder	200 Mesh 5000 CPS	1913	1850	63
	200 Mesh 3500 CPS	1835	1772	63
Guargum Meal	40%	346	345	1
	50%	440	423	17
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			27th January to 2nd February 2018	13th January to 19th January 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4546	4111	435
		Jodhpur(Delivery)	4773	4317	456
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4437	4215	222
		Sri-Ganganagar (Delivery)	4587	4365	222
		Rawla (Loose)	4438	NA	-
		Gharsana (Loose)	4375	4240	135
		Raisinghnagar (Loose)	4534	4278	257
	Bikaner	Bikaner (Loose)	4465	4220	245
		Bikaner (Delivery)	4688	4431	257
		Nokha(Loose)	4399	4158	242
		Nokha (Delivery)	4619	4365	254
		Khajuwala (Loose)	4462	4256	205
		Khajuwala (Delivery)	4685	4469	216
		Lunkaransar (Loose)	4475	4283	192
	Hanumangarh	Hanumangarh (Loose)	4433	4300	133

		Hanumangarh (Delivery)	4655	4515	140
		Nohar (Loose)	4500	4300	200
		Pilibanga (Loose)	4530	NA	-
	Nagaur	Nagaur (Loose)	4467	4150	317
	Churu	Churu (Delivery)	4700	4375	325
	Alwar	Alwar (Loose)	4275	4100	175
Haryana	Hisar	Adampur (Loose)	4515	4350	165
		Adampur (Delivery)	4741	4568	173
	Bhiwani	Bhiwani (Delivery)	4663	4481	181
		Siwani (Loose)	4565	4363	203
	Sirsa	Sirsa (Loose)	4436	4270	166
		Dhabwali (Loose)	4418	4227	192
		Dhabwali (Delivery)	4639	4438	201
		Ellanabad (Loose)	4475	4213	263
	Fatehabad	Fatehabad (Loose)	4408	4250	158
Gujarat	Banaskantha	Deesa (Loose)	4286	4112	174
	Patan	Patan (Loose)	4320	4123	197
	Rajkot	Rajkot (Loose)	4205	4130	75
	Jamnagar	Dhrol (Loose)	3532	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	4300	4150	150
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	10167	9619	548
	Alwar	Alwar	10050	9650	400
	Hanumangarh	Nohar	10100	9575	525
Haryana	Bhiwani	Bhiwani	10192	9750	442
	Sirsa	Sirsa	10050	9538	513
		Dhabwali	10142	9683	458
		Ellanabad	10108	9588	521
	Fatehabad	Fatehabad	10083	9553	531

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			2-Feb-18	25-Jan-18	30-Dec-17	2-Feb-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4500	4300	3925	3325
		Jodhpur(Delivery)	4725	4515	4121	3475
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4450	4400	3950	3200
		Sri-Ganganagar (Delivery)	4600	4550	4100	3350
		Rawla (Loose)	4480	NR	3960	3180

		Gharsana (Loose)	4420	4420	3950	3180
		Raisinghnagar (Loose)	4540	4520	4015	3200
	Bikaner	Bikaner (Loose)	4475	4380	3960	3225
		Bikaner (Delivery)	4699	4599	4158	3375
		Nokha(Loose)	4490	4255	3900	3200
		Nokha (Delivery)	4715	4468	4095	3315
		Khajuwala (Loose)	4515	4520	3990	3210
		Khajuwala (Delivery)	4741	4746	4190	3338
		Lunkaransar (Loose)	4500	4450	3900	3150
	Hanumangarh	Hanumangarh (Loose)	4450	4400	4000	3200
		Hanumangarh (Delivery)	4673	4620	4200	3350
		Nohar (Loose)	4600	4450	4000	3200
		Pilibanga (Loose)	4600	NR	4000	3120
	Nagaur	Nagaur (Loose)	4400	4250	3900	3050
	Churu	Churu (Delivery)	NR	NR	4100	3300
	Alwar	Alwar (Loose)	NR	4350	3850	3050
Haryana	Hisar	Adampur (Loose)	4600	4500	3930	3225
		Adampur (Delivery)	4830	4725	4127	3375
	Bhiwani	Bhiwani (Delivery)	4750	4650	4080	3270
		Siwani (Loose)	4650	4300	4050	3225
	Sirsa	Sirsa (Loose)	4425	4375	3975	3200
		Dhabwali (Loose)	4450	4300	4000	3200
		Dhabwali (Delivery)	4673	4515	4200	3350
		Ellanabad (Loose)	4450	4400	4000	3200
	Fatehabad	Fatehabad (Loose)	4450	4400	3950	3260
Gujarat	Banaskantha	Deesa (Loose)	4275	4125	3855	3050
	Patan	Patan (Loose)	4350	NA	3900	3075
	Rajkot	Rajkot (Loose)	3750	NR	3950	3075
	Jamnagar	Dhrol (Loose)	3000	3650	NA	2900
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	3700	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	10500	10000	8900	6450
	Alwar	Alwar	NR	10000	9100	6400
	Hanumangarh	Nohar	10400	10000	9200	6350
Haryana	Bhiwani	Bhiwani	10450	10000	8850	6500
	Sirsa	Sirsa	10400	9950	9050	6450
		Dhabwali	10400	9700	9150	6450
		Ellanabad	10350	10000	9000	6400
	Fatehabad	Fatehabad	10400	10000	8850	6450

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			27th January to 2nd February 2018	13th January to 19th January 2018	
Rajasthan	Jodhpur	Jodhpur	85	390	-305
	Sri-Ganganagar	Sri-Ganganagar	2850	2600	250
		Rawla	1650	NA	-
		Gharsana	1100	1000	100
		Raisinghnagar	2400	1800	600
	Bikaner	Bikaner	2200	1700	500
		Nokha	4600	3800	800
		Khajuwala	2700	2900	-200
		Lunkaransar	3800	1600	2200
	Hanumangarh	Hanumangarh	520	365	155
		Nohar	2950	2300	650
		Pilibanga	1050	NA	-
	Nagaur	Nagaur	2900	2450	450
	Churu	Churu	2000	4000	-2000
	Alwar	Alwar	1000	2000	-1000
Haryana	Hisar	Adampur	8900	5500	3400
	Bhiwani	Bhiwani	12000	6500	5500
		Siwani	6500	3800	2700
	Sirsa	Sirsa	3100	1100	2000
		Dhabwali	970	280	690
		Ellanabad	750	451	299
	Fatehabad	Fatehabad	800	850	-50
Gujarat	Banaskantha	Deesa	625	662	-37
	Patan	Patan	2079	794	1285
	Rajkot	Rajkot	2247	790	1457
	Jamnagar	Dhrol	14	NA	-
Madhya Pradesh	Gwalior	Dabra	50	500	-450
Total Arrivals/Above Markets			69840	48132	21708

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