



Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices increased by 0.59 percent to Rs. 4175.68 per quintal during the week ended 08th February 2018. Guar seed average price were ruling at Rs 4151.30 per quintal during 24-31 January 2018. As compared to prices in the week 01-08 February 2017, the prices are firm by 5.65 percent. Prices are expected to remain steady to weak in coming days.

Total guar seed arrivals in the month of January'18 were around 343338 quintals lower compared to 363881 quintals during corresponding month of last year. Lower crop size in current year and higher imports imply that stocks have eased.

As per trade sources, Guar seed future market is likely to touch Rs 4350 per quintal on lower side. 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.

Guar March future contract, closed at Rs 4493 per quintal in the past week after touching high of Rs 4735.50 per quintal. It was higher by lower Rs 242.5 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 4850-4950 per quintal on upper side in long term.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 975 as on 09th February 2018 up by 29 compared to last week and by 234 compared to 10th February 2017. The total number of oilrigs was recorded at 2175 worldwide in January'18 compared to 1918 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 365451 metric tonnes of guar gum in April-December (2017-18) compared to 269001 metric tonnes in April- December (2016-17). In terms of value, exports have increased by around 55.25 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. In 2017-18, more than 55 percent has been exported to United States and rest to Norway, Russia, Germany, etc.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (9000 quintals) compared to previous week arrivals of 8900 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (2000 quintals) compared to previous week 2200 quintals.

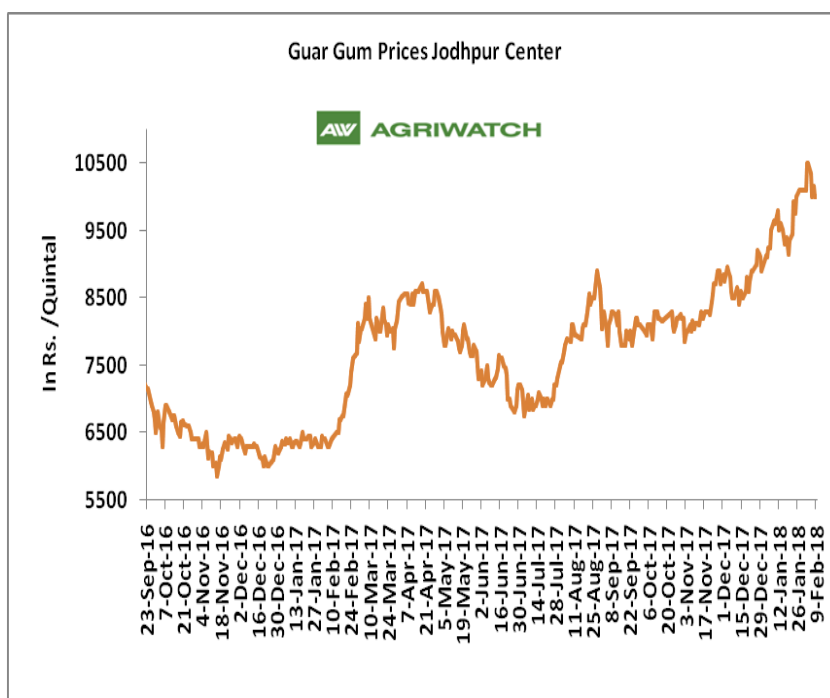
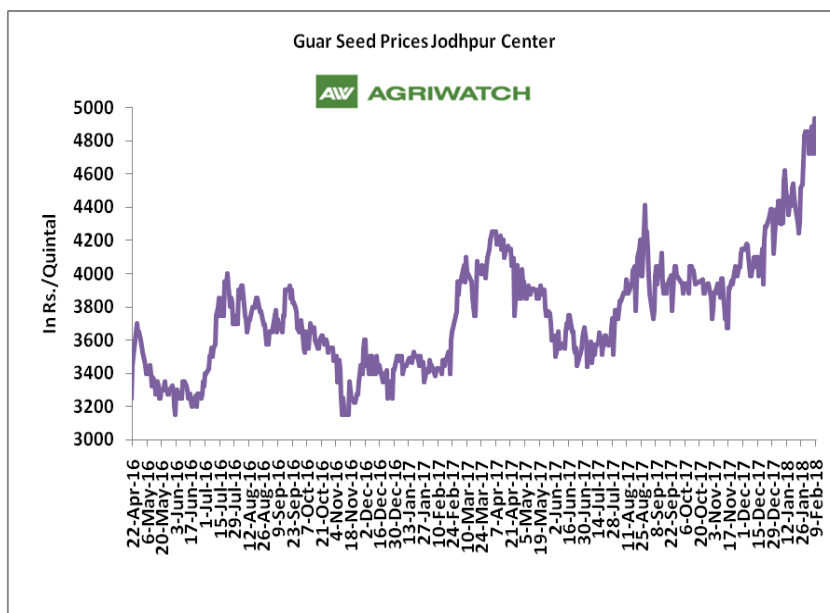
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 4525 levels for a target of 4345 with a stop loss at 4588 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

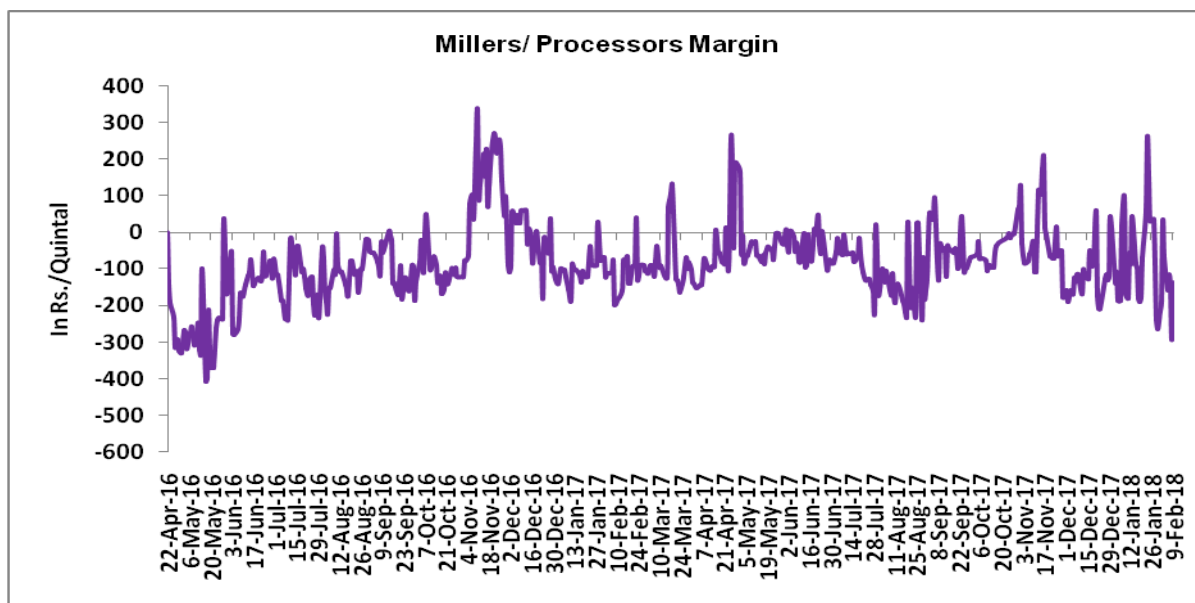
- In the week ended 09th February'18, Guar seed weekly average prices increased by Rs - 48.13/- qtl during the week compared to previous week and settled at Rs 4821 per quintal.
- In addition, Guar gum weekly price remained stable and settled at Rs. 10167 per quintal. Firm demand for guar gum from domestic as well as overseas market is likely to keep prices firm in upcoming 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 09th February'18, average crush margin is Rs. -152.63/Quintal, compared to last week's -139.36/Quintal. Therefore, crushing is not favorable for Millers/Processors.

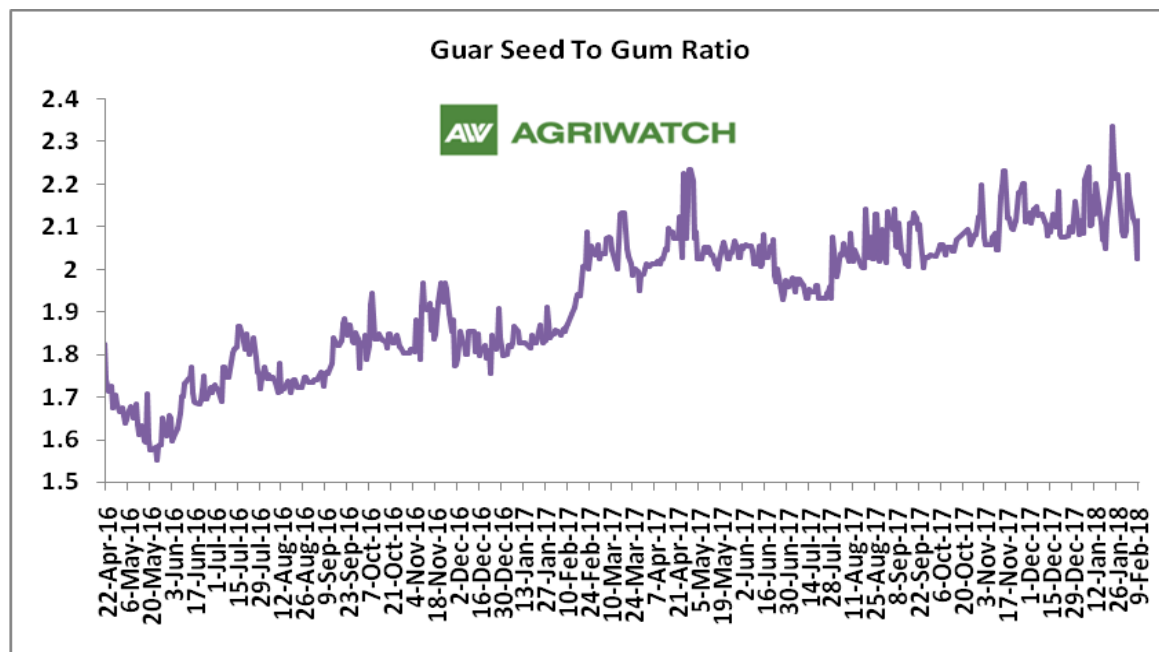
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 09th February'18 is 2.11, lower compared to last week's 2.13

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: March

Exchange: NCDEX
Expiry: March 20, 2017



Technical Commentary:

- Fall in price and rise in open interest indicates short buildup.
- RSI is moving in neutral region.
- Last candlestick depicts bearishness in market.
- Prices closed above 9 and 18 day EMAs.

Strategy: Sell

| Weekly Supports & Resistances | | | S1 | S2 | PCP | R1 | R2 |
|-------------------------------|-------|-------|-------------|------------|------|------|------|
| Guar Seed | NCDEX | March | 4340 | 4255 | 4493 | 4690 | 4775 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Seed | NCDEX | March | Sell | Below 4525 | 4420 | 4345 | 4588 |



Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: March

Exchange: NCDEX
Expiry: March 20, 2017

Guar Gum (March Weekly Chart)



Technical Commentary:

- Fall in price and rise in open interest indicates short buildup.
- RSI is moving in neutral region.
- Last candlestick depicts bearishness in market.
- Prices closed above 9 and 18 day EMAs.

Strategy: Sell

| Weekly Supports & Resistances | | | S1 | S2 | PCP | R1 | R2 |
|-------------------------------|-------|-------|-------------|-------------|------|-------|-------|
| Guar Gum | NCDEX | March | 9390 | 9200 | 9946 | 10395 | 10450 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Gum | NCDEX | March | Sell | Below 10020 | 9710 | 9515 | 10206 |

Guar Seed & Gum Prices at Key Spot Markets

| Guar by – Products Weekly Average Prices: | | | | |
|--|----------------|---------------------------------|--|---------------|
| Commodity | Centre | 3rd to 9th February 2018 | 27th January to 2nd February 2018 | Change |
| Churi | Jodhpur | 1638 | 1605 | 33 |
| Korma | Jodhpur | 2172 | 2091 | 81 |
| Churi | Sri-Ganganagar | 1464 | 1435 | 29 |
| Korma | Sri-Ganganagar | 2034 | 1922 | 112 |
| Prices in Rs/75kg | | | | |

| Guar Export Weekly Average Prices: | | | | |
|---|-------------------|---------------------------------|--|---------------|
| Commodity | Variety | 3rd to 9th February 2018 | 27th January to 2nd February 2018 | Change |
| Guargum Split | | 1579 | 1599 | -20 |
| Guargum Powder | 200 Mesh 5000 CPS | 1891 | 1913 | -23 |
| | 200 Mesh 3500 CPS | 1813 | 1835 | -22 |
| Guargum Meal | 40% | 343 | 346 | -3 |
| | 50% | 444 | 440 | 4 |
| Prices in \$/MT | | | | |

| Guar Seed Weekly Average Prices: | | | | | |
|---|-----------------------|---------------------------|--|--|---------------|
| Commodity | District | Centre | Weekly Prices (Average) (Rs/Qtl) | | Change |
| Guar Seed | | | 3rd to 9th February 2018 | 27th January to 2nd February 2018 | |
| Rajasthan | Jodhpur | Jodhpur (Loose) | 4592 | 4546 | 46 |
| | | Jodhpur(Delivery) | 4821 | 4773 | 48 |
| | Sri-Ganganagar | Sri-Ganganagar(Loose) | 4338 | 4437 | -99 |
| | | Sri-Ganganagar (Delivery) | 4488 | 4587 | -99 |
| | | Rawla (Loose) | 4346 | 4438 | -92 |
| | | Gharsana (Loose) | 4338 | 4375 | -37 |
| | | Raisinghnagar (Loose) | 4432 | 4534 | -102 |
| | Bikaner | Bikaner (Loose) | 4368 | 4465 | -97 |
| | | Bikaner (Delivery) | 4587 | 4688 | -102 |
| | | Nokha(Loose) | 4316 | 4399 | -83 |
| | | Nokha (Delivery) | 4532 | 4619 | -88 |
| | | Khajuwala (Loose) | 4359 | 4462 | -103 |
| | | Khajuwala (Delivery) | 4577 | 4685 | -108 |
| | | Lunkaransar (Loose) | 4338 | 4475 | -138 |
| | Hanumangarh | Hanumangarh (Loose) | 4420 | 4433 | -13 |
| | | Hanumangarh (Delivery) | 4641 | 4655 | -14 |

| | | | | | |
|-----------------|-------------|---------------------|-------|-------|------|
| | | Nohar (Loose) | 4483 | 4500 | -17 |
| | | Pilibanga (Loose) | 4360 | 4530 | -170 |
| | Nagaur | Nagaur (Loose) | 4370 | 4467 | -97 |
| | Churu | Churu (Delivery) | 4500 | 4700 | -200 |
| | Alwar | Alwar (Loose) | 4180 | 4275 | -95 |
| Haryana | Hisar | Adampur (Loose) | 4442 | 4515 | -73 |
| | | Adampur (Delivery) | 4664 | 4741 | -77 |
| | Bhiwani | Bhiwani (Delivery) | 4620 | 4663 | -43 |
| | | Siwani (Loose) | 4508 | 4565 | -57 |
| | Sirsa | Sirsa (Loose) | 4416 | 4436 | -20 |
| | | Dhabwali (Loose) | 4351 | 4418 | -68 |
| | | Dhabwali (Delivery) | 4568 | 4639 | -71 |
| | | Ellanabad (Loose) | 4404 | 4475 | -71 |
| | Fatehabad | Fatehabad (Loose) | 4356 | 4408 | -52 |
| Gujarat | Banaskantha | Deesa (Loose) | 4160 | 4286 | -126 |
| | Patan | Patan (Loose) | 4218 | 4320 | -103 |
| | Rajkot | Rajkot (Loose) | 4279 | 4205 | 74 |
| | Jamnagar | Dhrol (Loose) | 3920 | 3532 | 388 |
| Madhya Pradesh | Gwalior | Dabra (Loose) | 4300 | 4300 | Unch |
| Guar Gum | | | | | |
| Rajasthan | Jodhpur | Jodhpur | 10167 | 10167 | Unch |
| | Alwar | Alwar | 10000 | 10050 | -50 |
| | Hanumangarh | Nohar | 10117 | 10100 | 17 |
| Haryana | Bhiwani | Bhiwani | 9824 | 10192 | -368 |
| | Sirsa | Sirsa | 9967 | 10050 | -83 |
| | | Dhabwali | 10217 | 10142 | 75 |
| | | Ellanabad | 10142 | 10108 | 33 |
| | Fatehabad | Fatehabad | 10030 | 10083 | -53 |

Week on Week Price: Scenario of Guarseed and Guargum:

| Commodity | District | Centre | Today | Week Ago | Month Ago | Year Ago |
|-----------|----------------|---------------------------|----------|----------|-----------|----------|
| Guar Seed | | | 9-Feb-18 | 2-Feb-18 | 9-Jan-18 | 9-Feb-17 |
| Rajasthan | Jodhpur | Jodhpur (Loose) | 4500 | 4500 | 4350 | 3280 |
| | | Jodhpur(Delivery) | 4725 | 4725 | 4568 | 3430 |
| | Sri-Ganganagar | Sri-Ganganagar(Loose) | 4300 | 4450 | 4200 | 3136 |
| | | Sri-Ganganagar (Delivery) | 4450 | 4600 | 4350 | 3286 |
| | | Rawla (Loose) | 4270 | 4480 | 4160 | 3140 |

| | | | | | | |
|-----------------------|--------------------|------------------------|-------|-------|------|------|
| | | Gharsana (Loose) | 4300 | 4420 | 4050 | 3200 |
| | | Raisinghnagar (Loose) | 4365 | 4540 | 4280 | 3180 |
| | Bikaner | Bikaner (Loose) | 4300 | 4475 | 4175 | 3150 |
| | | Bikaner (Delivery) | 4515 | 4699 | 4384 | 3300 |
| | | Nokha(Loose) | 4260 | 4490 | 4150 | 3200 |
| | | Nokha (Delivery) | 4473 | 4715 | 4358 | 3315 |
| | | Khajuwala (Loose) | 4280 | 4515 | 4190 | 3140 |
| | | Khajuwala (Delivery) | 4494 | 4741 | 4400 | 3266 |
| | | Lunkaransar (Loose) | 4300 | 4500 | 4200 | 3140 |
| | Hanumangarh | Hanumangarh (Loose) | 4300 | 4450 | 4200 | 3185 |
| | | Hanumangarh (Delivery) | 4515 | 4673 | 4410 | 3335 |
| | | Nohar (Loose) | 4450 | 4600 | 4230 | 3150 |
| | | Pilibanga (Loose) | 4350 | 4600 | NA | 3200 |
| | Nagaur | Nagaur (Loose) | 4250 | 4400 | 4100 | 3100 |
| | Churu | Churu (Delivery) | 4500 | NR | 4250 | 3300 |
| | Alwar | Alwar (Loose) | 4200 | NR | 4000 | 3050 |
| Haryana | Hisar | Adampur (Loose) | 4370 | 4600 | 4275 | 3175 |
| | | Adampur (Delivery) | 4589 | 4830 | 4489 | 3325 |
| | Bhiwani | Bhiwani (Delivery) | NR | 4750 | 4350 | 3250 |
| | | Siwani (Loose) | 4450 | 4650 | 4275 | 3200 |
| | Sirsa | Sirsa (Loose) | 4380 | 4425 | 4200 | 3215 |
| | | Dhabwali (Loose) | 4350 | 4450 | 4215 | 3200 |
| | | Dhabwali (Delivery) | 4568 | 4673 | 4426 | 3350 |
| | | Ellanabad (Loose) | 4350 | 4450 | 4200 | 3100 |
| | Fatehabad | Fatehabad (Loose) | 4250 | 4450 | 4200 | 3200 |
| Gujarat | Banaskantha | Deesa (Loose) | 4175 | 4275 | 4100 | 2975 |
| | Patan | Patan (Loose) | 4115 | 4350 | 4070 | 3000 |
| | Rajkot | Rajkot (Loose) | 4250 | 3750 | 4090 | 3055 |
| | Jamnagar | Dhrol (Loose) | 3920 | 3000 | 3830 | 2855 |
| Madhya Pradesh | Gwalior | Dabra (Loose) | 4200 | NA | NA | NA |
| Guar Gum | | | | | | |
| Rajasthan | Jodhpur | Jodhpur | 10000 | 10500 | 9600 | 6400 |
| | Alwar | Alwar | 9900 | NR | 9500 | 6600 |
| | Hanumangarh | Nohar | 10000 | 10400 | 9500 | 6350 |
| Haryana | Bhiwani | Bhiwani | NR | 10450 | 9850 | 6400 |
| | Sirsa | Sirsa | 9500 | 10400 | 9600 | 6350 |
| | | Dhabwali | 10300 | 10400 | 9500 | 6400 |
| | | Ellanabad | 10000 | 10350 | 9600 | 6400 |
| | Fatehabad | Fatehabad | 9800 | 10400 | 9600 | 6200 |

| Guar Cumulative Arrivals in Key Centers: | | | | | |
|--|----------------|----------------|----------------------------|-----------------------------------|--------|
| Commodity | District | Centre | Weekly Arrivals (Quintals) | | Change |
| Guar Seed | | | 3rd to 9th February 2018 | 27th January to 2nd February 2018 | |
| Rajasthan | Jodhpur | Jodhpur | 430 | 85 | 345 |
| | Sri-Ganganagar | Sri-Ganganagar | 3200 | 2850 | 350 |
| | | Rawla | 1250 | 1650 | -400 |
| | | Gharsana | 950 | 1100 | -150 |
| | | Raisinghnagar | 2000 | 2400 | -400 |
| | Bikaner | Bikaner | 2000 | 2200 | -200 |
| | | Nokha | 4460 | 4600 | -140 |
| | | Khajuwala | 2450 | 2700 | -250 |
| | | Lunkaransar | 2200 | 3800 | -1600 |
| | Hanumangarh | Hanumangarh | 215 | 520 | -305 |
| | | Nohar | 3650 | 2950 | 700 |
| | | Pilibanga | 800 | 1050 | -250 |
| | Nagaur | Nagaur | 1500 | 2900 | -1400 |
| | Churu | Churu | 6000 | 2000 | 4000 |
| | Alwar | Alwar | 1300 | 1000 | 300 |
| Haryana | Hisar | Adampur | 9000 | 8900 | 100 |
| | Bhiwani | Bhiwani | 4800 | 12000 | -7200 |
| | | Siwani | 5300 | 6500 | -1200 |
| | Sirsa | Sirsa | 3800 | 3100 | 700 |
| | | Dhabwali | 1050 | 970 | 80 |
| | | Ellanabad | 625 | 750 | -125 |
| | Fatehabad | Fatehabad | 1000 | 800 | 200 |
| Gujarat | Banaskantha | Deesa | 815 | 625 | 190 |
| | Patan | Patan | 845 | 2079 | -1234 |
| | Rajkot | Rajkot | 965 | 2247 | -1282 |
| | Jamnagar | Dhrol | NA | 14 | - |
| Madhya Pradesh | Gwalior | Dabra | 760 | 50 | 710 |
| Total Arrivals/Above Markets | | | 61365 | 69840 | -8475 |

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