

# Guar Weekly Research Report

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## **Executive Summary**

### **Domestic Guar Seed Market Summary**

*All India weekly average prices decreased by 3.60 percent to Rs. 4025.18 per quintal during the week ended 15th February 2018. Guar seed average price were ruling at Rs 4175.68 per quintal during 01-08 February 2018. As compared to prices in the week 09-15 February 2017, the prices are firm by 1.88 percent. Prices are expected to remain steady to weak in coming days.*

*Guar Seed March contract closed at Rs 4360 per quintal after falling by Rs 89.00 per quintal on Monday. As of now Rs 4345 per quintal is a good support level and if the market moves below this in coming day/days then a fresh low of Rs 4200-4230 per quintal can be expected. However in long term fundamentals are still in favor of guar with good export demand and lower crop availability. Traders are advised to buy on dip of around Rs 150-200 per quintal.*

*The wholesale price index of guar seed has increased from 90.0 in December 2017 to 99.00 in January 2018. The WPI for January 2018 is up by 10.00 percent compared to previous month and by 32 percent compared to January 2017.*

*As per data released by Baker Hughes the number of oil rigs in USA has increased to 975 as on 16th February 2018 up by 0 compared to last week and by 224 compared to 17th 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 millers recovery of guar gum from guar seed is coming 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 9700-9800 per kg.*

*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 lower arrivals (4900 quintals) compared to previous week arrivals of 9000 quintals.*

*As far as Arrivals are concerned, Bikaner market reported lower arrivals (1400 quintals) compared to previous week 2000 quintals.*

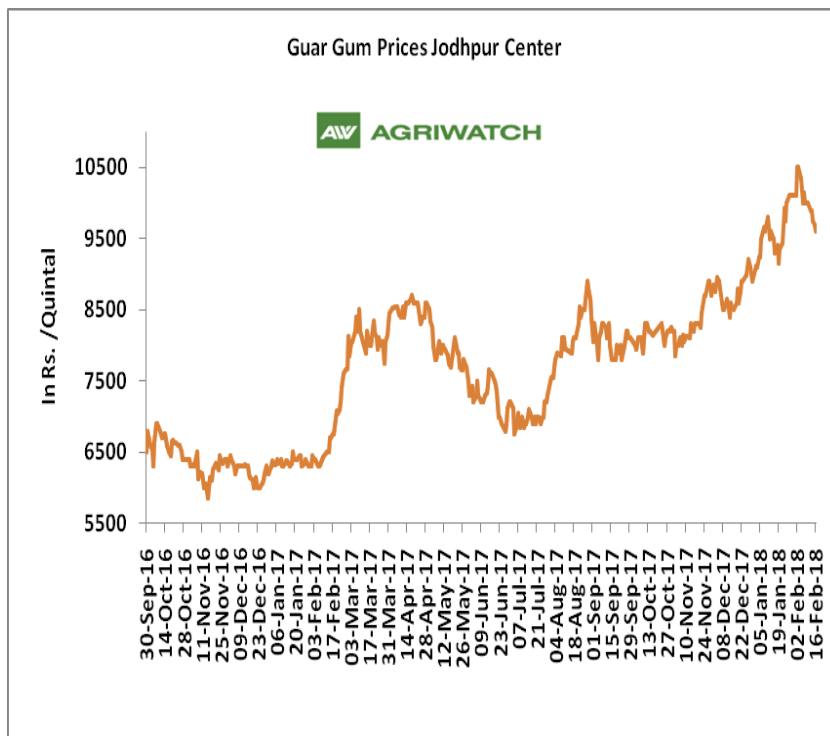
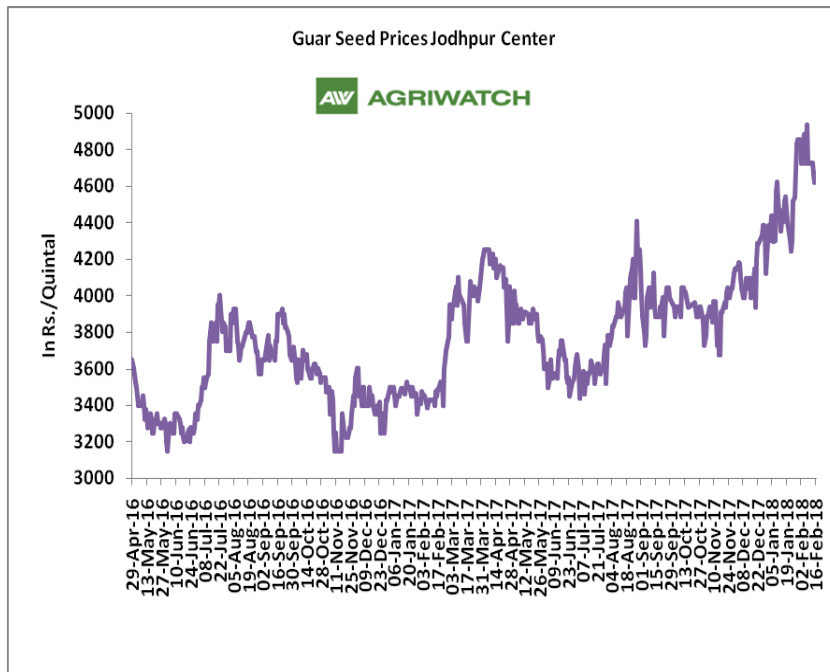
### **Recommendation:**

**Weekly Call - : Market participants are advised to Sell Guar seed at 4510 levels for a target of 4210 with a stop loss at 4615 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

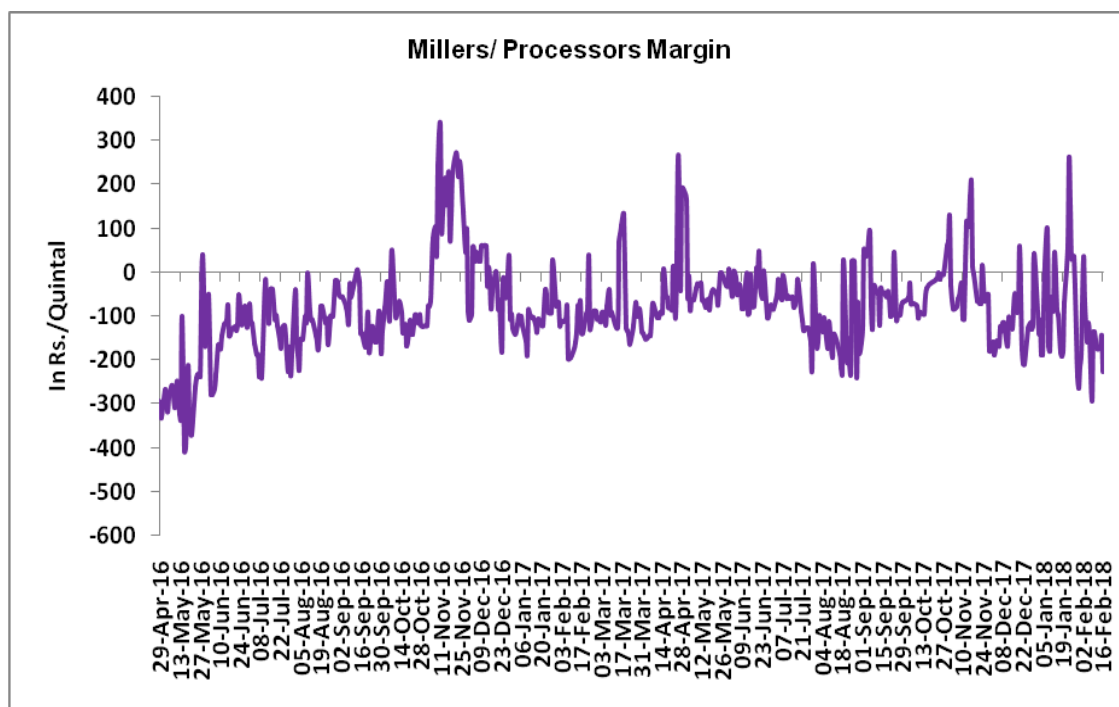
- In the week ended 16<sup>th</sup> February'18, Guar seed weekly average prices decreased by Rs 133.00/- qtl during the week compared to previous week and settled at Rs 4688 per quintal.
- In addition, Guar gum weekly price decreased by Rs 358.33 per quintal and settled at Rs. 9808 per quintal. Weak demand for guar gum from domestic as well as overseas market is likely to keep prices at lower side 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 16<sup>th</sup> February'18, average crush margin is Rs. -170.47/Quintal, compared to last week's -152.63/Quintal. Therefore, crushing is not favorable for Millers/Processors.

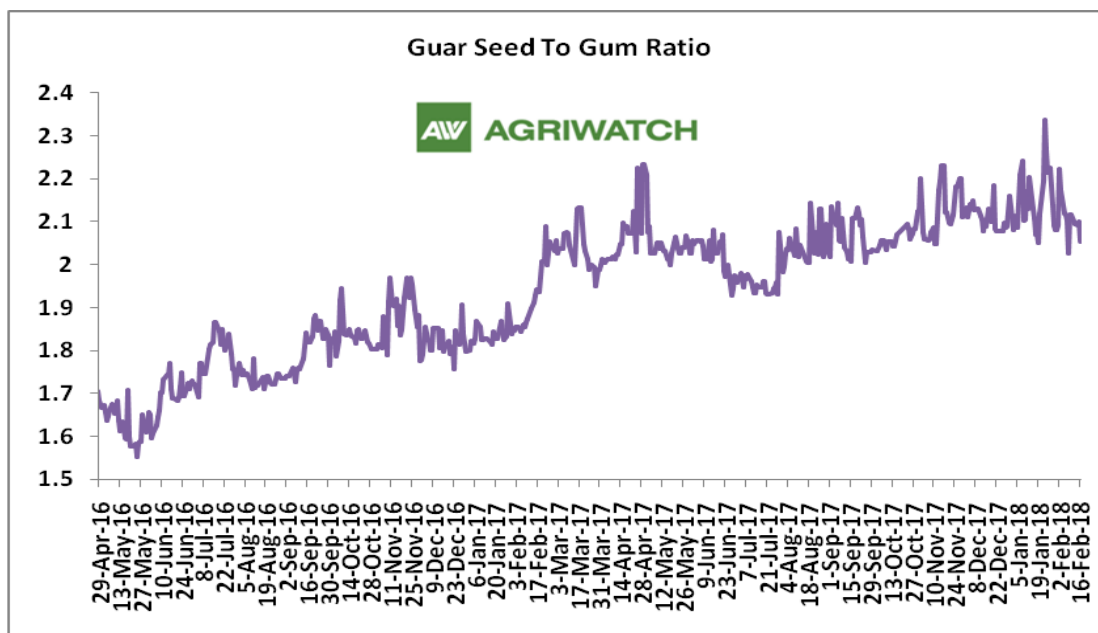
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



### Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 16<sup>th</sup> February'18 is 2.09, lower compared to last week's 2.11

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 open interest indicates long liquidation.
- RSI is moving in neutral region.
- Last candlestick depicts bearishness in market.
- Prices closed above 9 and 18 day EMAs.

#### Strategy: Sell

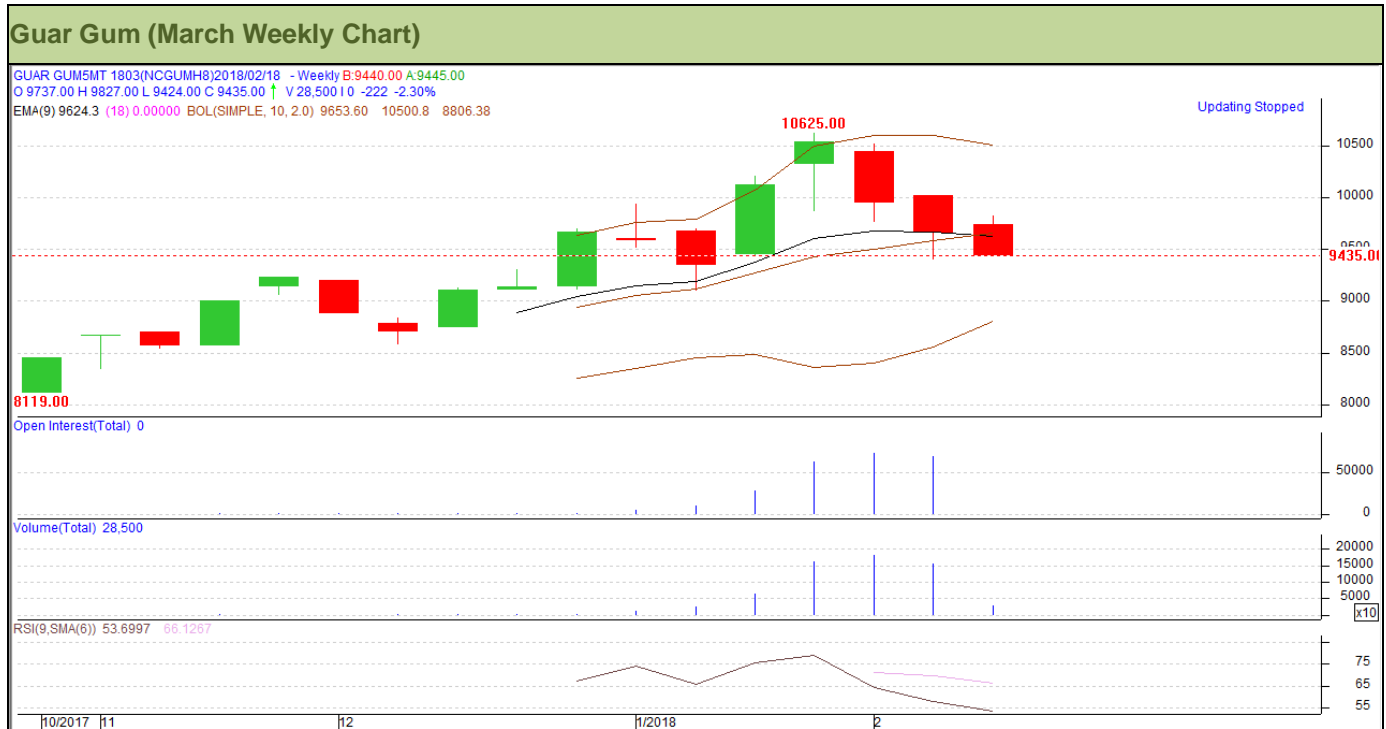
Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	March	4115	4040	4436.5	4710	4775
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	March	<b>Sell</b>	Below 4510	4335	4210	4615



### Technical Analysis (Guar Gum)

**Commodity: Guar Gum**  
**Contract: March**

**Exchange: NCDEX**  
**Expiry: March 20, 2017**



#### Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- 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	9000	8920	9657	10115	10230
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	March	<b>Sell</b>	Below 9715	9370	9105	9922

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

**Guar by – Products Weekly Average Prices:**

Commodity	Centre	10th to 16th February 2018	3rd to 9th February 2018	Change
Churi	Jodhpur	1589	1638	-49
Korma	Jodhpur	2139	2172	-32
Churi	Sri-Ganganagar	1435	1464	-29
Korma	Sri-Ganganagar	1982	2034	-52
Prices in Rs/75kg				

### Guar Export Weekly Average Prices:

Commodity	Variety	10th to 16th February 2018	3rd to 9th February 2018	Change
Guargum Split		1559	1579	-20
Guargum Powder	200 Mesh 5000 CPS	1871	1891	-20
	200 Mesh 3500 CPS	1793	1813	-20
Guargum Meal	40%	343	343	Unch
	50%	437	444	-7
Prices in \$/MT				

### Guar Seed Weekly Average Prices:

Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			10th to 16th February 2018	3rd to 9th February 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4458	4592	-134
		Jodhpur(Delivery)	4681	4821	-140
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4272	4338	-66
		Sri-Ganganagar (Delivery)	4422	4488	-66
		Rawla (Loose)	4238	4346	-108
		Gharsana (Loose)	4242	4338	-97
		Raisinghnagar (Loose)	4269	4432	-163
	Bikaner	Bikaner (Loose)	4263	4368	-106
		Bikaner (Delivery)	4476	4587	-111
		Nokha(Loose)	4237	4316	-79
		Nokha (Delivery)	4449	4532	-83
		Khajuwala (Loose)	4264	4359	-95
		Khajuwala (Delivery)	4477	4577	-100
		Lunkaransar (Loose)	4250	4338	-88
	Hanumangarh	Hanumangarh (Loose)	4273	4420	-148
		Hanumangarh (Delivery)	4486	4641	-155

		Nohar (Loose)	4342	4483	-142
		Pilibanga (Loose)	4250	4360	-110
	Nagaur	Nagaur (Loose)	4217	4370	-153
	Churu	Churu (Delivery)	4417	4500	-83
	Alwar	Alwar (Loose)	4067	4180	-113
Haryana	Hisar	Adampur (Loose)	4323	4442	-119
		Adampur (Delivery)	4540	4664	-125
	Bhiwani	Bhiwani (Delivery)	4470	4620	-150
		Siwani (Loose)	4402	4508	-107
	Sirsa	Sirsa (Loose)	4314	4416	-102
		Dhabwali (Loose)	4288	4351	-63
		Dhabwali (Delivery)	4503	4568	-66
		Ellanabad (Loose)	4263	4404	-142
	Fatehabad	Fatehabad (Loose)	4260	4356	-96
Gujarat	Banaskantha	Deesa (Loose)	4121	4160	-39
	Patan	Patan (Loose)	4156	4218	-62
	Rajkot	Rajkot (Loose)	4119	4279	-160
	Jamnagar	Dhrol (Loose)	4200	3920	280
Madhya Pradesh	Gwalior	Dabra (Loose)	4300	4300	Unch
<b>Guar Gum</b>					
Rajasthan	Jodhpur	Jodhpur	9790	10167	-377
	Alwar	Alwar	9700	10000	-300
	Hanumangarh	Nohar	9883	10117	-233
Haryana	Bhiwani	Bhiwani	9595	9824	-229
	Sirsa	Sirsa	9800	9967	-167
		Dhabwali	9958	10217	-258
		Ellanabad	9725	10142	-417
	Fatehabad	Fatehabad	9840	10030	-190

<b>Week on Week Price: Scenario of Guarseed and Guargum:</b>						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			16-Feb-18	9-Feb-18	16-Jan-18	16-Feb-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4450	4500	4200	3300
		Jodhpur(Delivery)	4673	4725	4410	3450
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4200	4300	4125	3085
		Sri-Ganganagar (Delivery)	4350	4450	4275	3235
		Rawla (Loose)	4220	4270	4160	3150
		Gharsana (Loose)	4220	4300	4100	3180

		Raisinghnagar (Loose)	4300	4365	4200	3150
	<b>Bikaner</b>	Bikaner (Loose)	4250	4300	4125	3195
		Bikaner (Delivery)	4463	4515	4331	3345
		Nokha(Loose)	4200	4260	4070	3160
		Nokha (Delivery)	4410	4473	4274	3274
		Khajuwala (Loose)	4235	4280	4170	3150
		Khajuwala (Delivery)	4447	4494	4379	3276
		Lunkaransar (Loose)	4250	4300	Closed	3125
	<b>Hanumangarh</b>	Hanumangarh (Loose)	4270	4300	4150	3175
		Hanumangarh (Delivery)	4484	4515	4358	3325
		Nohar (Loose)	4300	4450	4200	3200
		Pilibanga (Loose)	4250	4350	4250	3130
	<b>Nagaur</b>	Nagaur (Loose)	4100	4250	3900	3050
	<b>Churu</b>	Churu (Delivery)	NR	4500	NR	3300
	<b>Alwar</b>	Alwar (Loose)	NR	4200	NR	3050
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	4270	4370	4250	3300
		Adampur (Delivery)	4484	4589	4463	3450
	<b>Bhiwani</b>	Bhiwani (Delivery)	4425	NR	4550	3300
		Siwani (Loose)	4380	4450	4240	3225
	<b>Sirsa</b>	Sirsa (Loose)	NR	4380	4175	3200
		Dhabwali (Loose)	4350	4350	4200	3215
		Dhabwali (Delivery)	4568	4568	4410	3365
		Ellanabad (Loose)	4225	4350	4150	3150
	<b>Fatehabad</b>	Fatehabad (Loose)	4250	4250	4200	3400
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	4105	4175	4040	3025
	<b>Patan</b>	Patan (Loose)	4170	4115	4140	3020
	<b>Rajkot</b>	Rajkot (Loose)	4025	4250	4065	3050
	<b>Jamnagar</b>	Dhrol (Loose)	NA	3920	NA	2740
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	4350	4200	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	9600	10000	9300	6700
	<b>Alwar</b>	Alwar	NR	9900	NR	6700
	<b>Hanumangarh</b>	Nohar	9800	10000	9500	6550
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	9850	NR	9550	6500
	<b>Sirsa</b>	Sirsa	NR	9500	9200	6700
		Dhabwali	9800	10300	9300	6700
		Ellanabad	9600	10000	9400	6650
	<b>Fatehabad</b>	Fatehabad	9650	9800	9400	6700

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			10th to 16th February 2018	3rd to 9th February 2018	
Rajasthan	Jodhpur	Jodhpur	650	430	220
	Sri-Ganganagar	Sri-Ganganagar	3200	3200	Unch
		Rawla	1300	1250	50
		Gharsana	1300	950	350
		Raisinghnagar	1600	2000	-400
	Bikaner	Bikaner	1400	2000	-600
		Nokha	3300	4460	-1160
		Khajuwala	2100	2450	-350
		Lunkaransar	2100	2200	-100
	Hanumangarh	Hanumangarh	1075	215	860
		Nohar	3450	3650	-200
		Pilibanga	300	800	-500
	Nagaur	Nagaur	1100	1500	-400
	Churu	Churu	4500	6000	-1500
	Alwar	Alwar	1700	1300	400
Haryana	Hisar	Adampur	4900	9000	-4100
	Bhiwani	Bhiwani	3000	4800	-1800
		Siwani	6200	5300	900
	Sirsa	Sirsa	2300	3800	-1500
		Dhabwali	370	1050	-680
		Ellanabad	900	625	275
	Fatehabad	Fatehabad	1225	1000	225
Gujarat	Banaskantha	Deesa	192	815	-623
	Patan	Patan	610	845	-235
	Rajkot	Rajkot	395	965	-570
	Jamnagar	Dhrol	1	NA	-
Madhya Pradesh	Gwalior	Dabra	240	760	-520
Total Arrivals/Above Markets			49408	61365	-11957

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