

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices decreased by 0.95 percent to Rs. 3986.79 per quintal during the week ended 23rd February 2018. Guar seed average price were ruling at Rs 4025.18 per quintal during 09-15 February 2018. As compared to prices in the week 16-23 February 2017, the prices are firm by 0.48 percent. Prices are expected to remain steady to weak in coming days.

Guar Seed March contract closed at Rs 4298 per quintal after falling by Rs 133 per quintal in the past week. As of now Rs 4200 per quintal is a good support level and if the market moves below this in coming day/days then a fresh low of Rs 4050 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 per quintal.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 978 as on 23rd February 2018 up by 3 compared to last week and by 224 compared to 24th February 2017. The total number of oilrigs was recorded at 2175 worldwide in January'18 compared to 1918 in the corresponding 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 23692 tonnes of guar gum in the month of November down by around 14.62 percent compared to previous month. Furthermore, it is higher by around 38.74 percent compared to November'17. India also exported 13235 tonnes of guar meal and 2820 tonnes of guar split have been exported by India in November'17. Exports are likely to stay steady in coming months.

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 4900 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1350 quintals) compared to previous week 1400 quintals.

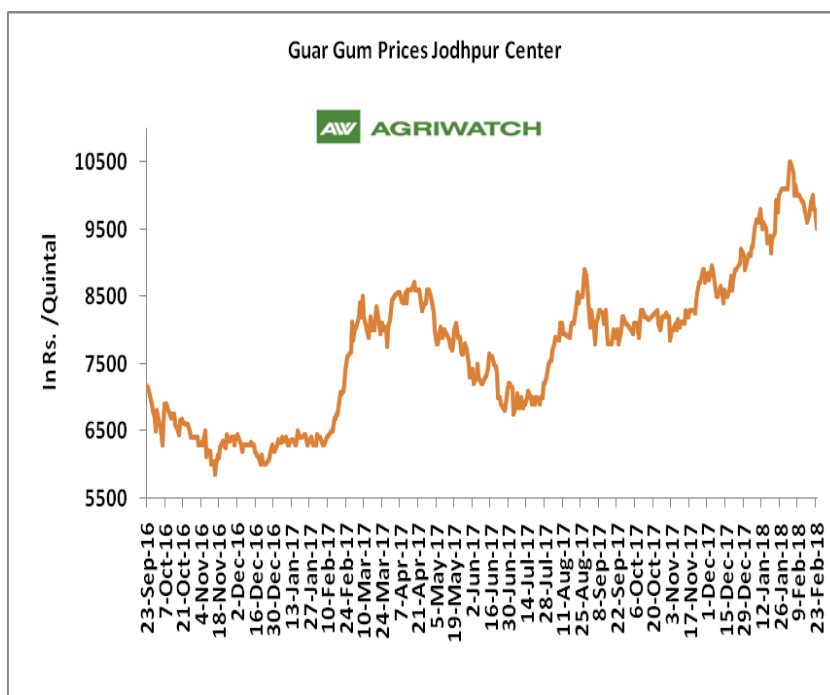
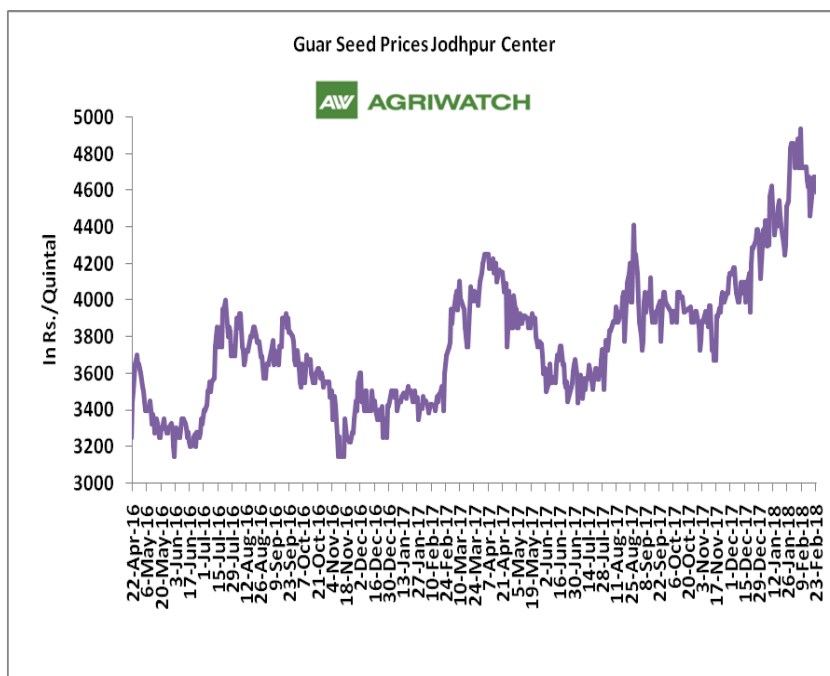
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 4310 levels for a target of 4165 with a stop loss at 4397 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

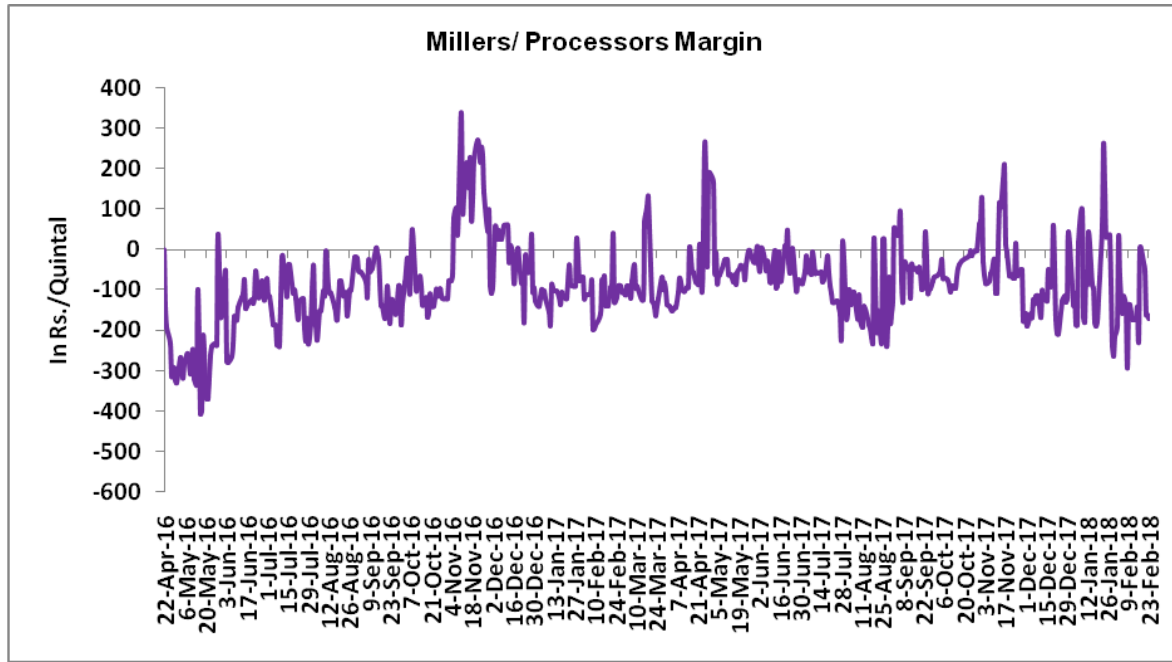
- In the week ended 23rd February'18, Guar seed weekly average prices decreased by Rs 90.13/- qtl during the week compared to previous week and settled at Rs 4598 per quintal.
- In addition, Guar gum weekly price decreased by Rs 25 per quintal and settled at Rs. 9783 per quintal. Weak demand for guar 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 23rd February'18, average crush margin is Rs. -96.00/Quintal, compared to last week's -170.47/Quintal. Therefore, crushing is not favorable for Millers/Processors.

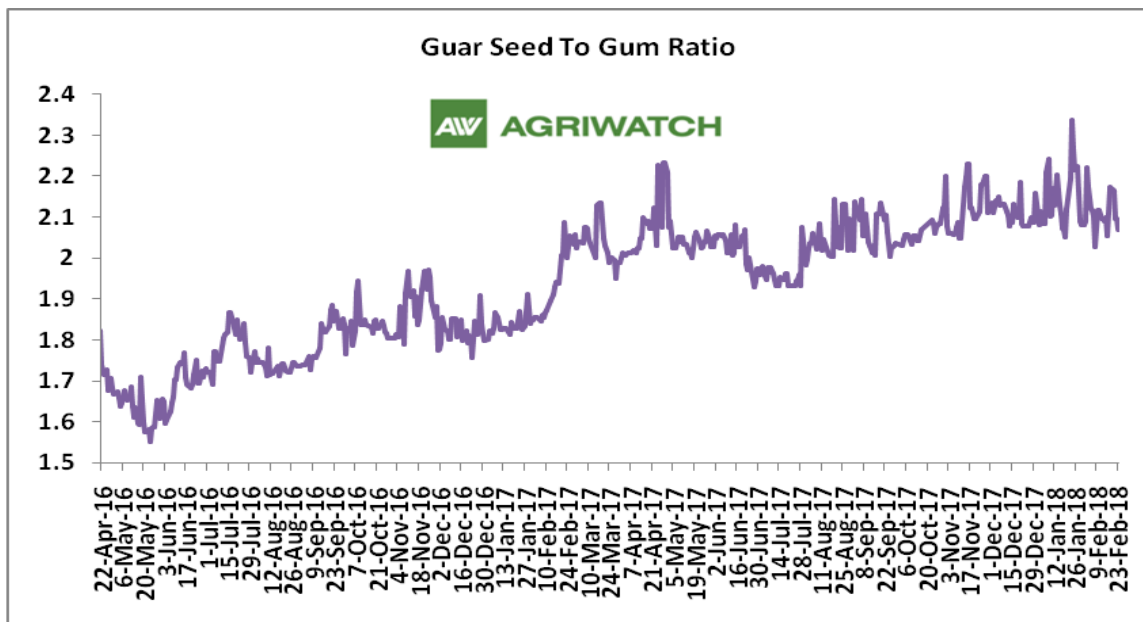
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 23rd February'18 is 2.13, lower compared to last week's 2.09

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: 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 below 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	March	3945	3880	4298	4510	4595
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	March	Sell	Below 4310	4165	4030	4397



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	8450	8365	9295	9795	9970
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	March	Sell	Below 9320	8890	8565	9578

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	17th to 23rd February 2018	10th to 16th February 2018	Change
Churi	Jodhpur	1583	1589	-7
Korma	Jodhpur	2138	2139	-2
Churi	Sri-Ganganagar	1388	1435	-47
Korma	Sri-Ganganagar	1938	1982	-44
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	17th to 23rd February 2018	10th to 16th February 2018	Change
Guargum Split		1549	1559	-10
Guargum Powder	200 Mesh 5000 CPS	1859	1871	-12
	200 Mesh 3500 CPS	1781	1793	-12
Guargum Meal	40%	341	343	-2
	50%	434	437	-3
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			17th to 23rd February 2018	10th to 16th February 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4379	4458	-79
		Jodhpur(Delivery)	4598	4681	-83
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4227	4272	-45
		Sri-Ganganagar (Delivery)	4377	4422	-45
		Rawla (Loose)	4189	4238	-49
		Gharsana (Loose)	4210	4242	-32
		Raisinghnagar (Loose)	4259	4269	-10
	Bikaner	Bikaner (Loose)	4304	4263	42
		Bikaner (Delivery)	4519	4476	44
		Nokha(Loose)	4243	4237	7
		Nokha (Delivery)	4456	4449	7
		Khajuwala (Loose)	4229	4264	-35
		Khajuwala (Delivery)	4441	4477	-37
		Lunkaransar (Loose)	4254	4250	4
	Hanumangarh	Hanumangarh (Loose)	4236	4273	-37
		Hanumangarh (Delivery)	4448	4486	-38

		Nohar (Loose)	4260	4342	-82
		Pilibanga (Loose)	4223	4250	-27
	Nagaur	Nagaur (Loose)	4200	4217	-17
	Churu	Churu (Delivery)	4350	4417	-67
	Alwar	Alwar (Loose)	4100	4067	33
Haryana	Hisar	Adampur (Loose)	4262	4323	-62
		Adampur (Delivery)	4475	4540	-65
	Bhiwani	Bhiwani (Delivery)	4444	4470	-26
		Siwani (Loose)	4351	4402	-51
	Sirsa	Sirsa (Loose)	4268	4314	-47
		Dhabwali (Loose)	4283	4288	-5
		Dhabwali (Delivery)	4498	4503	-5
		Ellanabad (Loose)	4242	4263	-21
	Fatehabad	Fatehabad (Loose)	4180	4260	-80
Gujarat	Banaskantha	Deesa (Loose)	4104	4121	-17
	Patan	Patan (Loose)	4129	4156	-27
	Rajkot	Rajkot (Loose)	4060	4119	-59
	Jamnagar	Dhrol (Loose)	NA	4200	-
Madhya Pradesh	Gwalior	Dabra (Loose)	4300	4300	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9783	9790	-7
	Alwar	Alwar	9683	9700	-17
	Hanumangarh	Nohar	9700	9883	-183
Haryana	Bhiwani	Bhiwani	9680	9595	85
	Sirsa	Sirsa	9567	9800	-233
		Dhabwali	9933	9958	-25
		Ellanabad	9583	9725	-142
	Fatehabad	Fatehabad	9530	9840	-310

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			23-Feb-18	16-Feb-18	23-Jan-18	23-Feb-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4375	4450	4045	3450
		Jodhpur(Delivery)	4594	4673	4247	3600
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4200	4200	4350	3205
		Sri-Ganganagar (Delivery)	4350	4350	4500	3355
		Rawla (Loose)	4150	4220	NR	3325
		Gharsana (Loose)	4150	4220	4350	3310

		Raisinghnagar (Loose)	4200	4300	4280	3300
	Bikaner	Bikaner (Loose)	4250	4250	4350	3360
		Bikaner (Delivery)	4463	4463	4568	3510
		Nokha(Loose)	4150	4200	4200	3340
		Nokha (Delivery)	4358	4410	4410	3460
		Khajuwala (Loose)	4160	4235	4380	3300
		Khajuwala (Delivery)	4368	4447	4599	3432
		Lunkaransar (Loose)	4200	4250	4400	3300
	Hanumangarh	Hanumangarh (Loose)	4140	4270	4340	3280
		Hanumangarh (Delivery)	4347	4484	4557	3430
		Nohar (Loose)	4150	4300	4400	3345
		Pilibanga (Loose)	4100	4250	NR	3275
	Nagaur	Nagaur (Loose)	4100	4100	4300	3100
	Churu	Churu (Delivery)	4250	NR	4450	3450
	Alwar	Alwar (Loose)	4050	NR	4200	3200
Haryana	Hisar	Adampur (Loose)	4165	4270	4400	3350
		Adampur (Delivery)	4373	4484	4620	3500
	Bhiwani	Bhiwani (Delivery)	4400	4425	4600	3400
		Siwani (Loose)	4275	4380	4450	3380
	Sirsa	Sirsa (Loose)	4200	4275	4350	3390
		Dhabwali (Loose)	4100	4350	4350	3320
		Dhabwali (Delivery)	4305	4568	4568	3470
		Ellanabad (Loose)	4125	4225	4300	3350
	Fatehabad	Fatehabad (Loose)	4100	4250	4300	3300
Gujarat	Banaskantha	Deesa (Loose)	4075	4105	4200	3175
	Patan	Patan (Loose)	NR	4170	4180	3200
	Rajkot	Rajkot (Loose)	4175	4025	4255	3200
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3115
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	4350	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9500	9600	9925	7200
	Alwar	Alwar	9600	NR	9900	7300
	Hanumangarh	Nohar	9600	9800	9900	7000
Haryana	Bhiwani	Bhiwani	9500	9850	9950	7200
	Sirsa	Sirsa	9500	9700	9800	7200
		Dhabwali	9700	9800	9900	7200
		Ellanabad	9450	9600	9900	7300
	Fatehabad	Fatehabad	9400	9650	9750	7000

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			17th to 23rd February 2018	10th to 16th February 2018	
Rajasthan	Jodhpur	Jodhpur	600	650	-50
	Sri-Ganganagar	Sri-Ganganagar	2450	3200	-750
		Rawla	1090	1300	-210
		Gharsana	1300	1300	Unch
		Raisinghnagar	3400	1600	1800
	Bikaner	Bikaner	1350	1400	-50
		Nokha	2400	3300	-900
		Khajuwala	2200	2100	100
		Lunkaransar	1450	2100	-650
	Hanumangarh	Hanumangarh	1050	1075	-25
		Nohar	5000	3450	1550
		Pilibanga	780	300	480
	Nagaur	Nagaur	1150	1100	50
	Churu	Churu	2200	4500	-2300
	Alwar	Alwar	2050	1700	350
Haryana	Hisar	Adampur	9000	4900	4100
	Bhiwani	Bhiwani	3300	3000	300
		Siwani	6100	6200	-100
	Sirsa	Sirsa	4500	2300	2200
		Dhabwali	700	370	330
		Ellanabad	950	900	50
	Fatehabad	Fatehabad	1050	1225	-175
Gujarat	Banaskantha	Deesa	111	192	-81
	Patan	Patan	362	610	-248
	Rajkot	Rajkot	360	395	-35
	Jamnagar	Dhrol	NA	1	-
Madhya Pradesh	Gwalior	Dabra	500	240	260
Total Arrivals/Above Markets			55403	49408	5995

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