

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices decreased by 4.01 percent to Rs. 3826.79 per quintal during the week ended 28th February 2018. Guar seed average price were ruling at Rs 3986.79 per quintal during 16-23 February 2018. As compared to prices in the week 24-28 February 2017, the prices are weak by 2.84 percent. Prices are expected to remain steady to firm in coming days.

Guar market has fallen down by around Rs 600 per quintal in a month. As of now, guar (April contract) is moving in the range of Rs 4260-4380 per quintal. As of now Rs 4230 per quintal is a good support level and traders are advised to buy with correction of around Rs 100-120 per quintal for a target price of Rs 4640-4700 per quintal in upcoming weeks. However, fundamentals are still in favor of guar with good export demand and lower crop availability.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 981 as on 02nd March 2018 up by 3 compared to last week and by 225 compared to 03rd March 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, 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 lower arrivals (5500 quintals) compared to previous week arrivals of 9000 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (450 quintals) compared to previous week 1350 quintals.

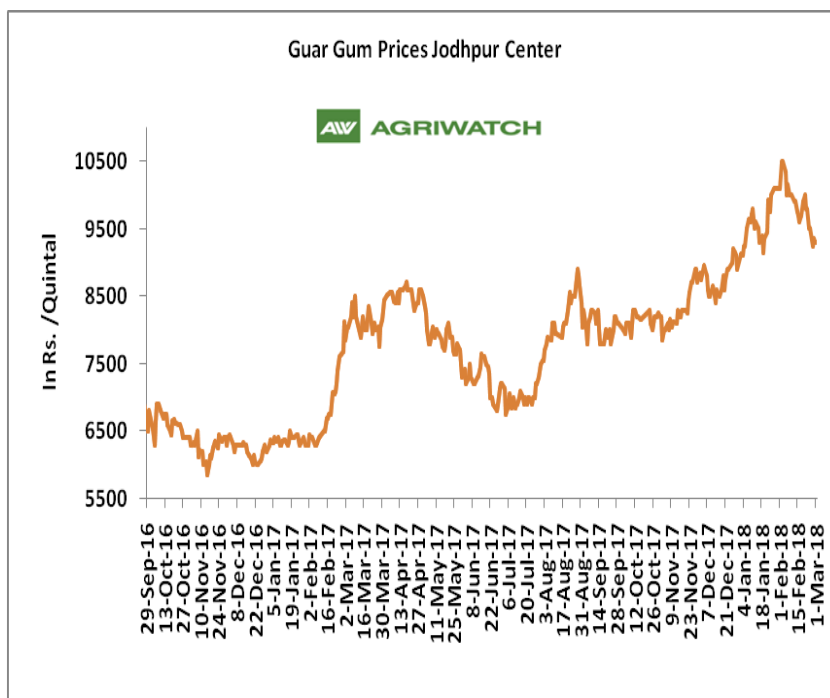
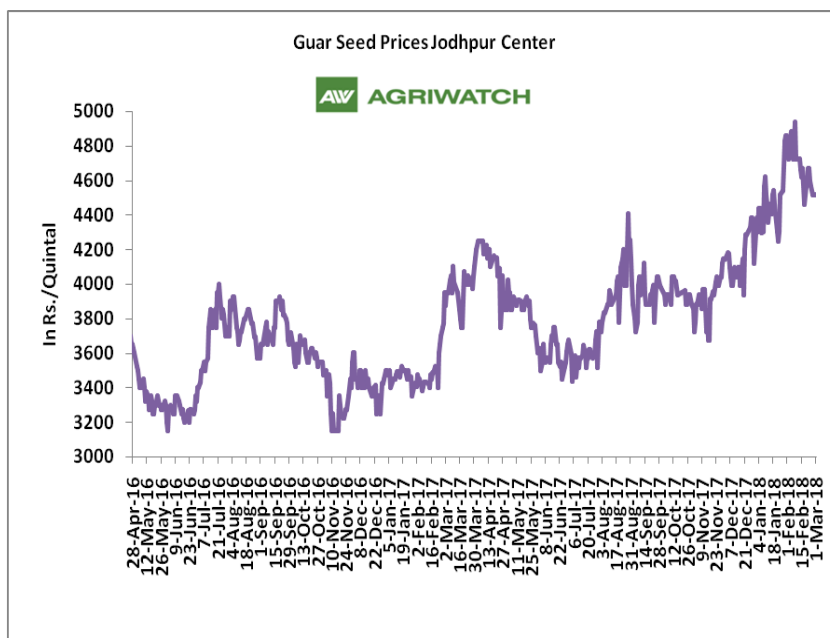
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 4320 levels for a target of 4510 with a stop loss at 4257 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

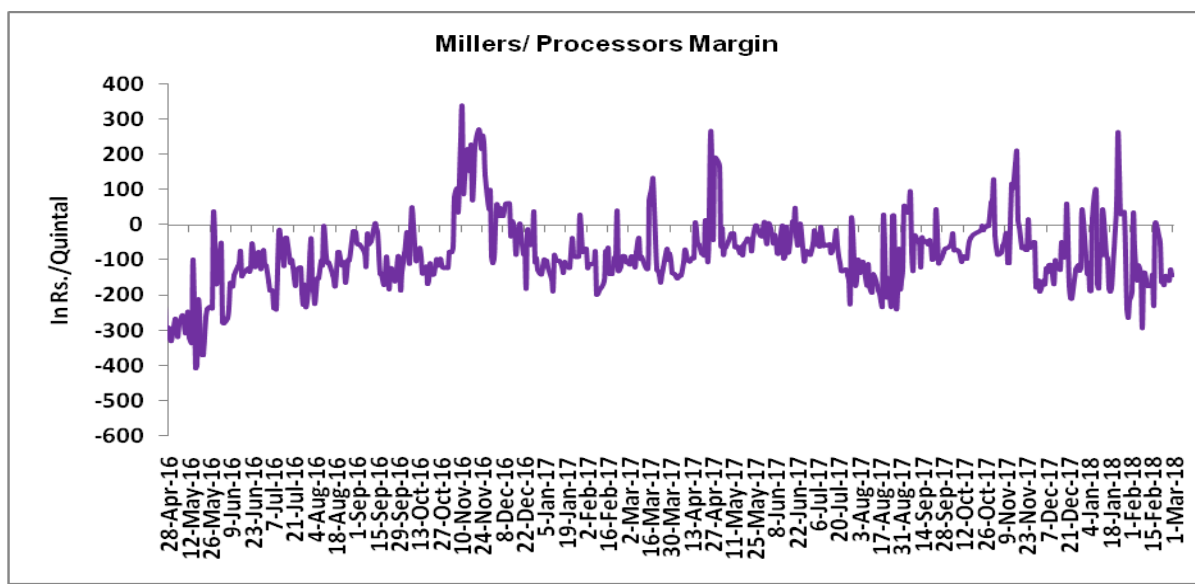
- In the week ended 01st March'18, Guar seed weekly average prices decreased by Rs 72.63/- qtl during the week compared to previous week and settled at Rs 4526 per quintal.
- In addition, Guar gum weekly price decreased by Rs 443 per quintal and settled at Rs. 9340 per quintal. Weak demand for guar gum 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 01st March'18, average crush margin is Rs. -142.96/Quintal, compared to last week's -96.00/Quintal. Therefore, crushing is not favorable for Millers/Processors.

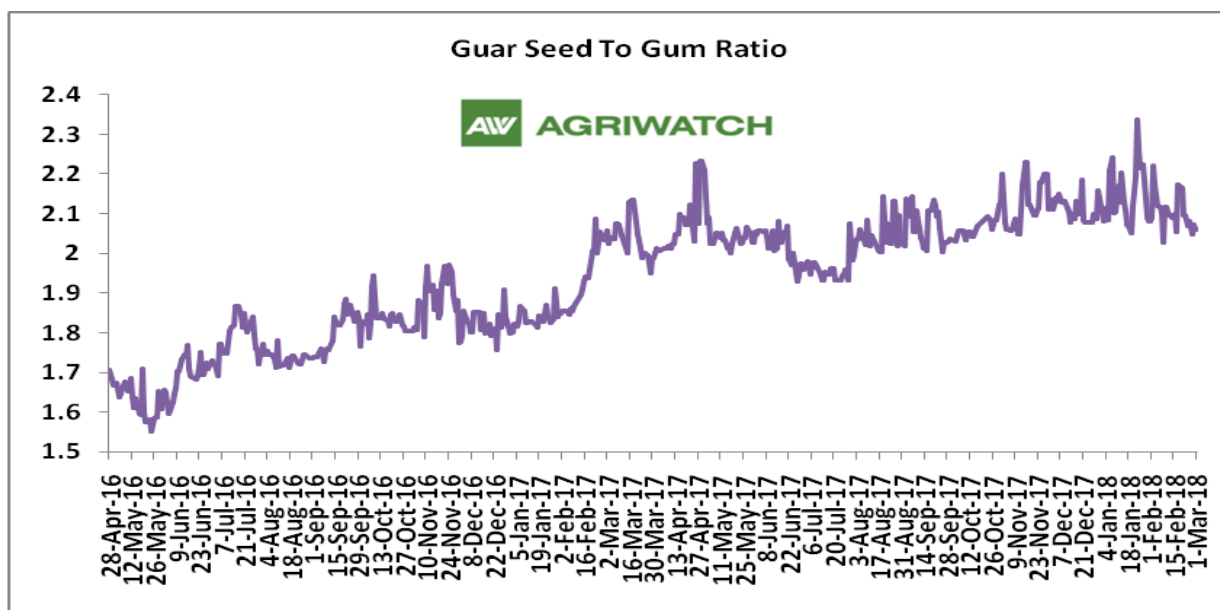
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 01st March'18 is 2.06, 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: April

Exchange: NCDEX
Expiry: April 20, 2017



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- RSI is moving in neutral region.
- Last candlestick depicts bullishness in market.
- Prices closed below 9 and 18 day EMAs.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	April	4145	4040	4359	4580	4635
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	April	Buy	Above 4320	4425	4510	4257



Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: April

Exchange: NCDEX
Expiry: April 20, 2017

Guar Gum (April Weekly Chart)



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- RSI is moving in neutral region.
- Last candlestick depicts bullishness in market.
- Prices closed below 9 and 18 day EMAs.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	April	8850	8715	9329	9990	10100
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	April	Buy	Above 9250	9600	9855	9040

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	24th February to 1st March 2018	10th to 16th February 2018	Change
Churi	Jodhpur	1600	1583	18
Korma	Jodhpur	2168	2138	30
Churi	Sri-Ganganagar	1425	1388	37
Korma	Sri-Ganganagar	1935	1938	-3
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	24th February to 1st March 2018	10th to 16th February 2018	Change
Guargum Split		1442	1549	-107
Guargum Powder	200 Mesh 5000 CPS	1750	1859	-109
	200 Mesh 3500 CPS	1673	1781	-109
Guargum Meal	40%	327	341	-14
	50%	444	434	10
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			24th February to 1st March 2018	10th to 16th February 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4313	4379	-67
		Jodhpur(Delivery)	4528	4598	-70
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4192	4227	-35
		Sri-Ganganagar (Delivery)	4342	4377	-35
		Rawla (Loose)	4050	4189	-139
		Gharsana (Loose)	4073	4210	-138
		Raisinghnagar (Loose)	4075	4259	-184
	Bikaner	Bikaner (Loose)	4150	4304	-154
		Bikaner (Delivery)	4358	4519	-162
		Nokha(Loose)	4065	4243	-178
		Nokha (Delivery)	4268	4456	-187
		Khajuwala (Loose)	4105	4229	-124
		Khajuwala (Delivery)	4310	4441	-130
		Lunkaransar (Loose)	4100	4254	-154
	Hanumangarh	Hanumangarh (Loose)	4073	4236	-164
		Hanumangarh (Delivery)	4276	4448	-172

		Nohar (Loose)	4093	4260	-168
		Pilibanga (Loose)	4063	4223	-161
	Nagaur	Nagaur (Loose)	4100	4200	-100
	Churu	Churu (Delivery)	4250	4350	-100
	Alwar	Alwar (Loose)	4050	4100	-50
Haryana	Hisar	Adampur (Loose)	4125	4262	-137
		Adampur (Delivery)	4331	4475	-144
	Bhiwani	Bhiwani (Delivery)	4275	4444	-169
		Siwani (Loose)	4224	4351	-127
	Sirsa	Sirsa (Loose)	4149	4268	-119
		Dhabwali (Loose)	NA	4283	-
		Dhabwali (Delivery)	NA	4498	-
		Ellanabad (Loose)	4050	4242	-192
	Fatehabad	Fatehabad (Loose)	4034	4180	-146
Gujarat	Banaskantha	Deesa (Loose)	3975	4104	-129
	Patan	Patan (Loose)	3980	4129	-149
	Rajkot	Rajkot (Loose)	4008	4060	-52
	Jamnagar	Dhrol (Loose)	3765	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	4100	4300	-200
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9350	9783	-433
	Alwar	Alwar	9350	9683	-333
	Hanumangarh	Nohar	9300	9700	-400
Haryana	Bhiwani	Bhiwani	9263	9680	-418
	Sirsa	Sirsa	9300	9567	-267
		Dhabwali	NA	9933	-
		Ellanabad	9263	9583	-321
	Fatehabad	Fatehabad	9310	9530	-220

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			1-Mar-18	22-Feb-18	1-Feb-18	1-Mar-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4300	4450	4600	3800
		Jodhpur(Delivery)	4515	4673	4830	3950
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4125	4250	4400	3482
		Sri-Ganganagar (Delivery)	4275	4400	4550	3632
		Rawla (Loose)	4020	4190	4500	3670
		Gharsana (Loose)	4060	4200	4330	3625

		Raisinghnagar (Loose)	4050	4300	4500	3640
	Bikaner	Bikaner (Loose)	4150	4300	4400	3600
		Bikaner (Delivery)	4358	4515	4620	3750
		Nokha(Loose)	4060	4300	4400	3570
		Nokha (Delivery)	4263	4515	4620	3699
		Khajuwala (Loose)	4080	4200	4420	3680
		Khajuwala (Delivery)	4284	4410	4641	3827
		Lunkaransar (Loose)	4100	4250	4450	3600
	Hanumangarh	Hanumangarh (Loose)	4060	4260	4450	3550
		Hanumangarh (Delivery)	4263	4473	4673	3700
		Nohar (Loose)	4100	4270	4500	3821
		Pilibanga (Loose)	4150	4220	4400	3600
	Nagaur	Nagaur (Loose)	4100	4200	4500	3450
	Churu	Churu (Delivery)	4200	4350	4700	3700
	Alwar	Alwar (Loose)	4100	4100	4300	3500
Haryana	Hisar	Adampur (Loose)	4100	4250	4500	3800
		Adampur (Delivery)	4305	4463	4725	3950
	Bhiwani	Bhiwani (Delivery)	4300	4445	4625	3800
		Siwani (Loose)	4250	4380	4540	3725
	Sirsa	Sirsa (Loose)	4125	4270	4425	3800
		Dhabwali (Loose)	NA	4200	4380	3700
		Dhabwali (Delivery)	NA	4410	4599	3850
		Ellanabad (Loose)	4050	4275	4450	3700
	Fatehabad	Fatehabad (Loose)	4050	4200	4350	3600
Gujarat	Banaskantha	Deesa (Loose)	3975	4125	4280	3515
	Patan	Patan (Loose)	3980	4110	4300	3515
	Rajkot	Rajkot (Loose)	3925	4050	4285	3605
	Jamnagar	Dhrol (Loose)	3530	NR	NA	3460
Madhya Pradesh	Gwalior	Dabra (Loose)	4100	NA	NA	3400
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9300	9800	10100	8125
	Alwar	Alwar	9300	9600	10100	7900
	Hanumangarh	Nohar	9300	9700	10100	8000
Haryana	Bhiwani	Bhiwani	9300	9700	10100	8350
	Sirsa	Sirsa	9350	9500	10000	8200
		Dhabwali	NA	9900	10300	8000
		Ellanabad	9300	9650	10100	8100
	Fatehabad	Fatehabad	9350	9600	10100	8100

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			24th February to 1st March 2018	10th to 16th February 2018	
Rajasthan	Jodhpur	Jodhpur	630	600	30
	Sri-Ganganagar	Sri-Ganganagar	1350	2450	-1100
		Rawla	600	1090	-490
		Gharsana	550	1300	-750
		Raisinghnagar	2400	3400	-1000
	Bikaner	Bikaner	450	1350	-900
		Nokha	1400	2400	-1000
		Khajuwala	1300	2200	-900
		Lunkaransar	700	1450	-750
	Hanumangarh	Hanumangarh	510	1050	-540
		Nohar	4800	5000	-200
		Pilibanga	1130	780	350
	Nagaur	Nagaur	250	1150	-900
	Churu	Churu	2000	2200	-200
	Alwar	Alwar	600	2050	-1450
Haryana	Hisar	Adampur	5500	9000	-3500
	Bhiwani	Bhiwani	4100	3300	800
		Siwani	3900	6100	-2200
	Sirsa	Sirsa	5400	4500	900
		Dhabwali	NA	700	-
		Ellanabad	700	950	-250
	Fatehabad	Fatehabad	920	1050	-130
Gujarat	Banaskantha	Deesa	37	111	-74
	Patan	Patan	334	362	-28
	Rajkot	Rajkot	750	360	390
	Jamnagar	Dhrol	6	NA	-
Madhya Pradesh	Gwalior	Dabra	1000	500	500
Total Arrivals/Above Markets			41317	55403	-14086

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