

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices increased by 1.27 percent to Rs. 3875.58 per quintal during the week ended 08th March 2018. Guar seed average price was ruling at Rs 3826.79 per quintal during 24-28 February 2018. As compared to prices in the week 01-08 March 2017, the prices are weak by 1.98 percent. Prices are expected to remain steady to firm in coming days.

As per millers, recovery of guar gum from guar seed is around 30.5-31.5 kg 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 9000-9100 per quintal.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 984 as on 09th March 2018, up by 3 compared to last week and by 216 compared to 10th March 2017. The total number of oilrigs was recorded at 2271 worldwide in February'18 compared to 2027 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.

Guar market has fallen by around Rs 176 per quintal in past week. As of now, guar (April contract) is moving in the range of Rs 4260-4380 per quintal. Traders are advised to buy with correction of around Rs 100-120 per quintal for a target price of Rs 4640-4690 per quintal in upcoming weeks. However, fundamentals are still in favor of guar with good export demand and lower crop availability.

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 (5700 quintals) compared to previous week arrivals of 5500 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (850 quintals) compared to 450 quintals in the previous week.

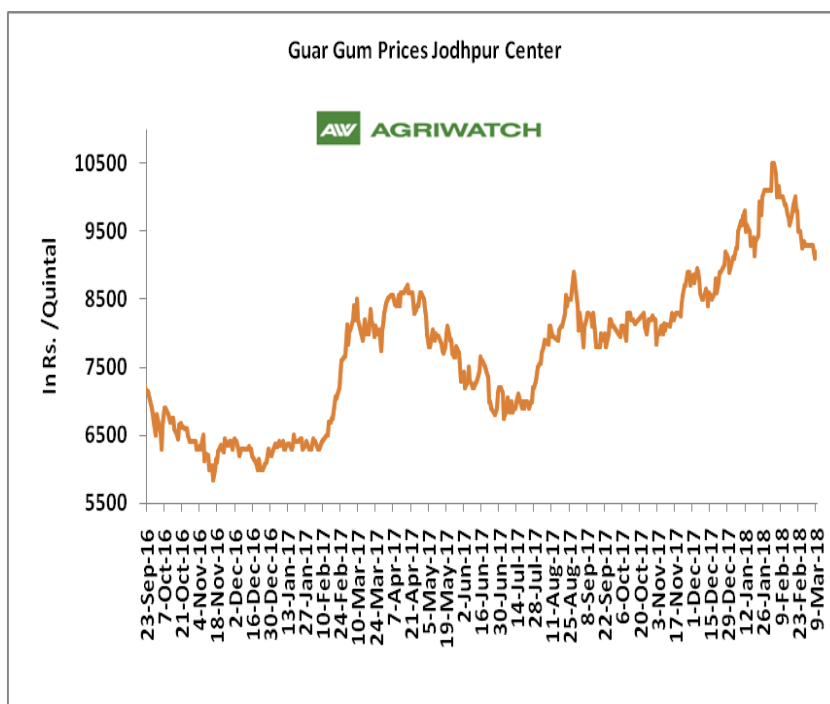
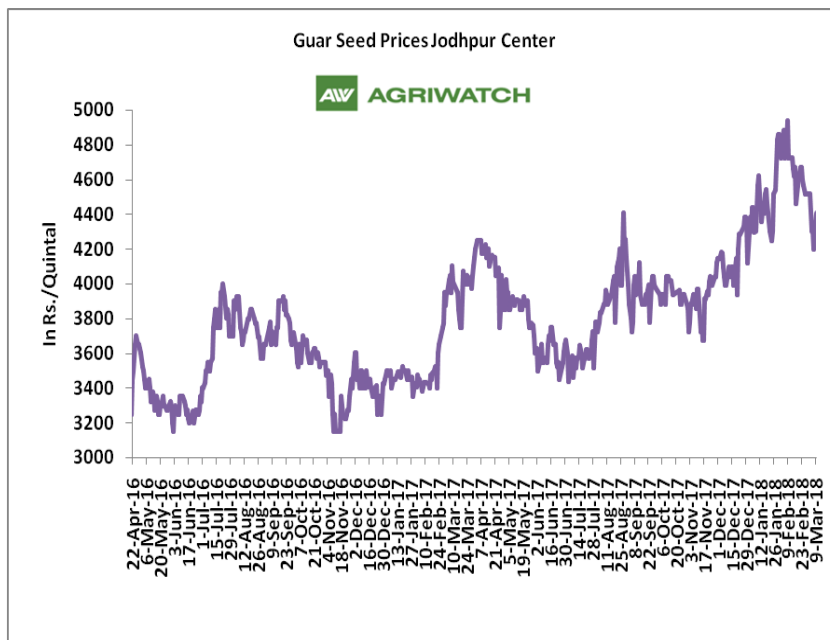
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 4190 levels for a target of 4400 with a stop loss at 4115 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

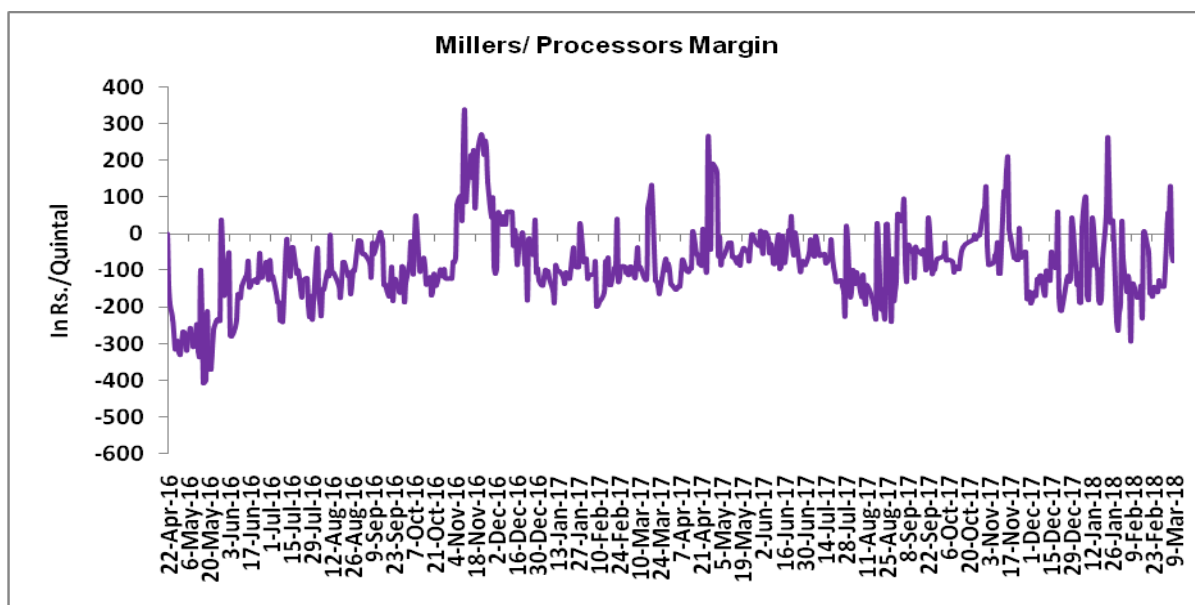
- In the week ended 09th March'18, Guar seed weekly average prices decreased by Rs 176.75/- qtl during the week compared to previous week and settled at Rs 4349 per quintal.
- In addition, Guar gum weekly price decreased by Rs 106.67 per quintal and settled at Rs. 9233 per quintal. Weak demand for guar 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 09th March'18, average crush margin is Rs. -4.50/Quintal, compared to last week's -142.96/Quintal. Therefore, crushing is not favorable for Millers/Processors.

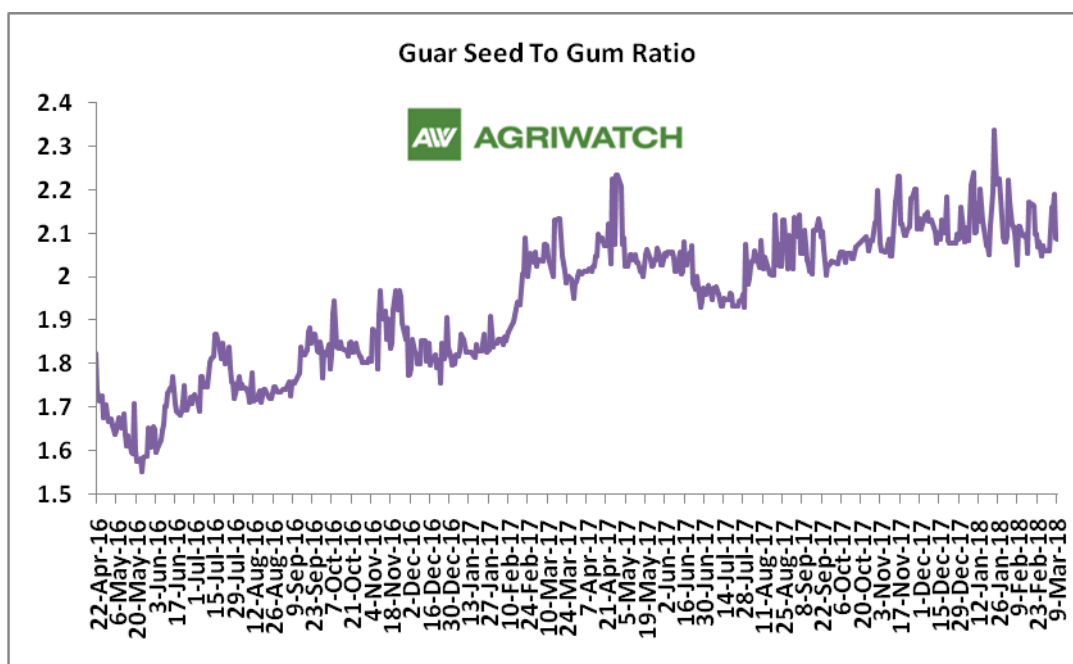
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 09th March'18 is 2.12, lower compared to last week's 2.06

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: April

Exchange: NCDEX
Expiry: April 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 below 9 and 18 day EMAs.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	April	4000	3910	4265	4510	4595
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	April	Buy	Above 4190	4315	4400	4115

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: April

Exchange: NCDEX
Expiry: April 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 below 9 and 18 day EMAs.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	April	8630	8515	9027	9700	9895
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	April	Buy	Above 8950	9225	9450	8785

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	3rd to 9th March 2018	24th February to 1st March 2018	Change
Churi	Jodhpur	1600	1600	Unch
Korma	Jodhpur	2175	2168	7
Churi	Sri-Ganganagar	1425	1425	Unch
Korma	Sri-Ganganagar	1950	1935	15
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	3rd to 9th March 2018	24th February to 1st March 2018	Change
Guargum Split		1415	1442	-27
Guargum Powder	200 Mesh 5000 CPS	1722	1750	-28
	200 Mesh 3500 CPS	1645	1673	-27
Guargum Meal	40%	323	327	-4
	50%	444	444	Unch
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			3rd to 9th March 2018	24th February to 1st March 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4142	4313	-171
		Jodhpur(Delivery)	4349	4528	-179
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4125	4192	-67
		Sri-Ganganagar (Delivery)	4275	4342	-67
		Rawla (Loose)	4027	4050	-23
		Gharsana (Loose)	4012	4073	-61
		Raisinghnagar (Loose)	4037	4075	-38
	Bikaner	Bikaner (Loose)	4091	4150	-59
		Bikaner (Delivery)	4295	4358	-62
		Nokha(Loose)	4076	4065	11
		Nokha (Delivery)	4280	4268	11
		Khajuwala (Loose)	4063	4105	-43
		Khajuwala (Delivery)	4266	4310	-45
		Lunkaransar (Loose)	4063	4100	-38
	Hanumangarh	Hanumangarh (Loose)	4068	4073	-4
		Hanumangarh (Delivery)	4272	4276	-4

		Nohar (Loose)	4062	4093	-31
		Pilibanga (Loose)	4085	4063	23
	Nagaur	Nagaur (Loose)	4070	4100	-30
	Churu	Churu (Delivery)	4242	4250	-8
	Alwar	Alwar (Loose)	3958	4050	-92
Haryana	Hisar	Adampur (Loose)	4062	4125	-63
		Adampur (Delivery)	4265	4331	-67
	Bhiwani	Bhiwani (Delivery)	4295	4275	20
		Siwani (Loose)	4167	4224	-57
	Sirsa	Sirsa (Loose)	4090	4149	-59
		Dhabwali (Loose)	4090	NA	-
		Dhabwali (Delivery)	4124	NA	-
		Ellanabad (Loose)	4050	4050	Unch
	Fatehabad	Fatehabad (Loose)	4048	4034	14
Gujarat	Banaskantha	Deesa (Loose)	Closed	3975	-
	Patan	Patan (Loose)	3944	3980	-36
	Rajkot	Rajkot (Loose)	3874	4008	-134
	Jamnagar	Dhrol (Loose)	4080	3765	315
Madhya Pradesh	Gwalior	Dabra (Loose)	3867	4100	-233
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9233	9350	-117
	Alwar	Alwar	9250	9350	-100
	Hanumangarh	Nohar	9233	9300	-67
Haryana	Bhiwani	Bhiwani	9125	9263	-138
	Sirsa	Sirsa	9275	9300	-25
		Dhabwali	9333	NA	-
		Ellanabad	9092	9263	-171
	Fatehabad	Fatehabad	9250	9310	-60

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			9-Mar-18	1-Mar-18	9-Feb-18	9-Mar-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4200	4300	4500	3950
		Jodhpur(Delivery)	4410	4515	4725	4100
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4025	4125	4300	3747
		Sri-Ganganagar (Delivery)	4175	4275	4450	3897
		Rawla (Loose)	4000	4020	4270	3800
		Gharsana (Loose)	4000	4060	4300	3750
		Raisinghnagar (Loose)	4020	4050	4365	3800

	Bikaner	Bikaner (Loose)	4060	4150	4300	3750
		Bikaner (Delivery)	4263	4358	4515	3900
		Nokha(Loose)	4050	4060	4260	3750
		Nokha (Delivery)	4253	4263	4473	3885
		Khajuwala (Loose)	4025	4080	4280	3800
		Khajuwala (Delivery)	4226	4284	4494	3952
		Lunkaransar (Loose)	4050	4100	4300	3850
	Hanumangarh	Hanumangarh (Loose)	4000	4060	4300	3700
		Hanumangarh (Delivery)	4200	4263	4515	3850
		Nohar (Loose)	4000	4100	4450	3900
		Pilibanga (Loose)	NA	4150	4350	3750
	Nagaur	Nagaur (Loose)	Closed	4100	4250	3750
	Churu	Churu (Delivery)	4250	4200	4500	3850
	Alwar	Alwar (Loose)	3950	4100	4200	3600
Haryana	Hisar	Adampur (Loose)	4050	4100	4370	3850
		Adampur (Delivery)	4253	4305	4589	4000
	Bhiwani	Bhiwani (Delivery)	4250	4300	NR	4000
		Siwani (Loose)	4125	4250	4450	3900
	Sirsa	Sirsa (Loose)	4050	4125	4380	3850
		Dhabwali (Loose)	4000	4100	4350	3900
		Dhabwali (Delivery)	4000	4305	4568	4050
		Ellanabad (Loose)	4050	4050	4350	3800
	Fatehabad	Fatehabad (Loose)	4050	4050	4250	3900
Gujarat	Banaskantha	Deesa (Loose)	Closed	Closed	4175	3700
	Patan	Patan (Loose)	3875	3980	4115	3695
	Rajkot	Rajkot (Loose)	3760	3925	4250	3750
	Jamnagar	Dhrol (Loose)	NA	3530	3920	3520
Madhya Pradesh	Gwalior	Dabra (Loose)	3800	4100	4200	3800
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9200	9300	10000	8500
	Alwar	Alwar	9200	9300	9900	8300
	Hanumangarh	Nohar	9300	9200	10000	8400
Haryana	Bhiwani	Bhiwani	8950	9300	NR	8600
	Sirsa	Sirsa	9100	9350	9500	8400
		Dhabwali	9000	9700	10300	8200
		Ellanabad	9050	9300	10000	8300
	Fatehabad	Fatehabad	9000	9350	9800	8700

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			3rd to 9th March 2018	24th February to 1st March 2018	
Rajasthan	Jodhpur	Jodhpur	590	630	-40
	Sri-Ganganagar	Sri-Ganganagar	3500	1350	2150
		Rawla	800	600	200
		Gharsana	700	550	150
		Raisinghnagar	2400	2400	Unch
	Bikaner	Bikaner	850	450	400
		Nokha	1200	1400	-200
		Khajuwala	1600	1300	300
		Lunkaransar	1600	700	900
	Hanumangarh	Hanumangarh	1450	510	940
		Nohar	5000	4800	200
		Pilibanga	850	1130	-280
	Nagaur	Nagaur	900	250	650
	Churu	Churu	6600	2000	4600
	Alwar	Alwar	1300	600	700
Haryana	Hisar	Adampur	5700	5500	200
	Bhiwani	Bhiwani	3400	4100	-700
		Siwani	5400	3900	1500
	Sirsa	Sirsa	4900	5400	-500
		Dhabwali	850	NA	-
		Ellanabad	900	700	200
	Fatehabad	Fatehabad	650	920	-270
Gujarat	Banaskantha	Deesa	Closed	37	-
	Patan	Patan	334	334	Unch
	Rajkot	Rajkot	650	750	-100
	Jamnagar	Dhrol	3	6	-3
Madhya Pradesh	Gwalior	Dabra	400	1000	-600
Total Arrivals/Above Markets			52527	41317	11210

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