

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices decreased by 1.66 percent to Rs. 3811.43 per quintal during the week ended 15th March 2018. Guar seed average price were ruling at Rs 3875.58 per quintal during 01-08 March 2018. As compared to prices in the week 09-15 March 2017, the prices are weak by 1.57 percent. Prices are expected to remain steady to firm in coming days.

Guar market has fallen by around Rs 600 per quintal in past week. As of now, guar (April contract) is moving in the range of Rs 4200-4340 per quintal. Traders are advised to buy around Rs 4200-4230 per quintal for a target price of Rs 4640-4690 per quintal in upcoming weeks. Fundamentals are still in favor of guar with good export demand and lower crop availability.

The wholesale price index of guar seed has increased from 99.0 in January 2018 to 102.70 in February 2018. The WPI for February 2018 is up by 3.74 percent compared to previous month and by 37.30 percent compared to February 2017.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 990 as on 16th March 2018 up by 6 compared to last week and by 201 compared to 17th 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.

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 (5900 quintals) compared to previous week arrivals of 5700 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (1400 quintals) compared to 850 quintals in the previous week.

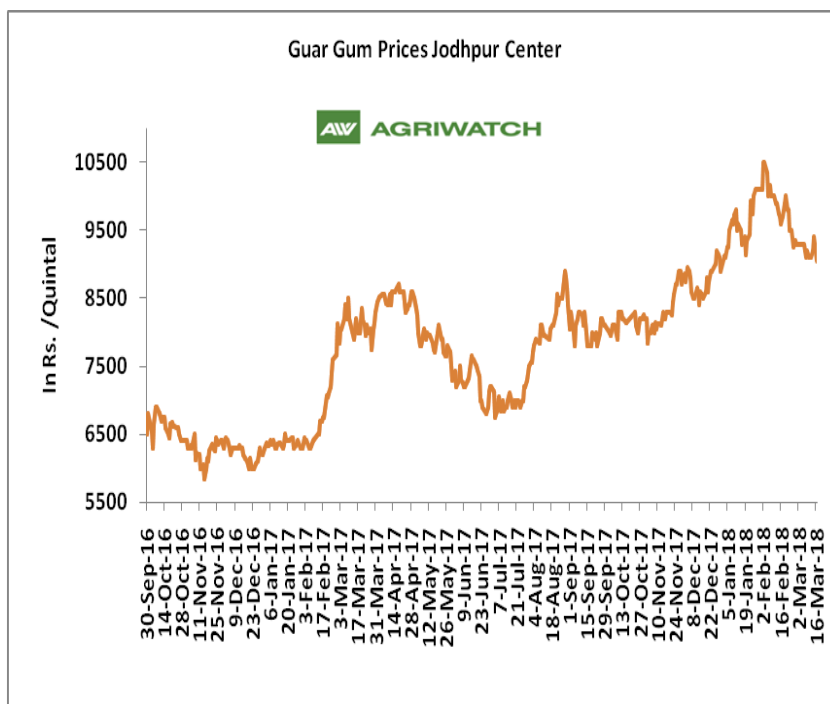
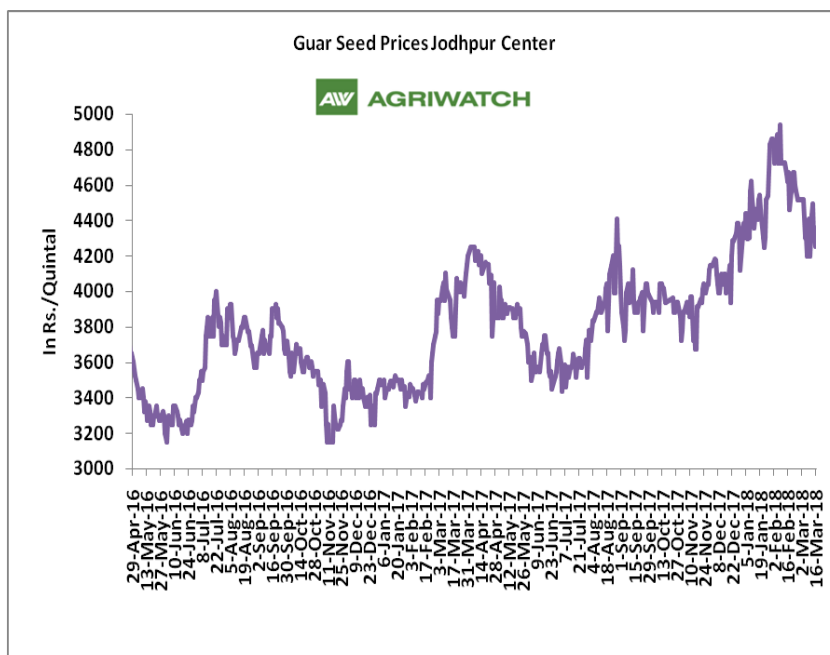
Recommendation:

Weekly Call - : Market participants are advised to Buy Guar seed at 4200 levels for a target of 4415 with a stop loss at 4122 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

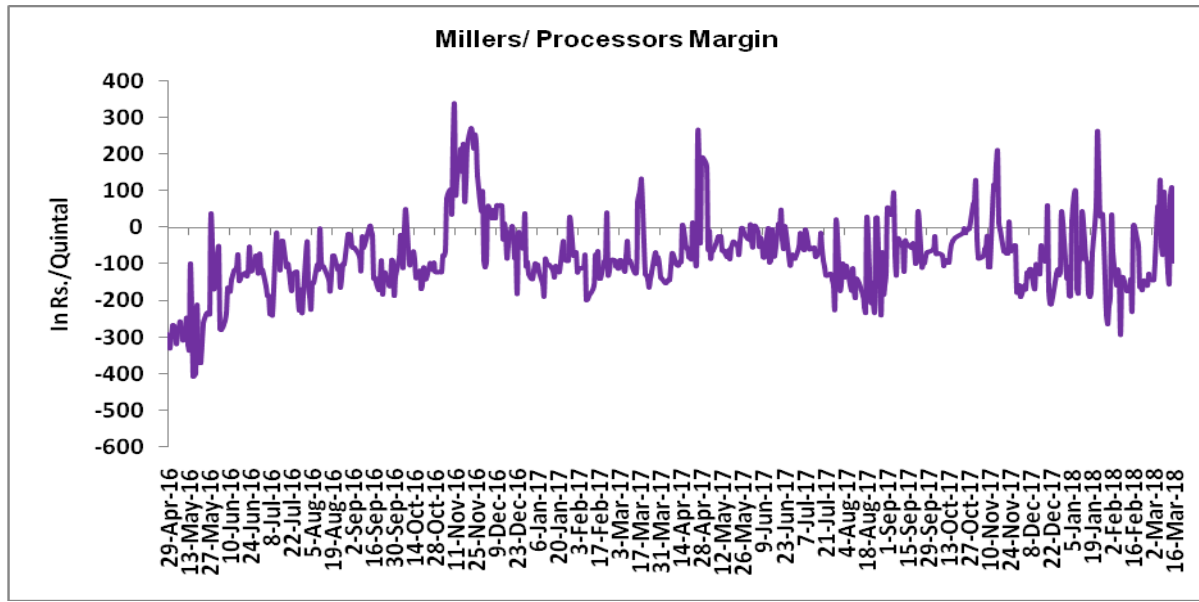
- In the week ended 16th March'18, Guar seed weekly average prices decreased by Rs 8.75/- qtl during the week compared to previous week and settled at Rs 4340 per quintal.
- In addition, Guar gum weekly price decreased by Rs 41.67 per quintal and settled at Rs. 9192 per quintal. Weak demand for guar 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 16th March'18, average crush margin is Rs. -12.70/Quintal, compared to last week's -4.50/Quintal. Therefore, crushing is not favorable for Millers/Processors.

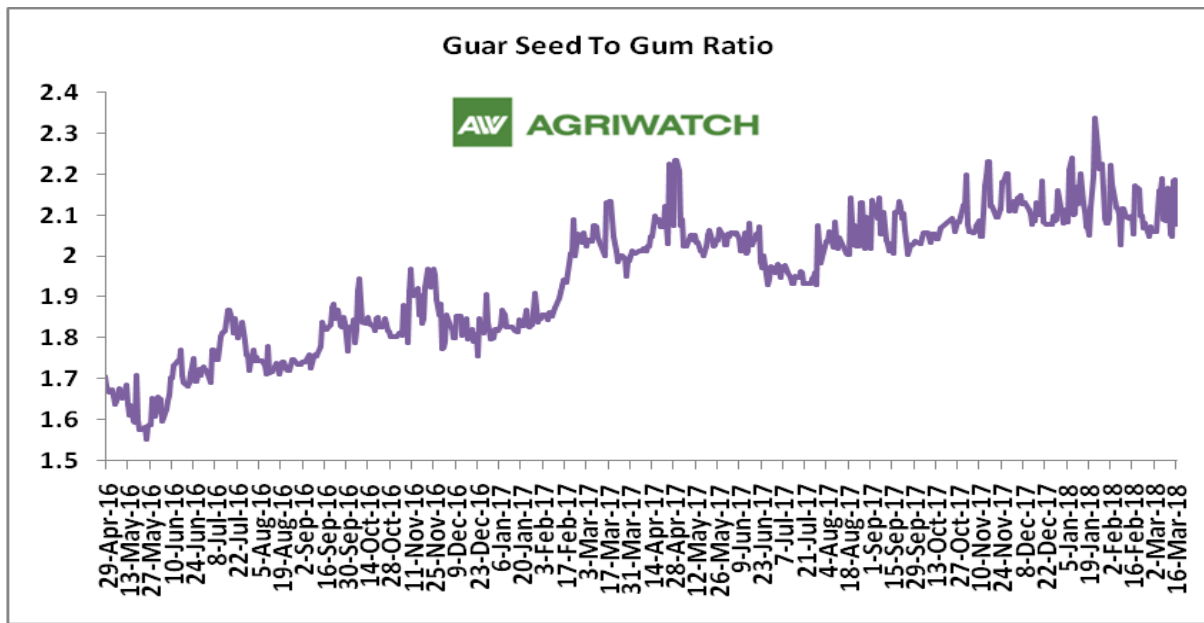
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 16th March'18 is 2.11, lower compared to last week's 2.12

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 fall in open interest indicates short covering.
- 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	4010	3910	4278	4525	4615
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	April	Buy	Above 4200	4330	4415	4122



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 fall in open interest indicates short covering.
- 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	8605	8490	9120	9675	9880
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	April	Buy	Above 8925	9200	9425	8760

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices:				
Commodity	Centre	10th to 16th March 2018	3rd to 9th March 2018	Change
Churi	Jodhpur	1597	1600	-3
Korma	Jodhpur	2169	2175	-6
Churi	Sri-Ganganagar	1419	1425	-6
Korma	Sri-Ganganagar	1950	1950	Unch
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	10th to 16th March 2018	3rd to 9th March 2018	Change
Guargum Split		1416	1415	1
Guargum Powder	200 Mesh 5000 CPS	1724	1722	2
	200 Mesh 3500 CPS	1647	1645	2
Guargum Meal	40%	331	323	8
	50%	431	444	-13
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			10th to 16th March 2018	3rd to 9th March 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4133	4142	-8
		Jodhpur(Delivery)	4340	4349	-9
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3975	4125	-150
		Sri-Ganganagar (Delivery)	4125	4275	-150
		Rawla (Loose)	3931	4027	-95
		Gharsana (Loose)	3994	4012	-18
		Raisinghnagar (Loose)	4021	4037	-16
	Bikaner	Bikaner (Loose)	4073	4091	-18
		Bikaner (Delivery)	4277	4295	-18
		Nokha(Loose)	4048	4076	-28
		Nokha (Delivery)	4250	4280	-30
		Khajuwala (Loose)	4028	4063	-35
		Khajuwala (Delivery)	4229	4266	-37
		Lunkaransar (Loose)	4066	4063	4
	Hanumangarh	Hanumangarh (Loose)	4023	4068	-45
		Hanumangarh (Delivery)	4225	4272	-47

		Nohar (Loose)	4069	4062	8
		Pilibanga (Loose)	3950	4085	-135
	Nagaur	Nagaur (Loose)	4021	4070	-49
	Churu	Churu (Delivery)	4250	4242	8
	Alwar	Alwar (Loose)	3950	3958	-8
Haryana	Hisar	Adampur (Loose)	4020	4062	-42
		Adampur (Delivery)	4221	4265	-44
	Bhiwani	Bhiwani (Delivery)	4263	4295	-33
		Siwani (Loose)	4158	4167	-8
	Sirsa	Sirsa (Loose)	4051	4090	-39
		Dhabwali (Loose)	4073	4090	-18
		Dhabwali (Delivery)	4075	4124	-49
		Ellanabad (Loose)	4039	4050	-11
	Fatehabad	Fatehabad (Loose)	3981	4048	-67
Gujarat	Banaskantha	Deesa (Loose)	3898	Closed	-
	Patan	Patan (Loose)	3915	3944	-29
	Rajkot	Rajkot (Loose)	3833	3874	-42
	Jamnagar	Dhrol (Loose)	3692	4080	-388
Madhya Pradesh	Gwalior	Dabra (Loose)	3600	3867	-267
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9192	9233	-42
	Alwar	Alwar	9180	9250	-70
	Hanumangarh	Nohar	9217	9233	-17
Haryana	Bhiwani	Bhiwani	9178	9125	53
	Sirsa	Sirsa	9158	9275	-117
		Dhabwali	9175	9333	-158
		Ellanabad	9125	9092	33
	Fatehabad	Fatehabad	9080	9250	-170

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			16-Mar-18	9-Mar-18	16-Feb-18	16-Mar-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4150	4200	4450	3650
		Jodhpur(Delivery)	4358	4410	4673	3800
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4000	4025	4200	3692
		Sri-Ganganagar (Delivery)	4150	4175	4350	3842
		Rawla (Loose)	3680	4000	4220	3800
		Gharsana (Loose)	3960	4000	4220	3760

		Raisinghnagar (Loose)	3950	4020	4300	3675
	Bikaner	Bikaner (Loose)	4000	4060	4250	3750
		Bikaner (Delivery)	4200	4263	4463	3900
		Nokha(Loose)	4020	4050	4200	3700
		Nokha (Delivery)	4221	4253	4410	3833
		Khajuwala (Loose)	3970	4025	4235	3730
		Khajuwala (Delivery)	4169	4226	4447	3879
		Lunkaransar (Loose)	NR	4050	4250	3700
	Hanumangarh	Hanumangarh (Loose)	3960	4000	4270	3800
		Hanumangarh (Delivery)	4158	4200	4484	3950
		Nohar (Loose)	4000	4000	4300	3800
		Pilibanga (Loose)	3950	NA	4250	3675
	Nagaur	Nagaur (Loose)	4000	Closed	4100	3700
	Churu	Churu (Delivery)	NR	4250	4350	3900
	Alwar	Alwar (Loose)	NR	3950	4000	3700
Haryana	Hisar	Adampur (Loose)	4050	4050	4270	3750
		Adampur (Delivery)	4253	4253	4484	3900
	Bhiwani	Bhiwani (Delivery)	4200	4250	4425	3900
		Siwani (Loose)	4100	4125	4380	3850
	Sirsa	Sirsa (Loose)	4040	4050	4275	3815
		Dhabwali (Loose)	NR	4000	4350	3800
		Dhabwali (Delivery)	NR	4000	4568	3950
		Ellanabad (Loose)	4000	4050	4225	3725
	Fatehabad	Fatehabad (Loose)	3925	4050	4250	3750
Gujarat	Banaskantha	Deesa (Loose)	NA	Closed	4105	3625
	Patan	Patan (Loose)	3830	3875	4170	3595
	Rajkot	Rajkot (Loose)	3825	3760	4025	3550
	Jamnagar	Dhrol (Loose)	3830	NA	NA	3570
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	3800	4350	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9050	9200	9600	8100
	Alwar	Alwar	NR	9200	9500	8200
	Hanumangarh	Nohar	9000	9300	9800	8200
Haryana	Bhiwani	Bhiwani	9000	8950	9850	8680
	Sirsa	Sirsa	9200	9100	9700	8250
		Dhabwali	NR	9000	9800	8400
		Ellanabad	9000	9050	9600	8200
	Fatehabad	Fatehabad	9100	9000	9650	8200

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			10th to 16th March 2018	3rd to 9th March 2018	
Rajasthan	Jodhpur	Jodhpur	310	590	-280
	Sri-Ganganagar	Sri-Ganganagar	4400	3500	900
		Rawla	2750	800	1950
		Gharsana	1250	700	550
		Raisinghnagar	3000	2400	600
	Bikaner	Bikaner	1400	850	550
		Nokha	1350	1200	150
		Khajuwala	1750	1600	150
		Lunkaransar	2000	1600	400
	Hanumangarh	Hanumangarh	2125	1450	675
		Nohar	7000	5000	2000
		Pilibanga	150	850	-700
	Nagaur	Nagaur	600	900	-300
	Churu	Churu	2900	6600	-3700
	Alwar	Alwar	1050	1300	-250
Haryana	Hisar	Adampur	5900	5700	200
	Bhiwani	Bhiwani	12100	3400	8700
		Siwani	6300	5400	900
	Sirsa	Sirsa	11500	4900	6600
		Dhabwali	1050	850	200
		Ellanabad	2200	900	1300
	Fatehabad	Fatehabad	1300	650	650
Gujarat	Banaskantha	Deesa	65	Closed	65
	Patan	Patan	383	334	49
	Rajkot	Rajkot	580	650	-70
	Jamnagar	Dhrol	31	3	28
Madhya Pradesh	Gwalior	Dabra	500	400	100
Total Arrivals/Above Markets			58732	52527	6205

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