



# Guar Weekly Research Report

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#### Executive Summary

##### Domestic Guar Seed Market Summary

All India weekly average prices decreased by 2.29 percent to Rs. 3723.96 per quintal during the week ended 23rd March 2018. Guar seed average price were ruling at Rs 3811.43 per quintal during 09-15 March 2018. As compared to prices in the week 16-23 March 2017, the prices are firm by 5.58 percent. Prices are expected to remain steady to weak in coming days.

As per latest update by DGCIS, India has exported around 405625 metric tonnes of guar gum in April-January (2017-18) compared to 312949 metric tonnes in April- January (2016-17). In terms of value, exports have increased by around 29.60 percent. Total crop availability is lower this year compared to last year. Carryover stocks have also decreased due to higher exports compared to last year.

Guar Seed April contract closed at Rs 4153 per quintal after falling by Rs 125.0 per quintal last week. As of now guar has breached support level of Rs 4200 per quintal and a fresh low of Rs 4000-4050 per quintal can be expected in coming days. However, in long term fundamentals are still in favor of guar with good export demand and lower crop availability. Traders are creating fresh positions at lower levels and are targeting a price of Rs 4600-4700 per quintal in long term.

As per data released by Baker Hughes, the number of oilrigs in USA has increased to 995 as on 23rd March 2018 up by 5 compared to last week and by 186 compared to 24th 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 25606 tonnes of guar gum in the month of December up by around 8.08 percent compared to previous month. Furthermore it is lower by around 0.58 percent compared to December'17. India also exported 13019 tonnes of guar meal and 3961 tonnes of guar split have been exported by India in December'17. Exports are likely to stay steady in coming months.

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 far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (4300 quintals) compared to previous week arrivals of 5900 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1030 quintals) compared to 1400 quintals in the previous week.

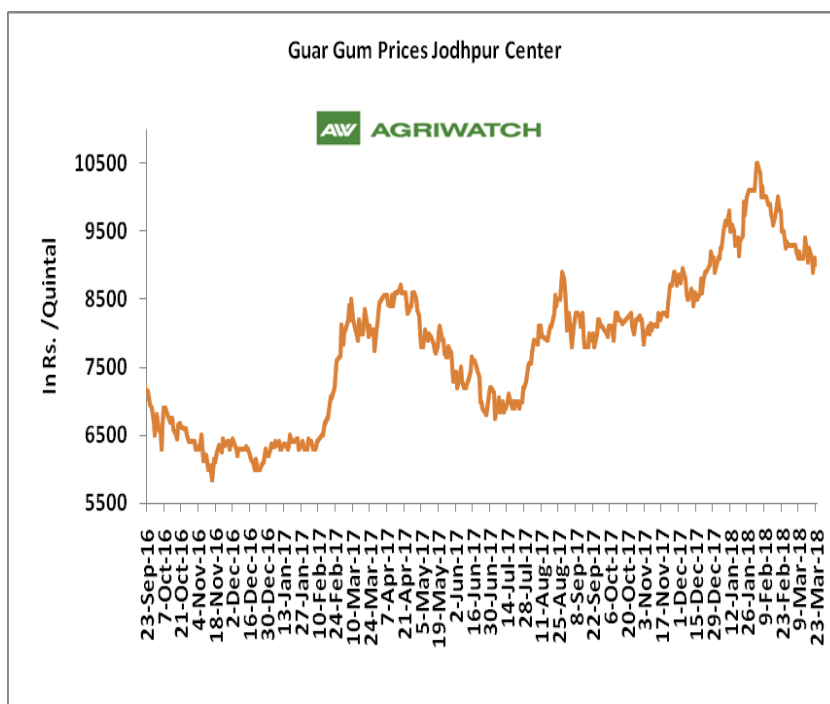
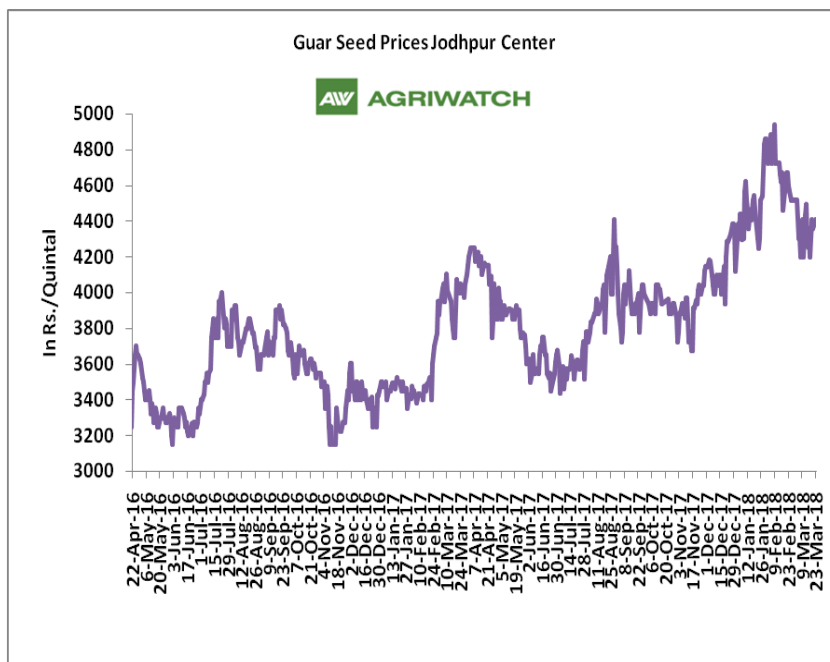
#### Recommendation:

**Weekly Call - : Market participants are advised to Sell Guar seed at 4190 levels for a target of 4045 with a stop loss at 4277 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

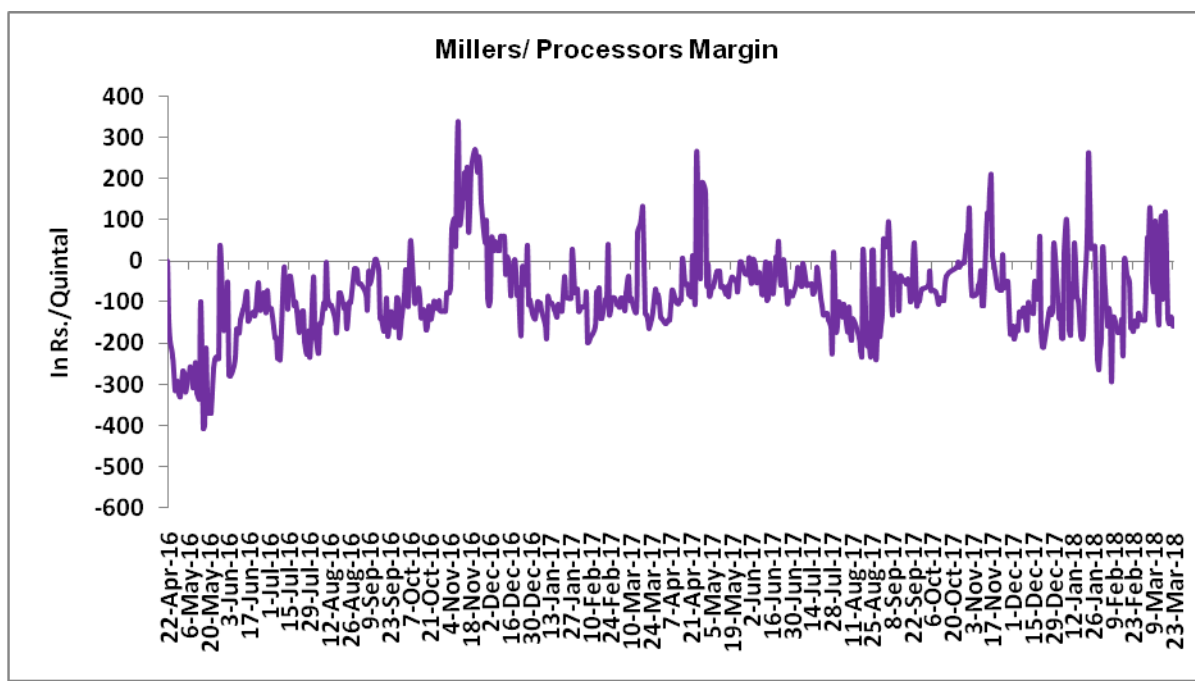
- In the week ended 23<sup>rd</sup> March'18, Guar seed weekly average prices increased by Rs 22.75/- qtl during the week compared to previous week and settled at Rs 4363 per quintal.
- In addition, Guar gum weekly price decreased by Rs 125.00 per quintal and settled at Rs. 9067 per quintal. Weak demand 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 23<sup>rd</sup> March'18, average crush margin is Rs. -101.37/Quintal, compared to last week's -12.70/Quintal. Therefore, crushing is not favorable for Millers/Processors.

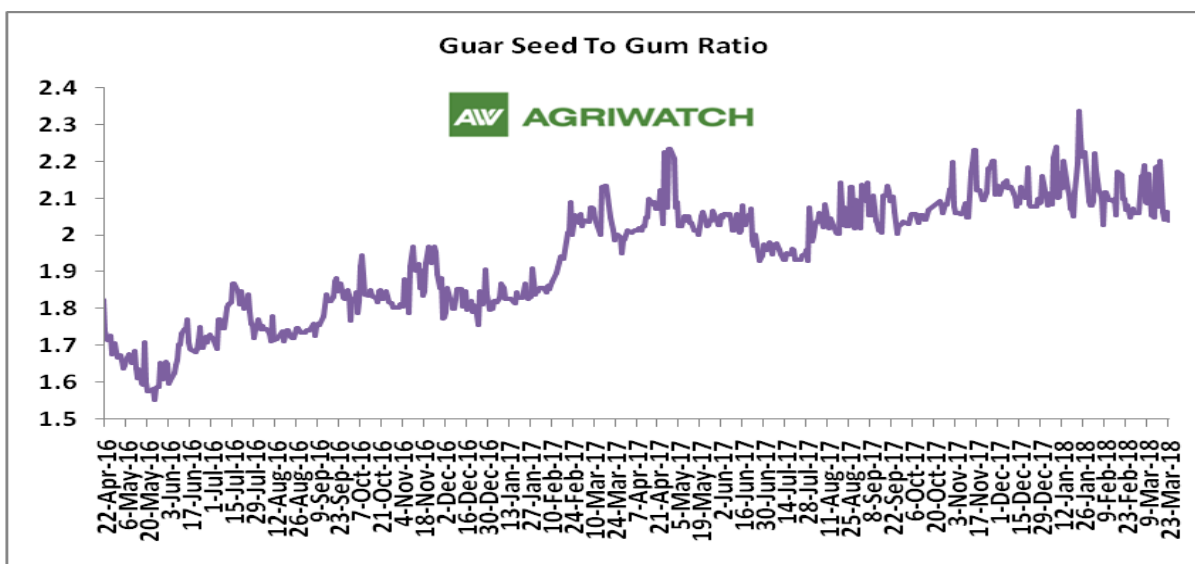
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



### Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 23<sup>rd</sup> March'18 is 2.08, 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

#### Guar Seed (April Weekly Chart)



#### 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	April	3905	3865	4153	4375	4460
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	April	<b>Sell</b>	Below 4190	4045	3960	4277

### Technical Analysis (Guar Gum)

Commodity: Guar Gum  
Contract: April

Exchange: NCDEX  
Expiry: April 20, 2017

#### Guar Gum (April Weekly Chart)



#### 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 Gum	NCDEX	April	8400	8315	8835	9260	9405
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	April	<b>Sell</b>	Below 8910	8675	8510	9051

## Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	17th to 23rd March 2018	10th to 16th March 2018	Change
Churi	Jodhpur	1555	1597	-42
Korma	Jodhpur	2144	2169	-25
Churi	Sri-Ganganagar	1382	1419	-37
Korma	Sri-Ganganagar	1950	1950	Unch

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	17th to 23rd March 2018	10th to 16th March 2018	Change
Guargum Split		1413	1416	-3
Guargum Powder	200 Mesh 5000 CPS	1720	1724	-4
	200 Mesh 3500 CPS	1644	1647	-3
Guargum Meal	40%	323	331	-8
	50%	430	431	-1

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			17th to 23rd March 2018	10th to 16th March 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4155	4133	22
		Jodhpur(Delivery)	4363	4340	23
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3967	3975	-8
		Sri-Ganganagar (Delivery)	4117	4125	-8
		Rawla (Loose)	3892	3931	-40
		Gharsana (Loose)	3928	3994	-66
		Raisinghnagar (Loose)	3930	4021	-91
	Bikaner	Bikaner (Loose)	3975	4073	-98
		Bikaner (Delivery)	4174	4277	-103
		Nokha(Loose)	3998	4048	-50
		Nokha (Delivery)	4197	4250	-53
		Khajuwala (Loose)	3970	4028	-58
		Khajuwala (Delivery)	4169	4229	-60
		Lunkaransar (Loose)	3992	4066	-74
	Hanumangarh	Hanumangarh (Loose)	3933	4023	-90
		Hanumangarh (Delivery)	4130	4225	-95
		Nohar (Loose)	3972	4069	-98

		Pilibanga (Loose)	3950	3950	Unch
	Nagaur	Nagaur (Loose)	3950	4021	-71
	Churu	Churu (Delivery)	4175	4250	-75
	Alwar	Alwar (Loose)	3908	3950	-42
Haryana	Hisar	Adampur (Loose)	3962	4020	-58
		Adampur (Delivery)	4160	4221	-61
	Bhiwani	Bhiwani (Delivery)	4182	4263	-81
		Siwani (Loose)	4097	4158	-62
	Sirsa	Sirsa (Loose)	3996	4051	-55
		Dhabwali (Loose)	3972	4073	-101
		Dhabwali (Delivery)	4170	4075	95
		Ellanabad (Loose)	3958	4039	-81
	Fatehabad	Fatehabad (Loose)	3933	3981	-48
Gujarat	Banaskantha	Deesa (Loose)	3950	3898	53
	Patan	Patan (Loose)	3817	3915	-98
	Rajkot	Rajkot (Loose)	3825	3833	-8
	Jamnagar	Dhrol (Loose)	3450	3692	-242
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	3600	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9067	9192	-125
	Alwar	Alwar	9075	9180	-105
	Hanumangarh	Nohar	9083	9217	-133
Haryana	Bhiwani	Bhiwani	8867	9178	-312
	Sirsa	Sirsa	9092	9158	-67
		Dhabwali	9026	9175	-150
		Ellanabad	9008	9125	-117
	Fatehabad	Fatehabad	8983	9080	-97

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			23-Mar-18	16-Mar-18	23-Feb-18	23-Mar-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4200	4150	4375	3850
		Jodhpur(Delivery)	4410	4358	4594	4000
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3900	4000	4200	3725
		Sri-Ganganagar (Delivery)	4050	4150	4350	3875
		Rawla (Loose)	3920	3680	4150	3725
		Gharsana (Loose)	3900	3960	4150	3670



		Raisinghnagar (Loose)	3910	3950	4200	3750
	<b>Bikaner</b>	Bikaner (Loose)	3950	4000	4250	3725
		Bikaner (Delivery)	4148	4200	4463	3875
		Nokha(Loose)	3975	4020	4150	3700
		Nokha (Delivery)	4174	4221	4358	3833
		Khajuwala (Loose)	3940	3970	4160	3775
		Khajuwala (Delivery)	4137	4169	4368	3926
		Lunkaransar (Loose)	3950	4100	4200	3650
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3900	3960	4140	3750
		Hanumangarh (Delivery)	4095	4158	4347	3900
		Nohar (Loose)	3960	4000	4150	3750
		Pilibanga (Loose)	NA	3950	4100	3660
	<b>Nagaur</b>	Nagaur (Loose)	3850	4000	4100	3500
	<b>Churu</b>	Churu (Delivery)	4150	4300	4250	3850
	<b>Alwar</b>	Alwar (Loose)	3900	4000	4050	3600
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3950	4050	4165	3700
		Adampur (Delivery)	4148	4253	4373	3850
	<b>Bhiwani</b>	Bhiwani (Delivery)	4170	4200	4400	3825
		Siwani (Loose)	4080	4100	4275	3850
	<b>Sirsa</b>	Sirsa (Loose)	4010	4040	4200	3800
		Dhabwali (Loose)	3910	4100	4100	3710
		Dhabwali (Delivery)	4106	4305	4305	3860
		Ellanabad (Loose)	3950	4000	4125	3750
	<b>Fatehabad</b>	Fatehabad (Loose)	3950	3925	4100	3600
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	NA	NA	4075	3565
	<b>Patan</b>	Patan (Loose)	3875	3830	4130	3540
	<b>Rajkot</b>	Rajkot (Loose)	3900	3825	4175	3550
	<b>Jamnagar</b>	Dhrol (Loose)	Closed	3830	NR	3400
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	9000	9050	9500	7950
	<b>Alwar</b>	Alwar	9000	9350	9600	8000
	<b>Hanumangarh</b>	Nohar	9100	9000	9600	8100
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	8800	9000	9500	8550
	<b>Sirsa</b>	Sirsa	9050	9200	9500	8150
		Dhabwali	8900	9302	9700	8100
		Ellanabad	9000	9000	9450	8100
	<b>Fatehabad</b>	Fatehabad	8950	9100	9400	8200

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			17th to 23rd March 2018	10th to 16th March 2018	
Rajasthan	Jodhpur	Jodhpur	NA	310	-
	Sri-Ganganagar	Sri-Ganganagar	5000	4400	600
		Rawla	3100	2750	350
		Gharsana	1300	1250	50
		Raisinghnagar	4000	3000	1000
	Bikaner	Bikaner	1030	1400	-370
		Nokha	1650	1350	300
		Khajuwala	1650	1750	-100
		Lunkaransar	1300	2000	-700
	Hanumangarh	Hanumangarh	1130	2125	-995
		Nohar	6900	7000	-100
		Pilibanga	150	150	Unch
	Nagaur	Nagaur	900	600	300
	Churu	Churu	3300	2900	400
	Alwar	Alwar	1700	1050	650
Haryana	Hisar	Adampur	4300	5900	-1600
	Bhiwani	Bhiwani	8600	12100	-3500
		Siwani	8000	6300	1700
	Sirsa	Sirsa	10300	11500	-1200
		Dhabwali	1300	1050	250
		Ellanabad	1700	2200	-500
	Fatehabad	Fatehabad	1750	1300	450
Gujarat	Banaskantha	Deesa	20	65	-45
	Patan	Patan	219	383	-164
	Rajkot	Rajkot	440	580	-140
	Jamnagar	Dhrol	1	31	-30
Madhya Pradesh	Gwalior	Dabra	NA	500	-
Total Arrivals/Above Markets			69740	58732	11008

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