



Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices increased by 0.94 percent to Rs. 3758.88 per quintal during the week ended 31st March 2018. Guar seed average price were ruling at Rs 3723.96 per quintal during 16-23 March 2018. As compared to prices in the week 24-31 March 2017, the prices are firm by 6.71 percent. Prices are expected to remain steady to weak in coming days.

Guar Seed April contract closed at Rs 4119.50 per quintal after falling by Rs 33.50 per quintal last week. As of now, guar has breached support level of Rs 4200 per quintal and a fresh low of Rs 3970-4000 per quintal can be expected in coming days. Traders are holding their physical stocks of guar. Furthermore, traders have liquidated their positions in futures in order to create fresh positions at lower levels and are targeting a price of Rs 4350-4500 per quintal. In long term, 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 993 as on 29th March 2018 down by 2 compared to last week and up by 169 compared to 31st 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 millers recovery of guar gum from guar seed is coming around 28.5-31.0 kg of guar gum this year compared to around 31-32 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 8800 per quintal.

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.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (3700 quintals) compared to previous week arrivals of 4300 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (600 quintals) compared to 1030 quintals in the previous week.

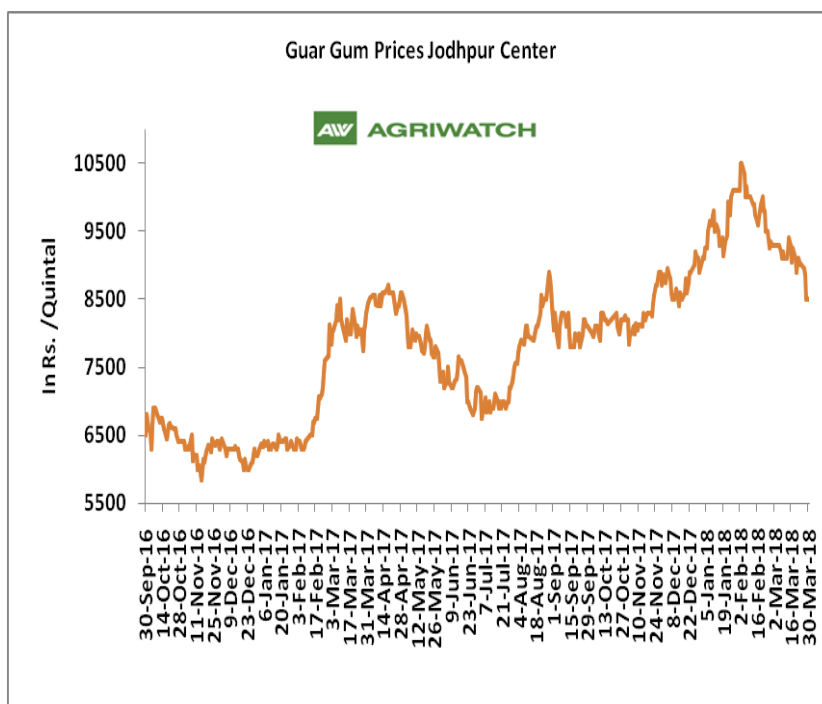
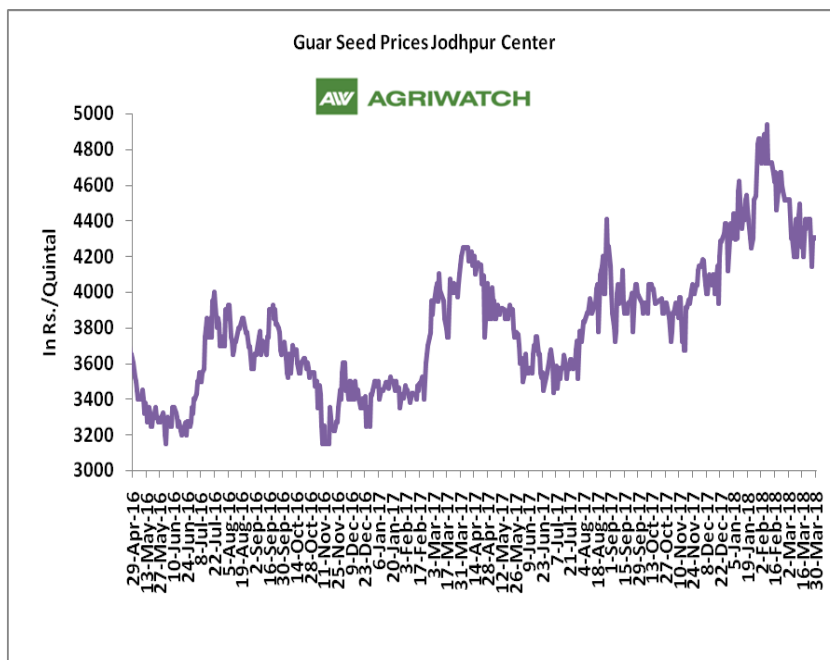
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 4165 levels for a target of 4030 with a stop loss at 4246 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

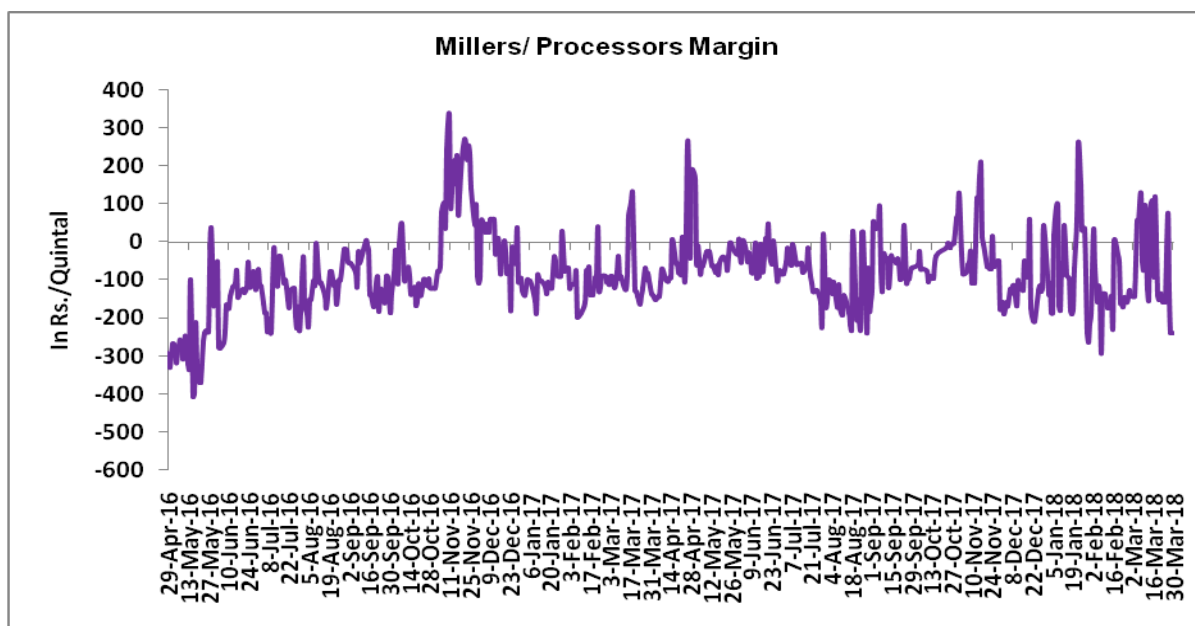
- In the week ended 30th March'18, Guar seed weekly average prices decreased by Rs 66.50/- qtl during the week compared to previous week and settled at Rs 4296 per quintal.
- In addition, Guar gum weekly price decreased by Rs 350.00 per quintal and settled at Rs. 8717 per quintal. Weak demand for guar 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 30th March'18, average crush margin is Rs. -154.56/Quintal, compared to last week's -101.37/Quintal. Therefore, crushing is not favorable for Millers/Processors.

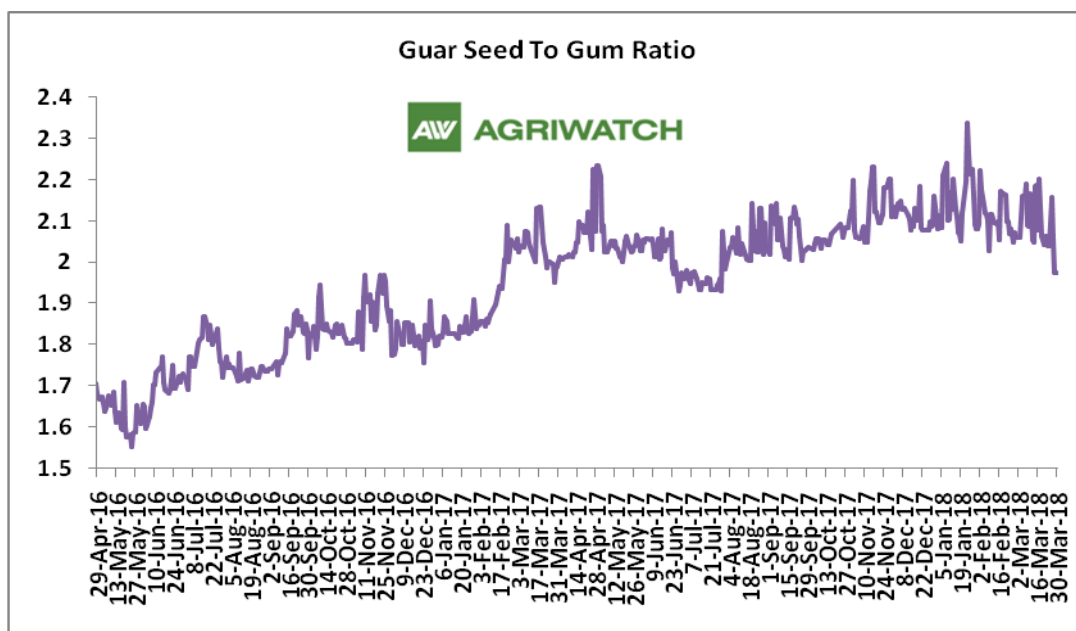
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 30th March'18 is 2.03, lower compared to last week's 2.08

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	3860	3805	4119.5	4395	4530
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	April	Sell	Below 4165	4030	3945	4246

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	8430	8325	8823	9275	9420
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	April	Sell	Below 8965	8725	8560	9109

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	24th to 30th March 2018	17th to 23rd March 2018	Change
Churi	Jodhpur	1530	1555	-25
Korma	Jodhpur	2150	2144	6
Churi	Sri-Ganganagar	1350	1382	-32
Korma	Sri-Ganganagar	1850	1950	-100

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	24th to 30th March 2018	17th to 23rd March 2018	Change
Guargum Split		1417	1413	4
Guargum Powder	200 Mesh 5000 CPS	1726	1720	5
	200 Mesh 3500 CPS	1648	1644	5
Guargum Meal	40%	324	323	1
	50%	431	430	1

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			24th to 30th March 2018	17th to 23rd March 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4088	4155	-68
		Jodhpur(Delivery)	4292	4363	-71
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3954	3967	-13
		Sri-Ganganagar (Delivery)	4104	4117	-13
		Rawla (Loose)	3920	3892	28
		Gharsana (Loose)	3893	3928	-35
		Raisinghnagar (Loose)	3922	3930	-8
	Bikaner	Bikaner (Loose)	3913	3975	-63
		Bikaner (Delivery)	4108	4174	-66
		Nokha(Loose)	3933	3998	-65
		Nokha (Delivery)	4129	4197	-68
		Khajuwala (Loose)	3883	3970	-87
		Khajuwala (Delivery)	4078	4169	-91
		Lunkaransar (Loose)	3845	3992	-147
	Hanumangarh	Hanumangarh (Loose)	3910	3933	-23
		Hanumangarh (Delivery)	4106	4130	-25
		Nohar (Loose)	3928	3972	-43

		Pilibanga (Loose)	NA	3950	-
	Nagaur	Nagaur (Loose)	3842	3950	-108
	Churu	Churu (Delivery)	4090	4175	-85
	Alwar	Alwar (Loose)	3800	3908	-108
Haryana	Hisar	Adampur (Loose)	3903	3962	-59
		Adampur (Delivery)	4098	4160	-62
	Bhiwani	Bhiwani (Delivery)	4058	4182	-123
		Siwani (Loose)	4028	4097	-69
	Sirsa	Sirsa (Loose)	3948	3996	-48
		Dhabwali (Loose)	3863	3972	-109
		Dhabwali (Delivery)	4056	4170	-114
		Ellanabad (Loose)	3913	3958	-46
	Fatehabad	Fatehabad (Loose)	3917	3933	-17
Gujarat	Banaskantha	Deesa (Loose)	3850	3950	-100
	Patan	Patan (Loose)	3825	3817	8
	Rajkot	Rajkot (Loose)	NA	3825	-
	Jamnagar	Dhrol (Loose)	NA	3450	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8825	9067	-242
	Alwar	Alwar	8933	9075	-142
	Hanumangarh	Nohar	8967	9083	-117
Haryana	Bhiwani	Bhiwani	8508	8867	-358
	Sirsa	Sirsa	8967	9092	-125
		Dhabwali	8900	9026	-126
		Ellanabad	8908	9008	-100
	Fatehabad	Fatehabad	8858	8983	-125

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			30-Mar-18	23-Mar-18	28-Feb-18	30-Mar-17
Rajasthan	Jodhpur	Jodhpur (Loose)	Closed	4200	4300	3950
		Jodhpur(Delivery)	Closed	4410	4515	4100
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3950	3900	4250	3800
		Sri-Ganganagar (Delivery)	4100	4050	4400	3950
		Rawla (Loose)	NR	3920	4020	3680
		Gharsana (Loose)	NA	3900	4060	3770

		Raisinghnagar (Loose)	3950	3910	4050	3725
	Bikaner	Bikaner (Loose)	Closed	3950	4150	3700
		Bikaner (Delivery)	Closed	4148	4358	3850
		Nokha(Loose)	Closed	3975	4060	3670
		Nokha (Delivery)	Closed	4174	4263	3802
		Khajuwala (Loose)	Closed	3940	4080	3780
		Khajuwala (Delivery)	Closed	4137	4284	3931
		Lunkaransar (Loose)	3870	3950	4100	3700
	Hanumangarh	Hanumangarh (Loose)	3900	3900	4060	3810
		Hanumangarh (Delivery)	4095	4095	4263	3960
		Nohar (Loose)	3900	3960	4100	3825
		Pilibanga (Loose)	NA	NA	4150	3700
	Nagaur	Nagaur (Loose)	Closed	3850	4100	3500
	Churu	Churu (Delivery)	4100	4150	4200	3850
	Alwar	Alwar (Loose)	3800	3900	4100	3600
Haryana	Hisar	Adampur (Loose)	3870	3950	4100	3775
		Adampur (Delivery)	4064	4148	4305	3925
	Bhiwani	Bhiwani (Delivery)	4050	4170	4300	3870
		Siwani (Loose)	4025	4080	4250	3900
	Sirsa	Sirsa (Loose)	3930	4010	4100	3825
		Dhabwali (Loose)	3900	3910	4100	3700
		Dhabwali (Delivery)	4095	4106	4305	3850
		Ellanabad (Loose)	3900	3950	4050	3800
	Fatehabad	Fatehabad (Loose)	3900	3950	4020	3650
Gujarat	Banaskantha	Deesa (Loose)	Closed	NA	NA	3545
	Patan	Patan (Loose)	Closed	3875	3980	3645
	Rajkot	Rajkot (Loose)	Closed	3900	3975	3560
	Jamnagar	Dhrol (Loose)	Closed	Closed	NA	3400
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	-
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	Closed	9000	9300	8150
	Alwar	Alwar	9000	9000	9300	8000
	Hanumangarh	Nohar	8900	9100	9200	8200
Haryana	Bhiwani	Bhiwani	8450	8800	9300	8190
	Sirsa	Sirsa	9000	9050	9300	8250
		Dhabwali	9000	8900	9700	8100
		Ellanabad	8900	9000	9300	8200
	Fatehabad	Fatehabad	NR	8950	9300	8000

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			24th to 30th March 2018	17th to 23rd March 2018	
Rajasthan	Jodhpur	Jodhpur	NA	NA	-
	Sri-Ganganagar	Sri-Ganganagar	5900	5000	900
		Rawla	200	3100	-2900
		Gharsana	600	1300	-700
		Raisinghnagar	2500	4000	-1500
	Bikaner	Bikaner	600	1030	-430
		Nokha	1150	1650	-500
		Khajuwala	900	1650	-750
		Lunkaransar	2250	1300	950
	Hanumangarh	Hanumangarh	960	1130	-170
		Nohar	2500	6900	-4400
		Pilibanga	NA	150	-150
	Nagaur	Nagaur	220	900	-680
	Churu	Churu	2300	3300	-1000
	Alwar	Alwar	1700	1700	Unch
Haryana	Hisar	Adampur	3700	4300	-600
	Bhiwani	Bhiwani	9500	8600	900
		Siwani	5600	8000	-2400
	Sirsa	Sirsa	8700	10300	-1600
		Dhabwali	900	1300	-400
		Ellanabad	1000	1700	-700
	Fatehabad	Fatehabad	1650	1750	-100
Gujarat	Banaskantha	Deesa	8	20	-12
	Patan	Patan	41	219	-178
	Rajkot	Rajkot	NA	440	-440
	Jamnagar	Dhrol	NA	1	-1
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			52879	69740	-16861

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