



Guar Weekly Research Report

Contents

- ❖ Executive Summary
- ❖ Recommendations
- ❖ Domestic Market Fundamentals
- ❖ Processing Margins
- ❖ Technical Analysis (Futures Market)
- ❖ Guar Seed & Gum Prices at Key Spot Markets

Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices increased by 1.77 percent to Rs. 3722.06 per quintal during the week ended 15th April 2018. Guar seed average price were ruling at Rs 3657.47 per quintal during 01-08 April 2018. As compared to prices in the week 09-15 April 2017, the prices are firm by 4.74 percent. Prices are expected to remain steady to firm in coming days.

Guar Seed May contract closed at Rs 4111.50 per quintal after falling by Rs 17.00 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 4300-4370 per quintal.

As per latest update, India has exported 24753 tonnes of guar gum in the month of January down by around 3.33 percent compared to previous month. Furthermore it is up by around 2.67 percent compared to January'17. India also exported 11938 tonnes of guar meal and 3934 tonnes of guar split have been exported by India in January'17. Exports are likely to stay steady in coming months.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1008 as on 13th April 2018 up by 5 compared to last week and up by 161 compared to 13th April 2017. The total number of oilrigs was recorded at 2179 worldwide in March'18 compared to 2271 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 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 (2900 quintals) compared to previous week arrivals of 3700 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (600 quintals) compared to 1100 quintals in the previous week.

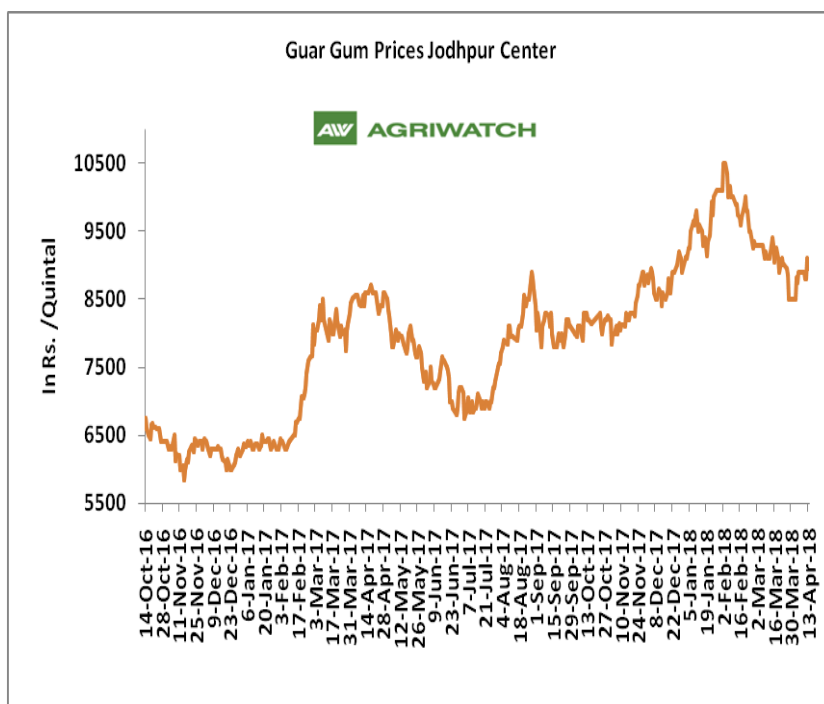
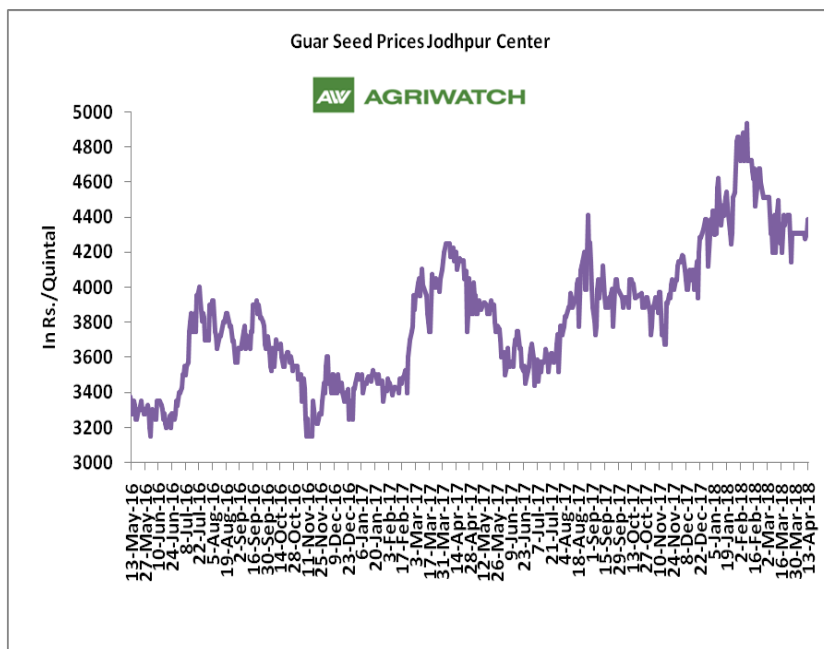
Recommendation:

Weekly Call - : Market participants are advised to Sell Guar seed at 4135 levels for a target of 4000 with a stop loss at 4216 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

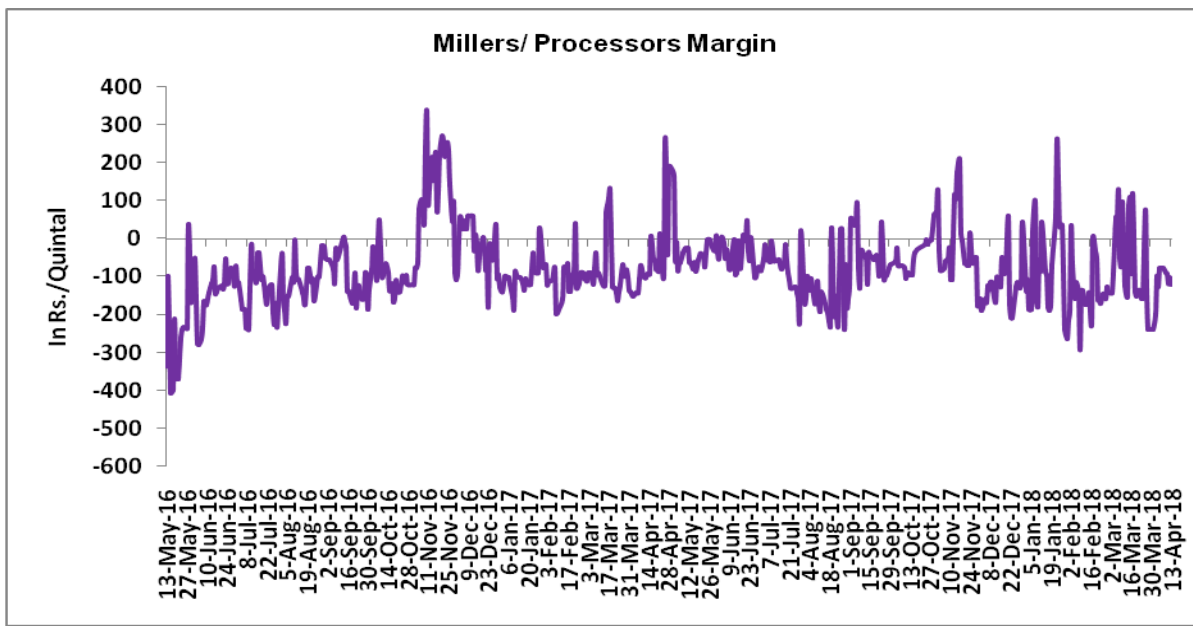
- In the week ended 13th March'18, Guar seed weekly average prices increased by Rs 17.50/- qtl during the week compared to previous week and settled at Rs 4323 per quintal.
- In addition, Guar gum weekly price increased by Rs 182.50 per quintal and settled at Rs. 8910 per quintal. Firm demand for guar gum from domestic as well as overseas market is likely to kept prices at higher side in previous 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 13th April'18, average crush margin is Rs. -100.32/Quintal, compared to last week's -136.73/Quintal. Therefore, crushing is not favorable for Millers/Processors.

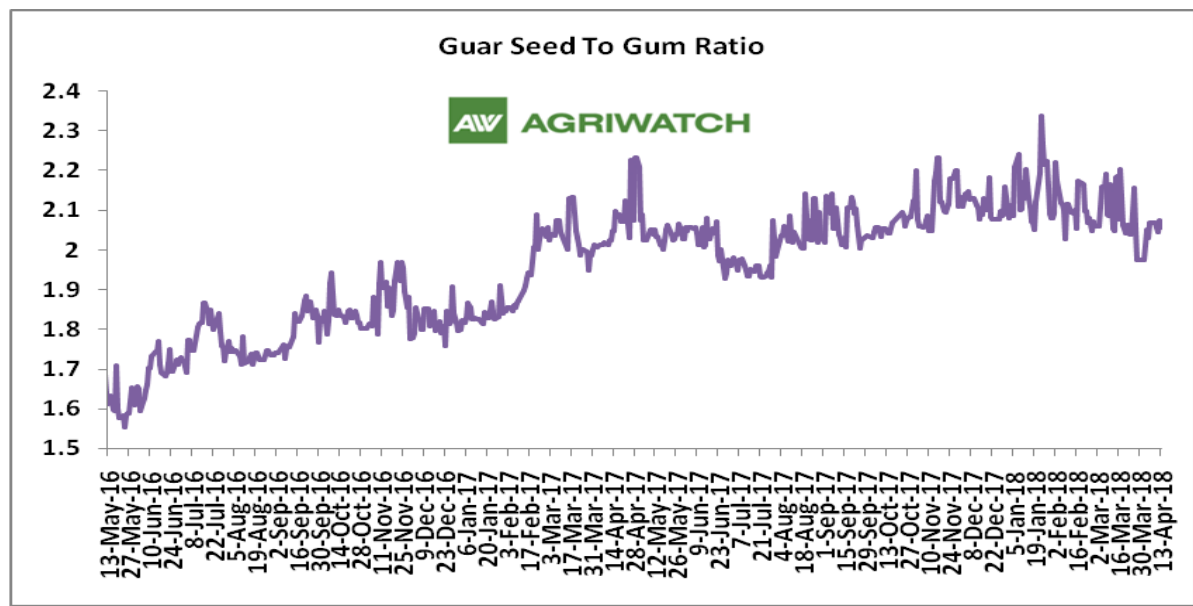
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio:

Ratio of guar seed to guar gum for week ended 13th April'18 is 2.06, higher compared to last week's 2.03

Overall, buoyant demand of gum from overseas and good demand of seed from millers has increased the overall ratio.

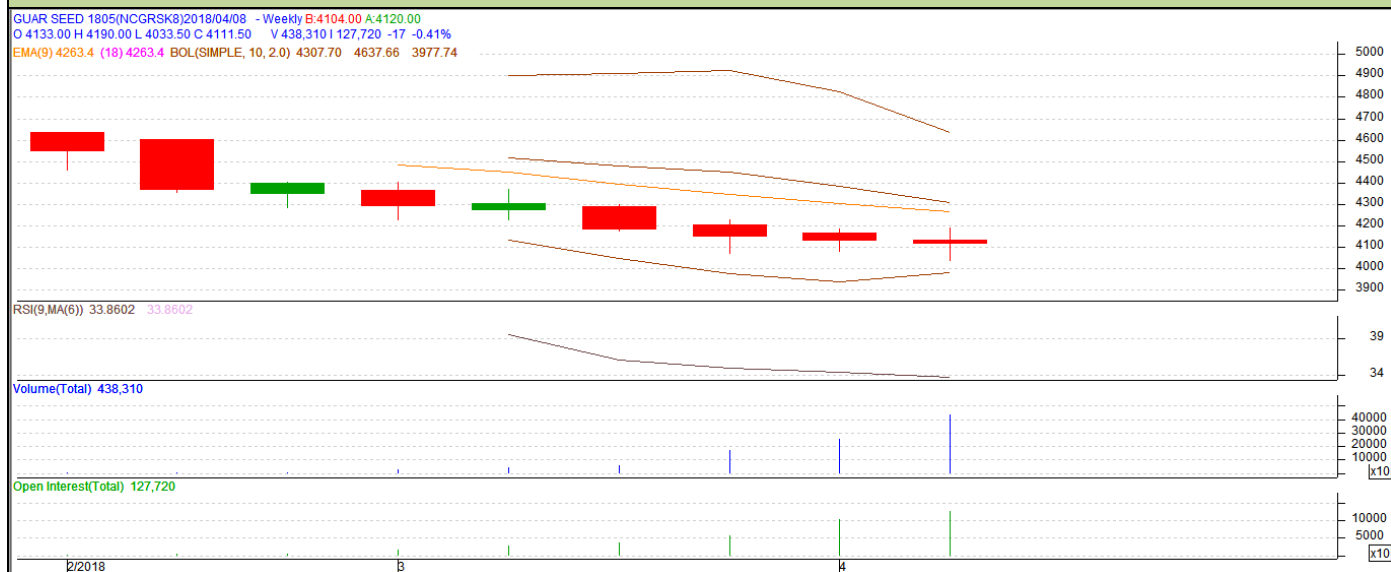


Technical Analysis (Guar Seed)

Commodity: Guar Seed
Contract: May

Exchange: NCDEX
Expiry: May 18, 2018

Guar Seed (May Weekly Chart)



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: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	May	3830	3775	4111.5	4365	4500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	May	Sell	Below 4135	4000	3915	4216

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: May

Exchange: NCDEX
Expiry: May 18, 2018



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: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	May	8420	8325	8937	9275	9420
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	May	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	7th to 13th April 2018	31st March to 6th April 2018	Change
Churi	Jodhpur	1550	1545	5
Korma	Jodhpur	2180	2194	-14
Churi	Sri-Ganganagar	1400	1413	-13
Korma	Sri-Ganganagar	1956	1957	-1

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	7th to 13th April 2018	31st March to 6th April 2018	Change
Guargum Split		1383	1404	-21
Guargum Powder	200 Mesh 5000 CPS	1690	1712	-22
	200 Mesh 3500 CPS	1613	1635	-22
Guargum Meal	40%	323	323	Unch
	50%	430	430	Unch

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			7th to 13th April 2018	31st March to 6th April 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4117	4100	17
		Jodhpur(Delivery)	4323	4305	18
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3908	3933	-25
		Sri-Ganganagar (Delivery)	4058	4083	-25
		Rawla (Loose)	3863	NA	-
		Gharsana (Loose)	3813	3850	-38
		Raisinghnagar (Loose)	3860	3877	-17
	Bikaner	Bikaner (Loose)	3883	3901	-19
		Bikaner (Delivery)	4077	4096	-19
		Nokha(Loose)	3862	3881	-19
		Nokha (Delivery)	4055	4075	-20
		Khajuwala (Loose)	3870	3858	12
		Khajuwala (Delivery)	4064	4051	12
		Lunkaransar (Loose)	3875	3870	5
	Hanumangarh	Hanumangarh (Loose)	3872	3859	13
		Hanumangarh (Delivery)	4065	4052	13
		Nohar (Loose)	3925	3917	8

		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	3792	3750	42
	Churu	Churu (Delivery)	NA	3967	-
	Alwar	Alwar (Loose)	3783	3767	17
Haryana	Hisar	Adampur (Loose)	3900	3883	17
		Adampur (Delivery)	4095	4078	18
	Bhiwani	Bhiwani (Delivery)	4096	4078	18
		Siwani (Loose)	4028	4028	Unch
	Sirsa	Sirsa (Loose)	3906	3908	-2
		Dhabwali (Loose)	3908	3884	24
		Dhabwali (Delivery)	4104	4078	26
		Ellanabad (Loose)	3863	3917	-54
	Fatehabad	Fatehabad (Loose)	3908	3898	9
Gujarat	Banaskantha	Deesa (Loose)	NA	3650	-
	Patan	Patan (Loose)	3683	3528	155
	Rajkot	Rajkot (Loose)	3811	3793	19
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8910	8841	69
	Alwar	Alwar	8917	9000	-83
	Hanumangarh	Nohar	8908	8925	-17
Haryana	Bhiwani	Bhiwani	8792	8608	183
	Sirsa	Sirsa	8908	8870	38
		Dhabwali	8950	8920	30
		Ellanabad	8858	8900	-42
	Fatehabad	Fatehabad	8814	8838	-24

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			13-Apr-18	6-Apr-18	13-Mar-18	13-Apr-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4150	4100	4280	4050
		Jodhpur(Delivery)	4358	4305	4494	4200
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3900	3950	4000	3950
		Sri-Ganganagar (Delivery)	4050	4100	4150	4150
		Rawla (Loose)	NA	3860	4030	3850
		Gharsana (Loose)	NA	3800	4000	3850

		Raisinghnagar (Loose)	NR	NR	4025	3940
	Bikaner	Bikaner (Loose)	3900	3900	4150	3950
		Bikaner (Delivery)	4095	4095	4358	4100
		Nokha(Loose)	3900	3850	4060	3880
		Nokha (Delivery)	4095	4043	4263	4020
		Khajuwala (Loose)	3900	NR	4040	3900
		Khajuwala (Delivery)	4095	NR	4242	4056
		Lunkaransar (Loose)	3950	3900	4100	3800
	Hanumangarh	Hanumangarh (Loose)	3900	3800	4020	3895
		Hanumangarh (Delivery)	4095	3990	4221	4045
		Nohar (Loose)	3950	3950	4125	3950
		Pilibanga (Loose)	NA	NA	4000	3900
	Nagaur	Nagaur (Loose)	3900	3750	4000	3850
	Churu	Churu (Delivery)	4100	3900	4200	3900
	Alwar	Alwar (Loose)	3800	3750	3900	3650
Haryana	Hisar	Adampur (Loose)	3900	3900	3950	4000
		Adampur (Delivery)	4095	4095	4148	4150
	Bhiwani	Bhiwani (Delivery)	4150	4100	4350	4100
		Siwani (Loose)	4050	4040	4200	4000
	Sirsa	Sirsa (Loose)	3925	3900	4090	4000
		Dhabwali (Loose)	3925	3850	4100	3950
		Dhabwali (Delivery)	4121	4043	4305	4100
		Ellanabad (Loose)	3850	3850	4035	3950
	Fatehabad	Fatehabad (Loose)	3900	3900	NR	3900
Gujarat	Banaskantha	Deesa (Loose)	NA	3650	NA	3775
	Patan	Patan (Loose)	NA	3555	3900	3745
	Rajkot	Rajkot (Loose)	3800	3785	3775	3750
	Jamnagar	Dhrol (Loose)	NA	NA	3720	3730
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	-
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8960	8900	9200	8600
	Alwar	Alwar	8900	9000	9000	8300
	Hanumangarh	Nohar	8900	8950	9300	8500
Haryana	Bhiwani	Bhiwani	9000	8700	9270	8670
	Sirsa	Sirsa	9000	8900	9200	8600
		Dhabwali	9000	8900	9200	8600
		Ellanabad	9000	8850	9150	8750
	Fatehabad	Fatehabad	8900	8788	NR	8400

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			7th to 13th April 2018	31st March to 6th April 2018	
Rajasthan	Jodhpur	Jodhpur	NA	NA	-
	Sri-Ganganagar	Sri-Ganganagar	4100	5000	-900
		Rawla	388	NA	-
		Gharsana	200	150	50
		Raisinghnagar	2300	1750	550
	Bikaner	Bikaner	600	1100	-500
		Nokha	1750	900	850
		Khajuwala	800	500	300
		Lunkaransar	2950	2200	750
	Hanumangarh	Hanumangarh	130	530	-400
		Nohar	2650	2700	-50
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	775	425	350
	Churu	Churu	2900	1500	1400
	Alwar	Alwar	1100	800	300
Haryana	Hisar	Adampur	2900	3700	-800
	Bhiwani	Bhiwani	3500	3300	200
		Siwani	8400	6000	2400
	Sirsa	Sirsa	5500	5200	300
		Dhabwali	750	600	150
		Ellanabad	660	550	110
	Fatehabad	Fatehabad	1750	1900	-150
Gujarat	Banaskantha	Deesa	NA	7	-
	Patan	Patan	132	35	97
	Rajkot	Rajkot	690	405	285
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			44925	39252	5673

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2018 Indian Agribusiness Systems Pvt Ltd.