



Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices increased by 0.08 percent to Rs. 3725.16 per quintal during the week ended 23rd April 2018. Guar seed average price were ruling at Rs 3722.06 per quintal during 09-15 April 2018. As compared to prices in the week 16-23 April 2017, the prices are firm by 0.07 percent. Prices are expected to remain steady to firm in coming days.

As per trade sources, India has exported around 29473 tonnes of guar gum in the month of March at an average FoB of \$1893.32 per tonne. Exports in the month of March are marginally high by around 0.27 percent compared to February. Furthermore, India has exported around 29394 tonnes of guar gum in the month of February at an average FoB of \$1868.71 per tonne.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1013 as on 20th April 2018 up by 5 compared to last week and by 156 compared to 21st 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 IMD, India will have normal monsoon during June-September'18. Rainfall will be 97% of the long-term average. The next monsoon assessment will be done in June. If monsoon remains normal not much change will be seen in guar acreage compared to last year.

The wholesale price index of guar seed has decreased from 102.7 in February 2018 to 95.70 in March 2018. The WPI for March 2018 is down by 6.82 percent compared to previous month and up by 10.51 percent compared to March 2017.

Guar Seed May contract closed at Rs 4197.50 per quintal after increasing by Rs 86.00 per quintal last week. Increase in price of crude oil is supporting demand for guar gum. 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 4350-4400 per quintal.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (3000 quintals) compared to previous week arrivals of 2900 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (900 quintals) compared to 600 quintals in the previous week.

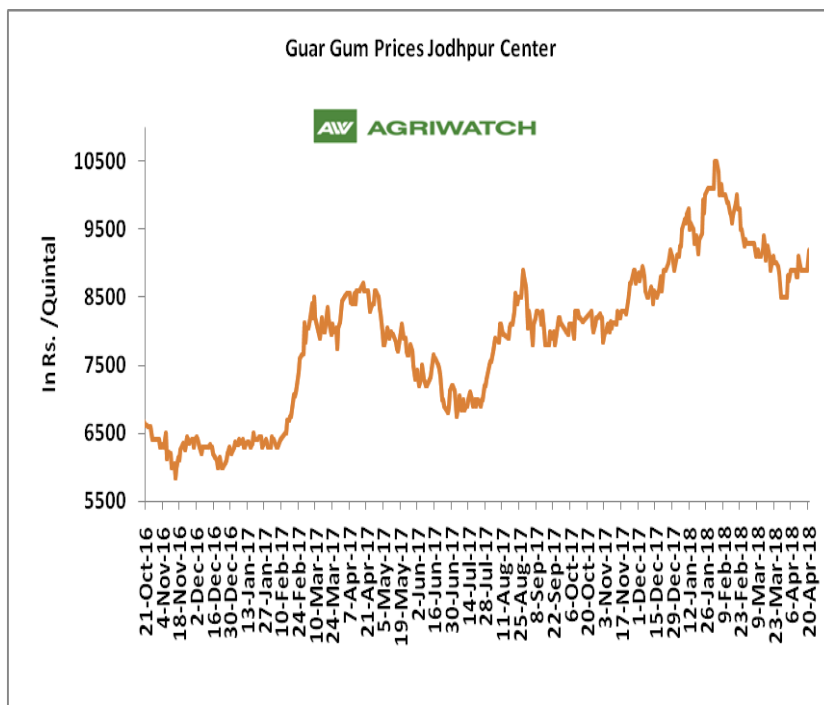
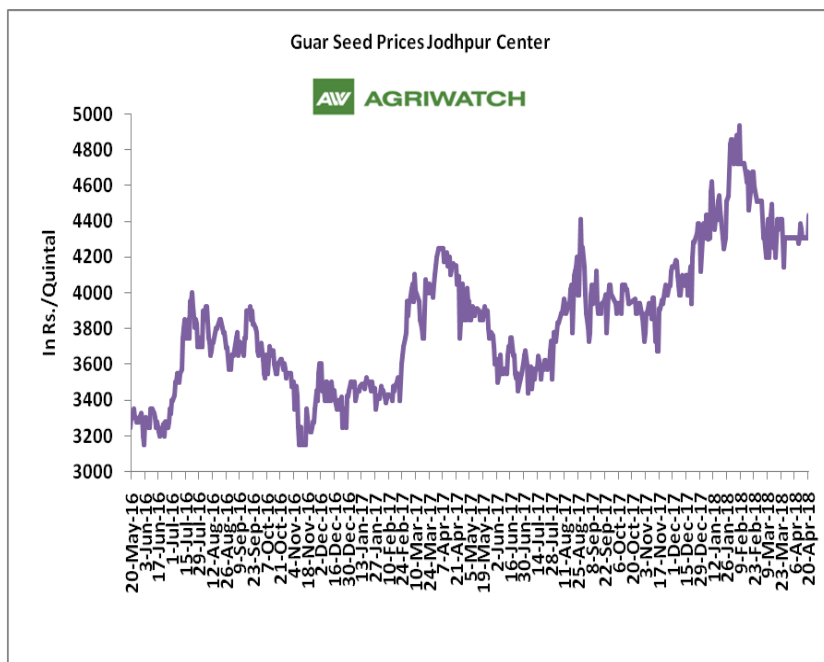
Recommendation:

Weekly Call - : Market participants are advised to buy Guar seed at 4175 levels for a target of 4300 with a stop loss at 4100 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

- In the week ended 20th March'18, Guar seed weekly average prices increased by Rs 4.38/- qtl during the week compared to previous week and settled at Rs 4327 per quintal.
- In addition, Guar gum weekly price increased by Rs 40 per quintal and settled at Rs. 8950 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

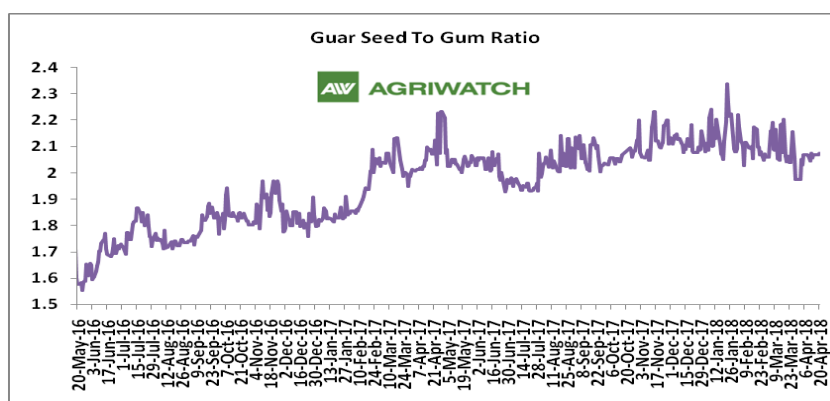
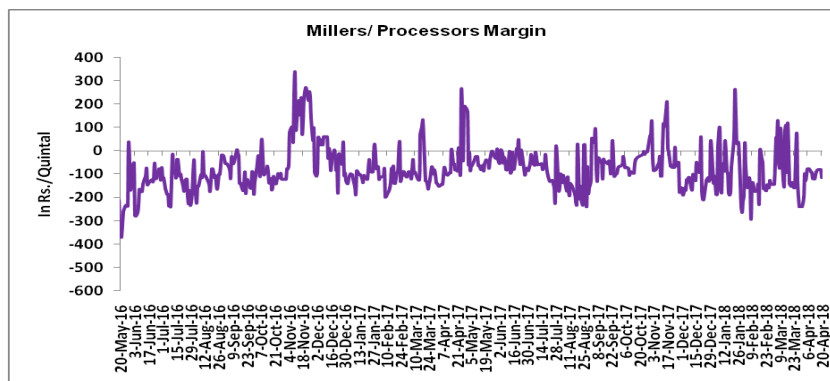
In the week ended 20th April'18, average crush margin is Rs. -88.38/Quintal, compared to last week's -100.32/Quintal. Therefore, crushing is not favorable for Millers/Processors.

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 20th April'18 is 2.07, higher 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.



Guar gum Weekly Export:

Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08 March-2018	7068.51	1893.33
09-15 March-2018	5856.03	1888.84
16-23 March-2018	9618.09	1885.04
24-31 March-2018	6931.03	1923.87
Total	27473.66	

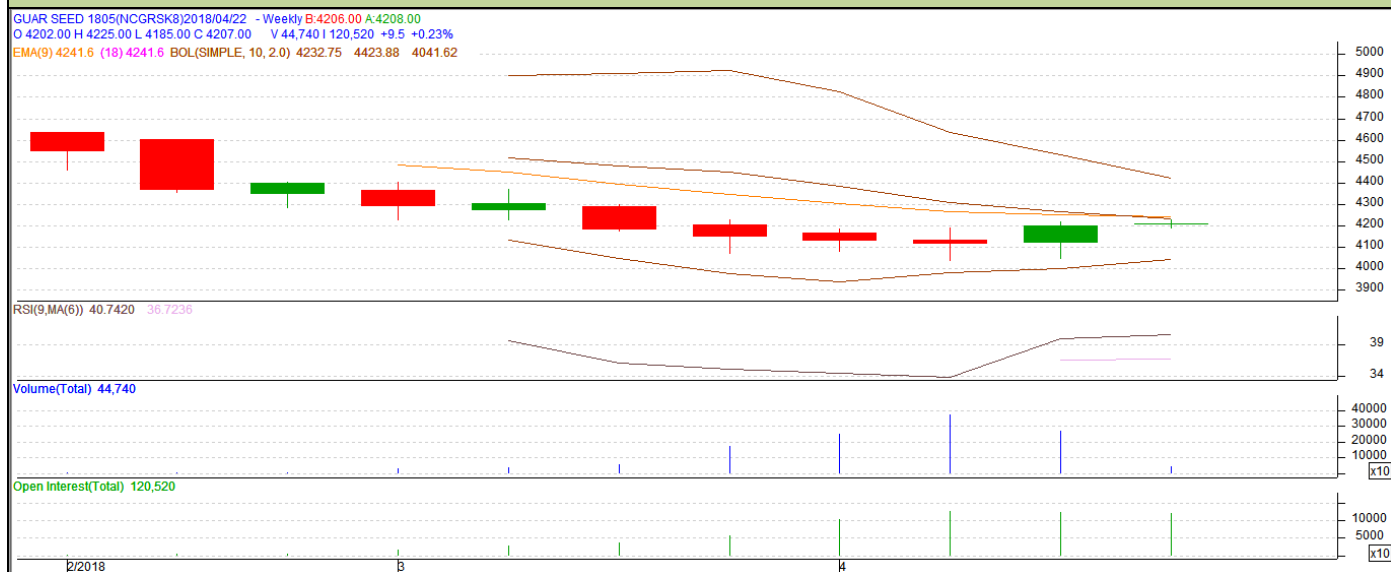
Source: Trade

Technical Analysis (Guar Seed)

Commodity: Guar Seed
Contract: May

Exchange: NCDEX
Expiry: May 18, 2018

Guar Seed (May Weekly Chart)



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	May	4000	3915	4197.5	4515	4590
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	May	Buy	Above 4175	4300	4405	4100

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: May

Exchange: NCDEX
Expiry: May 18, 2018



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 Gum	NCDEX	May	8795	8690	9140	9745	9860
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	May	Buy	Above 9105	9385	9590	8937

Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	14th to 20th April 2018	07 th to 13th April 2018	Change
Churi	Jodhpur	1550	1550	Unch
Korma	Jodhpur	2191	2180	11
Churi	Sri-Ganganagar	1390	1400	-10
Korma	Sri-Ganganagar	1950	1956	-6

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	14th to 20th April 2018	07 th to 13th April 2018	Change
Guargum Split		1372	1383	-11
Guargum Powder	200 Mesh 5000 CPS	1676	1690	-14
	200 Mesh 3500 CPS	1600	1613	-13
Guargum Meal	40%	320	323	-3
	50%	427	430	-4

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			14th to 20th April 2018	7 th to 13th April 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4121	4117	4
		Jodhpur(Delivery)	4327	4323	4
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3900	3908	-8
		Sri-Ganganagar (Delivery)	4050	4058	-8
		Rawla (Loose)	1303	3863	-2559
		Gharsana (Loose)	3848	3813	36
		Raisinghnagar (Loose)	3930	3860	70
	Bikaner	Bikaner (Loose)	3927	3883	44
		Bikaner (Delivery)	4123	4077	46
		Nokha(Loose)	3912	3862	50
		Nokha (Delivery)	4107	4055	53
		Khajuwala (Loose)	3857	3870	-13
		Khajuwala (Delivery)	4050	4064	-14
		Lunkaransar (Loose)	3920	3875	45
	Hanumangarh	Hanumangarh (Loose)	3888	3872	17
		Hanumangarh (Delivery)	4083	4065	18
		Nohar (Loose)	3938	3925	13

		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	3830	3792	38
	Churu	Churu (Delivery)	NA	NA	-
	Alwar	Alwar (Loose)	3900	3783	117
Haryana	Hisar	Adampur (Loose)	3944	3900	44
		Adampur (Delivery)	4141	4095	46
	Bhiwani	Bhiwani (Delivery)	4133	4096	37
		Siwani (Loose)	4053	4028	25
	Sirsa	Sirsa (Loose)	3877	3906	-29
		Dhabwali (Loose)	NA	3908	-
		Dhabwali (Delivery)	NA	4104	-
		Ellanabad (Loose)	3800	3863	-63
	Fatehabad	Fatehabad (Loose)	3900	3908	-8
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	-
	Patan	Patan (Loose)	3668	3683	-14
	Rajkot	Rajkot (Loose)	3803	3811	-9
	Jamnagar	Dhrol (Loose)	881	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8950	8910	40
	Alwar	Alwar	9100	8917	183
	Hanumangarh	Nohar	9000	8908	92
Haryana	Bhiwani	Bhiwani	8908	8792	117
	Sirsa	Sirsa	8900	8908	-8
		Dhabwali	NA	8950	-
		Ellanabad	8800	8858	-58
	Fatehabad	Fatehabad	8900	8814	86

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			20-Apr-18	13-Apr-18	20-Mar-18	20-Apr-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4225	4150	4150	4000
		Jodhpur(Delivery)	4436	4358	4358	4150
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3900	3900	3950	3900
		Sri-Ganganagar (Delivery)	4050	4050	4100	4100
		Rawla (Loose)	3910	NA	3950	3800
		Gharsana (Loose)	3950	NA	3920	3800

		Raisinghnagar (Loose)	4000	NR	3900	3770
	Bikaner	Bikaner (Loose)	3975	3900	3900	3830
		Bikaner (Delivery)	4174	4095	4095	3980
		Nokha(Loose)	3980	3900	3980	3800
		Nokha (Delivery)	4179	4095	4179	3937
		Khajuwala (Loose)	3800	3900	3910	3800
		Khajuwala (Delivery)	3990	4095	4106	3952
		Lunkaransar (Loose)	4000	3950	4000	3750
	Hanumangarh	Hanumangarh (Loose)	3980	3900	3900	3830
		Hanumangarh (Delivery)	4179	4095	4095	3980
		Nohar (Loose)	4025	3950	3950	3850
		Pilibanga (Loose)	NA	NA	NA	3900
	Nagaur	Nagaur (Loose)	3800	3900	4000	3850
	Churu	Churu (Delivery)	NR	4100	4100	3950
	Alwar	Alwar (Loose)	NR	3800	3850	3700
Haryana	Hisar	Adampur (Loose)	4000	3900	3900	3875
		Adampur (Delivery)	4200	4095	4095	4025
	Bhiwani	Bhiwani (Delivery)	4200	4150	4150	3970
		Siwani (Loose)	4120	4050	4075	3950
	Sirsa	Sirsa (Loose)	NA	3925	3960	3850
		Dhabwali (Loose)	NA	3925	3910	3900
		Dhabwali (Delivery)	NA	4121	4106	4050
		Ellanabad (Loose)	NA	3850	3900	3900
	Fatehabad	Fatehabad (Loose)	NA	3900	3850	4000
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	NA	3760
	Patan	Patan (Loose)	NR	NA	3750	3695
	Rajkot	Rajkot (Loose)	3850	3800	3750	3725
	Jamnagar	Dhrol (Loose)	NA	NA	3450	3640
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9200	8960	8900	8600
	Alwar	Alwar	NR	8900	9000	8600
	Hanumangarh	Nohar	9200	8900	9050	8600
Haryana	Bhiwani	Bhiwani	9250	9000	8850	8150
	Sirsa	Sirsa	NA	9000	9000	8600
		Dhabwali	NA	9000	8900	8550
		Ellanabad	NA	9000	8900	8500
	Fatehabad	Fatehabad	NA	8900	8950	8600

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			14th April to 20th April 2018	7th April to 13th April 2018	
Rajasthan	Jodhpur	Jodhpur	NA	NA	-
	Sri-Ganganagar	Sri-Ganganagar	2300	4100	-1800
		Rawla	200	388	-188
		Gharsana	340	200	140
		Raisinghnagar	1900	2300	-400
	Bikaner	Bikaner	900	600	300
		Nokha	2100	1750	350
		Khajuwala	670	800	-130
		Lunkaransar	1300	2950	-1650
	Hanumangarh	Hanumangarh	127	130	-3
		Nohar	4900	2650	2250
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	825	775	50
	Churu	Churu	500	2900	-2400
	Alwar	Alwar	300	1100	-800
Haryana	Hisar	Adampur	3000	2900	100
	Bhiwani	Bhiwani	3700	3500	200
		Siwani	9800	8400	1400
	Sirsa	Sirsa	800	5500	-4700
		Dhabwali	NA	750	-
		Ellanabad	150	660	-510
	Fatehabad	Fatehabad	100	1750	-1650
Gujarat	Banaskantha	Deesa	NA	NA	-
	Patan	Patan	95	132	-37
	Rajkot	Rajkot	655	690	-35
	Jamnagar	Dhrol	9	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			34671	44925	-10254

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