



# Guar Weekly Research Report

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## Executive Summary

### Domestic Guar Seed Market Summary

*All India weekly average prices decreased by 7.14 percent to Rs. 3494.85 per quintal during the week ended 08th May 2018. Guar seed average price were ruling at Rs 3763.47 per quintal during 24-30 April 2018. As compared to prices in the week 01-08 May 2017, the prices are weak by 1.12 percent. Prices are expected to remain steady to weak in coming days.*

*As per millers, recovery of guar gum from guar seed in Barmer, Bikaner and Ganganagar is coming around 29.5 kg, 30.5 kg and 31 kg respectively. The overall quality of 2017-18 guar seed crop was lower compared to 2016-17 guar seed crop, which led to lower recovery. Recovery of gum from guar seed crop was around 32kg in 2016-17.*

*Guar May future contract fell by around Rs 344 per quintal in the month of April'18. Market has entered into seasonal downtrend. As of now, guar has breached the support level of Rs 4000 per quintal and a fresh low can be expected in near future. Export demand of guar gum is normal. Gum millers are still expecting prices to rebound and become bullish. The only support prices can get in future is from an aberration in upcoming monsoon or lower sowing of guar seed.*

*As per data released by Baker Hughes the number of oil rigs in USA has increased to 1032 as on 27th April 2018 up by 11 compared to last week and by 155 compared to 05th May 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 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 far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (700 quintals) compared to previous week arrivals of 2450 quintals.*

*As far as Arrivals are concerned, Bikaner market reported lower arrivals (750 quintals) compared to 800 quintals in the previous week.*

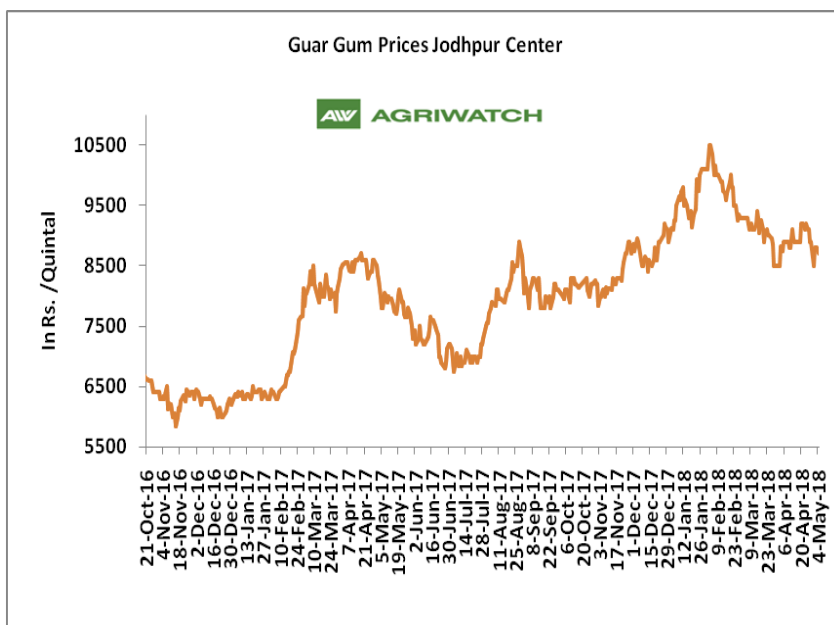
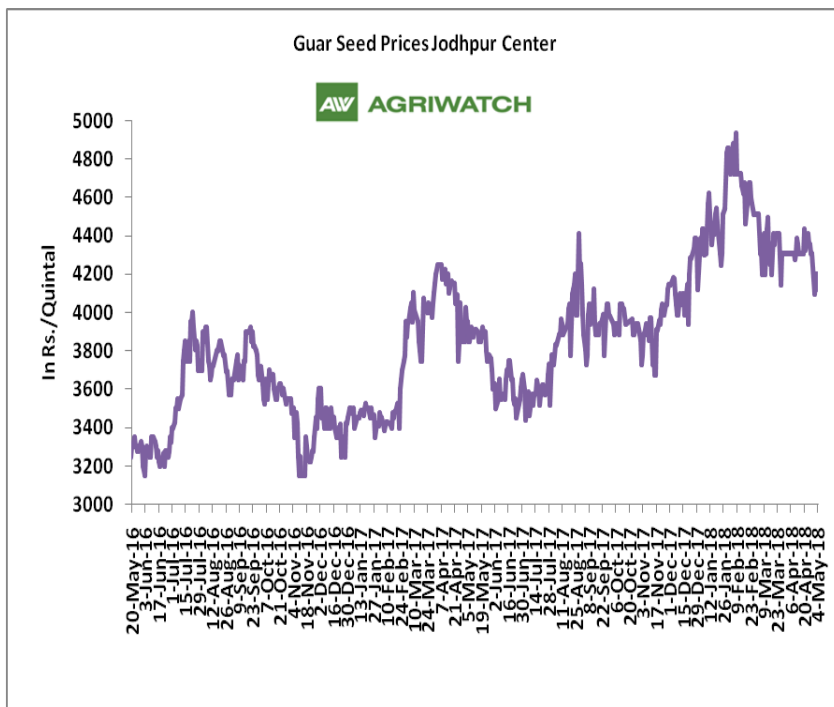
### Recommendation:

**Weekly Call - : Market participants are advised to sell Guar seed at 3780 levels for a target of 3625 with a stop loss at 3873 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

- In the week ended 04<sup>th</sup> May'18, Guar seed weekly average prices decreased by Rs 165.38/- qtl during the week compared to previous week and settled at Rs 4187 per quintal.
- In addition, Guar gum weekly price decreased by Rs 350 per quintal and settled at Rs. 8750 per quintal. Weak demand for guar gum from domestic as well as overseas market keep prices at lower 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

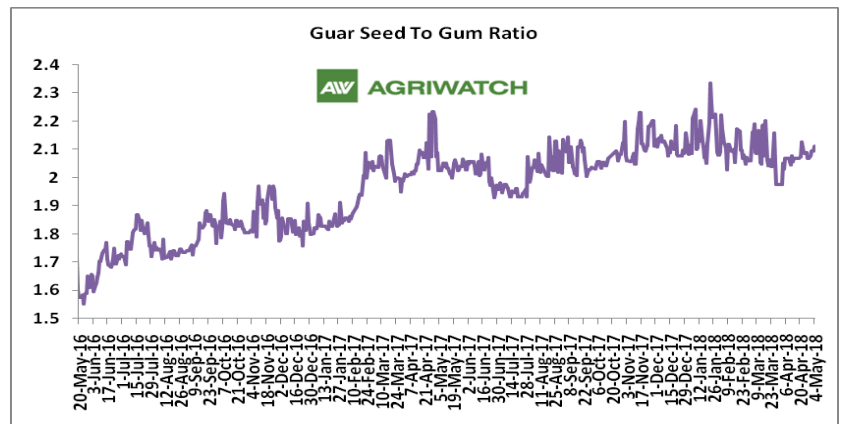
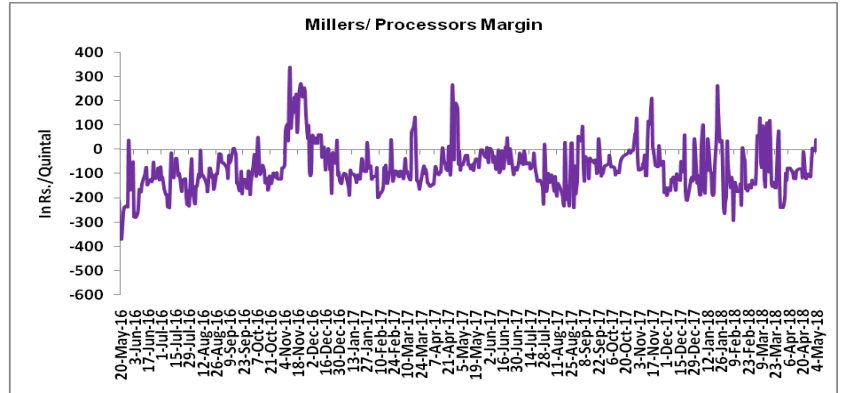
In the week ended 04<sup>th</sup> May'18, average crush margin is Rs. -13.75/Quintal, compared to last week's -91.36/Quintal. Therefore, crushing is not favorable for Millers/Processors.

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 04<sup>th</sup> May'18 is 2.89, lower compared to last week's 2.90

Weak overseas demand of gum and good demand of seed from millers has decreased the overall ratio.



### Guar gum Weekly Export:

<b>Week On Week Exports</b>	<b>Quantity in MT</b>	<b>Average FoB (\$/T)</b>
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
<b>Total</b>	<b>27473.66</b>	

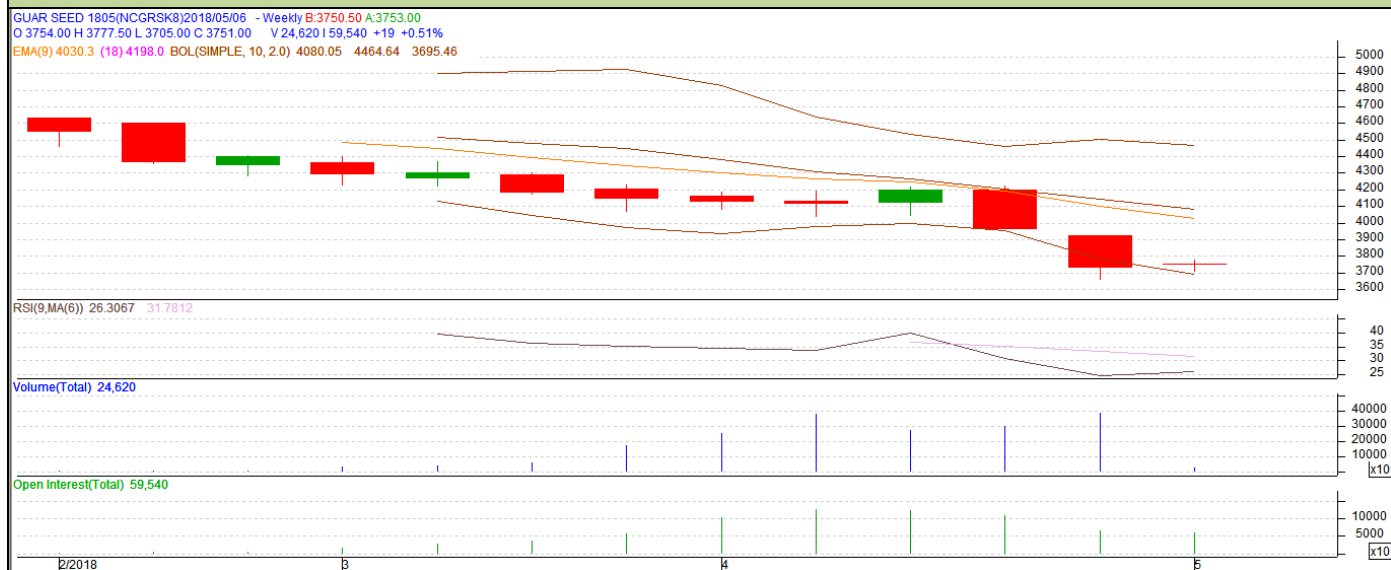
Source: Trade

### 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 open interest indicates long liquidation.
- RSI is moving in oversold 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	3425	3360	3732	3950	4015
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	May	<b>Sell</b>	Below 3780	3625	3530	3873

### Technical Analysis (Guar Gum)

Commodity: Guar Gum  
Contract: May

Exchange: NCDEX  
Expiry: May 18, 2018



#### Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- RSI is moving in oversold 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	7735	7350	8189	8735	8890
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	May	<b>Sell</b>	Below 8340	8055	7850	8511

### Guar Seed & Gum Prices at Key Spot Markets

Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	28th April to 4th May 2018	21st April to 27th April 2018	Change
Churi	Jodhpur	1567	1508	58
Korma	Jodhpur	2175	2178	-3
Churi	Sri-Ganganagar	1350	1356	-6
Korma	Sri-Ganganagar	1919	1950	-31

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	28th April to 4th May 2018	21st April to 27th April 2018	Change
Guargum Split		1305	1378	-73
Guargum Powder	200 Mesh 5000 CPS	1605	1679	-74
	200 Mesh 3500 CPS	1530	1604	-74
Guargum Meal	40%	305	328	-23
	50%	420	421	-1

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			28th April to 4th May 2018	21st April to 27th April 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	3988	4145	-158
		Jodhpur(Delivery)	4187	4352	-165
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3720	3910	-190
		Sri-Ganganagar (Delivery)	3870	4060	-190
		Rawla (Loose)	NA	NA	-
		Gharsana (Loose)	3632	3967	-335
		Raisinghnagar (Loose)	3600	3950	-350
	Bikaner	Bikaner (Loose)	3692	3963	-271
		Bikaner (Delivery)	3876	4161	-284
		Nokha(Loose)	3664	3918	-254
		Nokha (Delivery)	3847	4114	-267
		Khajuwala (Loose)	3708	3944	-236
		Khajuwala (Delivery)	3893	4141	-248
		Lunkaransar (Loose)	3700	3950	-250
	Hanumangarh	Hanumangarh (Loose)	3650	3910	-260
		Hanumangarh (Delivery)	3833	4106	-273
		Nohar (Loose)	3700	3957	-257

		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	3540	3810	-270
	Churu	Churu (Delivery)	3888	4183	-296
	Alwar	Alwar (Loose)	3600	3850	-250
Haryana	Hisar	Adampur (Loose)	3693	3963	-270
		Adampur (Delivery)	3878	4162	-284
	Bhiwani	Bhiwani (Delivery)	3875	4163	-288
		Siwani (Loose)	3818	4084	-266
	Sirsa	Sirsa (Loose)	3760	NA	-
		Dhabwali (Loose)	NA	NA	-
		Dhabwali (Delivery)	NA	NA	-
		Ellanabad (Loose)	NA	NA	-
	Fatehabad	Fatehabad (Loose)	3750	NA	-
Gujarat	Banaskantha	Deesa (Loose)	3600	3655	-55
	Patan	Patan (Loose)	3477	3691	-214
	Rajkot	Rajkot (Loose)	3654	3877	-223
	Jamnagar	Dhrol (Loose)	3360	3680	-320
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8750	9100	-350
	Alwar	Alwar	8525	9125	-600
	Hanumangarh	Nohar	8542	9067	-525
Haryana	Bhiwani	Bhiwani	8450	9083	-633
	Sirsa	Sirsa	8450	NA	-
		Dhabwali	NA	NA	-
		Ellanabad	NA	NA	-
	Fatehabad	Fatehabad	NA	NA	-

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			4-May-18	27-Apr-18	3-Apr-18	4-May-17
Rajasthan	Jodhpur	Jodhpur (Loose)	3925	4100	4100	3800
		Jodhpur(Delivery)	4121	4305	4305	3950
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3650	3750	4000	3650
		Sri-Ganganagar (Delivery)	3800	3900	4150	3750
		Rawla (Loose)	NR	NR	3815	3600
		Gharsana (Loose)	3632	NA	3900	3550
		Raisinghnagar (Loose)	NR	3850	3900	3525

	<b>Bikaner</b>	Bikaner (Loose)	3600	3800	3925	3600
		Bikaner (Delivery)	3780	3990	4121	3750
		Nokha(Loose)	3600	3700	3930	3640
		Nokha (Delivery)	3780	3885	4127	3771
		Khajuwala (Loose)	3700	3800	3850	3630
		Khajuwala (Delivery)	3885	3990	4043	3775
		Lunkaransar (Loose)	3600	3850	3800	3500
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3650	3750	3850	3550
		Hanumangarh (Delivery)	3833	3938	4043	3700
		Nohar (Loose)	3700	3800	3900	3600
		Pilibanga (Loose)	NA	NA	NA	3600
	<b>Nagaur</b>	Nagaur (Loose)	3500	NR	3750	3400
	<b>Churu</b>	Churu (Delivery)	3850	4100	4100	3700
	<b>Alwar</b>	Alwar (Loose)	3600	3800	NR	3450
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3650	3860	3900	3675
		Adampur (Delivery)	3833	4053	4095	3825
	<b>Bhiwani</b>	Bhiwani (Delivery)	3770	4000	4050	3700
		Siwani (Loose)	3765	NR	4000	3700
	<b>Sirsa</b>	Sirsa (Loose)	NA	NA	3950	3600
		Dhabwali (Loose)	NA	NA	3900	3550
		Dhabwali (Delivery)	NA	NA	4095	3700
		Ellanabad (Loose)	NA	NA	3925	3550
	<b>Fatehabad</b>	Fatehabad (Loose)	NA	NA	3900	3900
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	NA	NA	NA	3400
	<b>Patan</b>	Patan (Loose)	NA	NR	NA	3440
	<b>Rajkot</b>	Rajkot (Loose)	3550	3850	3800	3400
	<b>Jamnagar</b>	Dhrol (Loose)	NA	NA	NA	3050
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	8700	8900	8825	8000
	<b>Alwar</b>	Alwar	8500	9000	NR	8000
	<b>Hanumangarh</b>	Nohar	8300	8800	8900	7900
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	8200	8700	8700	7900
	<b>Sirsa</b>	Sirsa	NA	NA	8900	8000
		Dhabwali	NA	NA	8900	8050
		Ellanabad	NA	NA	8900	8050
	<b>Fatehabad</b>	Fatehabad	NA	NA	8875	8600

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			28th April to 4th May 2018	21st April to 27th April 2018	
Rajasthan	Jodhpur	Jodhpur	NA	NA	-
	Sri-Ganganagar	Sri-Ganganagar	1700	1800	-100
		Rawla	NA	NA	-
		Gharsana	50	300	-250
		Raisinghnagar	150	760	-610
	Bikaner	Bikaner	750	800	-50
		Nokha	1550	2100	-550
		Khajuwala	1440	1400	40
		Lunkaransar	710	950	-240
	Hanumangarh	Hanumangarh	115	95	20
		Nohar	2650	3400	-750
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	470	630	-160
	Churu	Churu	2000	4500	-2500
	Alwar	Alwar	1100	2000	-900
Haryana	Hisar	Adampur	700	2450	-1750
	Bhiwani	Bhiwani	1800	2600	-800
		Siwani	6000	6900	-900
	Sirsa	Sirsa	200	NA	-
		Dhabwali	NA	NA	-
		Ellanabad	NA	NA	-
	Fatehabad	Fatehabad	NA	NA	-
Gujarat	Banaskantha	Deesa	7	13	-6
	Patan	Patan	65	60	5
	Rajkot	Rajkot	442	825	-383
	Jamnagar	Dhrol	7	2	5
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			21906	31585	-9679

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