



# 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 1.86 percent to Rs. 3559.99 per quintal during the week ended 15<sup>th</sup> May 2018. Guar seed average price were ruling at Rs 3494.85 per quintal during 01-08 May 2018. As compared to prices in the week 09-15 May 2017, the prices are firm by 1.19 percent. Prices are expected to remain steady to weak in coming days.*

*As per latest update, Guar gum prices have decreased substantially in past month. As per exporters, China is providing slick water and friction reducer as a substitute for guar gum at half price. The North American fracking industry is going for the cheap substitute. India is facing stiff competition for guar gum at a time when United States has stepped its oil rigging activities.*

*As per data released by Baker Hughes the number of oil rigs in USA has increased to 1045 as on 11th May 2018 up by 13 compared to last week and by 160 compared to 12th May 2017. The total number of oilrigs was recorded at 2179 worldwide in April'18 compared to 2087 in the same month last year. Although the number of oil rigs is rising but cheaper alternatives to guar gum are affecting exports from India.*

*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.*

*Guar May future contract recovered slightly by Rs 35.50 per quintal. Market has entered into seasonal downtrend. As of now, guar has breached the support level of Rs 4100 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 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 700 quintals.*

*As far as Arrivals are concerned, Bikaner market reported higher arrivals (900 quintals) compared to 750 quintals in the previous week.*

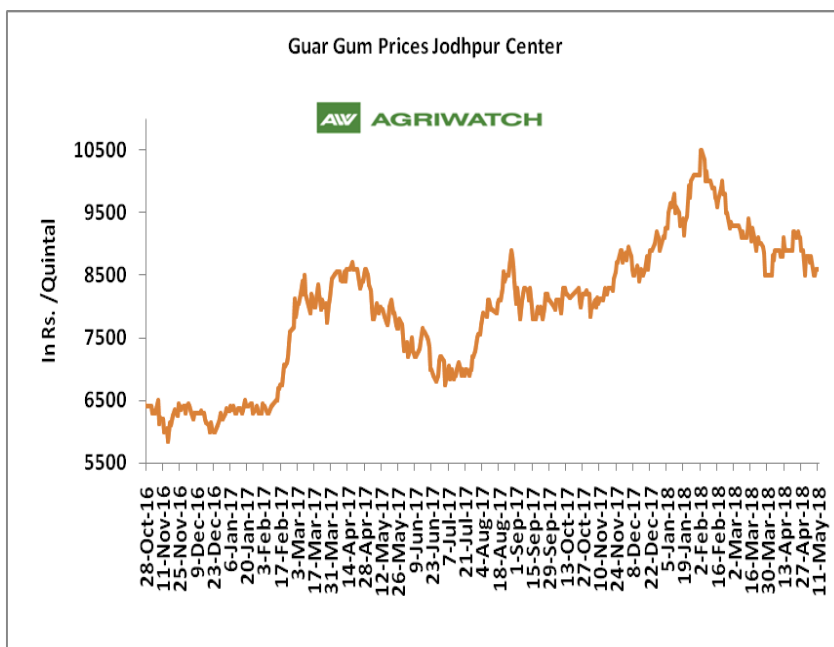
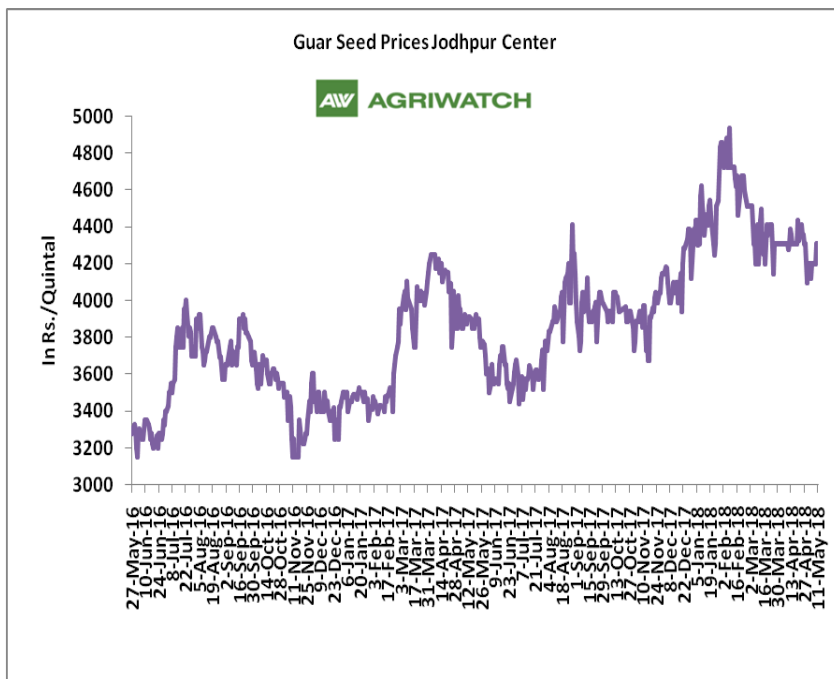
#### Recommendation:

**Weekly Call - : Market participants are advised to sell Guar seed at 3855 levels for a target of 3730 with a stop loss at 3930 on closing basis.**

## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

- In the week ended 11<sup>th</sup> May'18, Guar seed weekly average prices increased by Rs 65.63/- qtl during the week compared to previous week and settled at Rs 4253 per quintal.
- In addition, Guar gum weekly price decreased by Rs 150 per quintal and settled at Rs. 8600 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

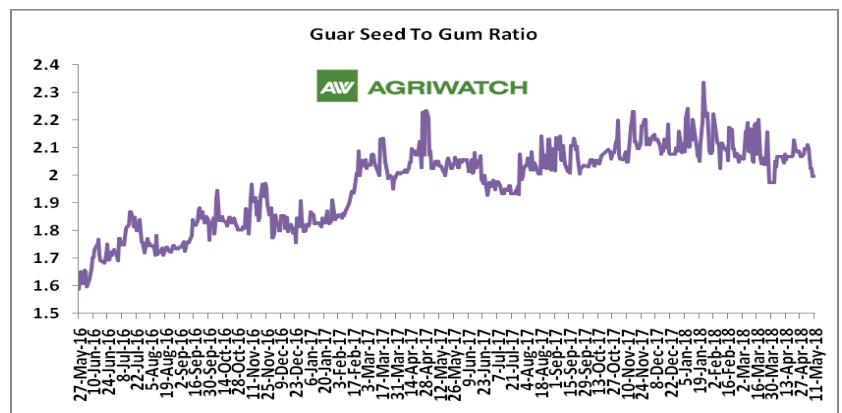
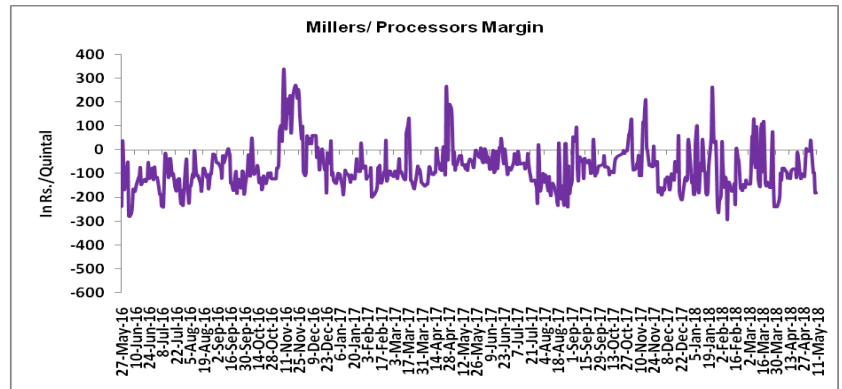
In the week ended 11<sup>th</sup> May'18, average crush margin is Rs. -123.46/Quintal, compared to last week's -13.75/Quintal. Therefore, crushing is not favorable for Millers/Processors.

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 11<sup>th</sup> May'18 is 2.02, lower compared to last week's 2.09

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: June**

**Exchange: NCDEX**  
**Expiry: June 20, 2018**

#### Guar Seed (June Weekly Chart)



#### Technical Commentary:

- Rise in price and open interest indicates long buildup.
- 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 | June | 3560        | 3515       | 3827.5 | 4035 | 4120 |
| Weekly Trade Call             |       |      | Call        | Entry      | T1     | T2   | SL   |
| Guar Seed                     | NCDEX | June | <b>Sell</b> | Below 3855 | 3730   | 3625 | 3930 |

### Technical Analysis (Guar Gum)

**Commodity: Guar Gum**  
**Contract: June**

**Exchange: NCDEX**  
**Expiry: June 20, 2018**



#### Technical Commentary:

- Rise in price and open interest indicates long buildup.
- 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 | June | 8000        | 7910       | 8424 | 8795 | 8890 |
| Weekly Trade Call             |       |      | Call        | Entry      | T1   | T2   | SL   |
| Guar Gum                      | NCDEX | June | <b>Sell</b> | Below 8495 | 8260 | 8105 | 8636 |

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

| Guar by – Products Weekly Average Prices (Prices in Rs/75kg) |                |                      |                            |        |
|--|----------------|----------------------|----------------------------|--------|
| Commodity  | Centre         | 5th to 11th May 2018 | 28th April to 4th May 2018 | Change |
| Churi  | Jodhpur        | 1578                 | 1567                       | 11     |
| Korma  | Jodhpur        | 2157                 | 2175                       | -19    |
| Churi  | Sri-Ganganagar | 1332                 | 1350                       | -19    |
| Korma  | Sri-Ganganagar | 1904                 | 1919                       | -16    |

| Guar Export Weekly Average Prices (Prices in \$/MT) |                   |                      |                            |        |
|---|-------------------|----------------------|----------------------------|--------|
| Commodity   | Variety           | 5th to 11th May 2018 | 28th April to 4th May 2018 | Change |
| Guargum Split                                       |                   | 1263                 | 1305                       | -42    |
| Guargum Powder                                      | 200 Mesh 5000 CPS | 1561                 | 1605                       | -44    |
|   | 200 Mesh 3500 CPS | 1487                 | 1530                       | -43    |
| Guargum Meal  | 40%               | 310                  | 305                        | 5      |
|   | 50%               | 417                  | 420                        | -3     |

| Guar Seed Weekly Average Prices: |                |                           |                                      |                            |        |
|----------------------------------|----------------|---------------------------|--------------------------------------|----------------------------|--------|
| Commodity                        | District       | Centre                    | Weekly Prices (Average )<br>(Rs/Qtl) |                            | Change |
| Guar Seed                        |                |                           | 5th to 11th May 2018                 | 28th April to 4th May 2018 |        |
| Rajasthan                        | Jodhpur        | Jodhpur (Loose)           | 4050                                 | 3988                       | 63     |
|                                  |                | Jodhpur(Delivery)         | 4253                                 | 4187                       | 66     |
|                                  | Sri-Ganganagar | Sri-Ganganagar(Loose)     | 3692                                 | 3720                       | -28    |
|                                  |                | Sri-Ganganagar (Delivery) | 3842                                 | 3870                       | -28    |
|                                  |                | Rawla (Loose)             | NA                                   | NA                         | -      |
|                                  |                | Gharsana (Loose)          | NA                                   | 3632                       | -      |
|                                  |                | Raisinghnagar (Loose)     | NA                                   | 3600                       | -      |
|                                  | Bikaner        | Bikaner (Loose)           | 3679                                 | 3692                       | -13    |
|                                  |                | Bikaner (Delivery)        | 3863                                 | 3876                       | -13    |
|                                  |                | Nokha(Loose)              | 3703                                 | 3664                       | 38     |
|                                  |                | Nokha (Delivery)          | 3888                                 | 3847                       | 40     |
|                                  |                | Khajuwala (Loose)         | 3690                                 | 3708                       | -18    |
|                                  |                | Khajuwala (Delivery)      | 3875                                 | 3893                       | -19    |
|                                  |                | Lunkaransar (Loose)       | 3700                                 | 3700                       | Unch   |
|                                  | Hanumangarh    | Hanumangarh (Loose)       | 3693                                 | 3650                       | 43     |
|                                  |                | Hanumangarh (Delivery)    | 3878                                 | 3833                       | 46     |
|                                  |                | Nohar (Loose)             | 3746                                 | 3700                       | 46     |

|                |             |                     |      |      |      |
|----------------|-------------|---------------------|------|------|------|
|                |             | Pilibanga (Loose)   | NA   | NA   | -    |
|                | Nagaur      | Nagaur (Loose)      | 3567 | 3540 | 27   |
|                | Churu       | Churu (Delivery)    | 3850 | 3888 | -38  |
|                | Alwar       | Alwar (Loose)       | 3563 | 3600 | -38  |
| Haryana        | Hisar       | Adampur (Loose)     | 3730 | 3693 | 37   |
|                |             | Adampur (Delivery)  | 3917 | 3878 | 39   |
|                | Bhiwani     | Bhiwani (Delivery)  | 3888 | 3875 | 13   |
|                |             | Siwani (Loose)      | 3842 | 3818 | 24   |
|                | Sirsa       | Sirsa (Loose)       | NA   | 3760 | -    |
|                |             | Dhabwali (Loose)    | NA   | NA   | -    |
|                |             | Dhabwali (Delivery) | NA   | NA   | -    |
|                |             | Ellanabad (Loose)   | NA   | NA   | -    |
|                | Fatehabad   | Fatehabad (Loose)   | NA   | 3750 | -    |
| Gujarat        | Banaskantha | Deesa (Loose)       | 3380 | 3600 | -220 |
|                | Patan       | Patan (Loose)       | 3465 | 3477 | -12  |
|                | Rajkot      | Rajkot (Loose)      | 3675 | 3654 | 21   |
|                | Jamnagar    | Dhrol (Loose)       | 3510 | 3360 | 150  |
| Madhya Pradesh | Gwalior     | Dabra (Loose)       | NA   | NA   | -    |
| Guar Gum       |             |                     |      |      |      |
| Rajasthan      | Jodhpur     | Jodhpur             | 8600 | 8750 | -150 |
|                | Alwar       | Alwar               | 8442 | 8525 | -83  |
|                | Hanumangarh | Nohar               | 8450 | 8542 | -92  |
| Haryana        | Bhiwani     | Bhiwani             | 8353 | 8450 | -97  |
|                | Sirsa       | Sirsa               | NA   | 8450 | -    |
|                |             | 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   |                |                           | 11-May-18 | 4-May-18 | 10-Apr-18 | 11-May-17 |
| Rajasthan   | Jodhpur        | Jodhpur (Loose)           | 4100      | 3925     | 4075      | 3750      |
|   |                | Jodhpur(Delivery)         | 4305      | 4121     | 4279      | 3900      |
|   | Sri-Ganganagar | Sri-Ganganagar(Loose)     | 3700      | 3650     | 3900      | 3625      |
|   |                | Sri-Ganganagar (Delivery) | 3850      | 3800     | 4050      | 3750      |
|   |                | Rawla (Loose)             | NA        | NR       | NA        | 3500      |
|   |                | Gharsana (Loose)          | NA        | 3632     | NA        | 3560      |

|                       |                    |                        |      |      |      |      |
|-----------------------|--------------------|------------------------|------|------|------|------|
|                       |                    | Raisinghnagar (Loose)  | NR   | NR   | 3800 | 3600 |
|                       | <b>Bikaner</b>     | Bikaner (Loose)        | 3700 | 3600 | 3850 | 3600 |
|                       |                    | Bikaner (Delivery)     | 3885 | 3780 | 4043 | 3750 |
|                       |                    | Nokha(Loose)           | 3710 | 3600 | 3800 | 3520 |
|                       |                    | Nokha (Delivery)       | 3896 | 3780 | 3990 | 3647 |
|                       |                    | Khajuwala (Loose)      | 3670 | 3700 | 3820 | 3610 |
|                       |                    | Khajuwala (Delivery)   | 3854 | 3885 | 4011 | 3754 |
|                       |                    | Lunkaransar (Loose)    | 3700 | 3600 | 3700 | 3550 |
|                       | <b>Hanumangarh</b> | Hanumangarh (Loose)    | 3650 | 3650 | 3850 | 3550 |
|                       |                    | Hanumangarh (Delivery) | 3833 | 3833 | 4043 | 3700 |
|                       |                    | Nohar (Loose)          | 3700 | 3700 | 3850 | 3600 |
|                       |                    | Pilibanga (Loose)      | NA   | NA   | NA   | 3550 |
|                       | <b>Nagaur</b>      | Nagaur (Loose)         | 3650 | 3500 | 3750 | 3380 |
|                       | <b>Churu</b>       | Churu (Delivery)       | 3900 | 3850 | 4050 | 3650 |
|                       | <b>Alwar</b>       | Alwar (Loose)          | 3625 | 3600 | 3750 | 3400 |
| <b>Haryana</b>        | <b>Hisar</b>       | Adampur (Loose)        | 3750 | 3650 | 3850 | 3625 |
|                       |                    | Adampur (Delivery)     | 3938 | 3833 | 4043 | 3775 |
|                       | <b>Bhiwani</b>     | Bhiwani (Delivery)     | 3900 | 3770 | 4000 | 3725 |
|                       |                    | Siwani (Loose)         | 3850 | 3765 | 3980 | 3700 |
|                       | <b>Sirsa</b>       | Sirsa (Loose)          | NA   | NA   | 3870 | 3640 |
|                       |                    | Dhabwali (Loose)       | NA   | NA   | 3910 | 3550 |
|                       |                    | Dhabwali (Delivery)    | NA   | NA   | 4106 | 3700 |
|                       |                    | Ellanabad (Loose)      | NA   | NA   | 3850 | 3600 |
|                       | <b>Fatehabad</b>   | Fatehabad (Loose)      | NA   | NA   | 3880 | 3900 |
| <b>Gujarat</b>        | <b>Banaskantha</b> | Deesa (Loose)          | NA   | NA   | NA   | 3360 |
|                       | <b>Patan</b>       | Patan (Loose)          | NA   | NA   | 3675 | 3400 |
|                       | <b>Rajkot</b>      | Rajkot (Loose)         | 3725 | 3550 | NR   | 3365 |
|                       | <b>Jamnagar</b>    | Dhrol (Loose)          | NA   | NA   | NA   | 3200 |
| <b>Madhya Pradesh</b> | <b>Gwalior</b>     | Dabra (Loose)          | NA   | NA   | NA   | NA   |
| <b>Guar Gum</b>       |                    |                        |      |      |      |      |
| <b>Rajasthan</b>      | <b>Jodhpur</b>     | Jodhpur                | 8600 | 8700 | 8800 | 8000 |
|                       | <b>Alwar</b>       | Alwar                  | 8550 | 8500 | 8900 | 7800 |
|                       | <b>Hanumangarh</b> | Nohar                  | 8400 | 8300 | 8800 | 8200 |
| <b>Haryana</b>        | <b>Bhiwani</b>     | Bhiwani                | 8400 | 8200 | 8650 | 8000 |
|                       | <b>Sirsa</b>       | Sirsa                  | NA   | NA   | 8750 | 8000 |
|                       |                    | Dhabwali               | NA   | NA   | 8900 | 8000 |
|                       |                    | Ellanabad              | NA   | NA   | 8650 | 8000 |
|                       | <b>Fatehabad</b>   | Fatehabad              | NA   | NA   | 8600 | 8600 |

| Guar Cumulative Arrivals in Key Centers: |                |                |                            |                            |        |
|--|----------------|----------------|----------------------------|----------------------------|--------|
| Commodity                                | District       | Centre         | Weekly Arrivals (Quintals) |                            | Change |
| Guar Seed                                |                |                | 5th to 11th May 2018       | 28th April to 4th May 2018 |        |
| Rajasthan                                | Jodhpur        | Jodhpur        | NA                         | NA                         | -      |
|  | Sri-Ganganagar | Sri-Ganganagar | 1550                       | 1700                       | -150   |
|  |                | Rawla          | NA                         | NA                         | -      |
|  |                | Gharsana       | NA                         | 50                         | -      |
|  |                | Raisinghnagar  | NA                         | 150                        | -      |
|  | Bikaner        | Bikaner        | 900                        | 750                        | 150    |
|  |                | Nokha          | 1925                       | 1550                       | 375    |
|  |                | Khajuwala      | 800                        | 1440                       | -640   |
|  |                | Lunkaransar    | 1150                       | 710                        | 440    |
|  | Hanumangarh    | Hanumangarh    | 95                         | 115                        | -20    |
|  |                | Nohar          | 2200                       | 2650                       | -450   |
|  |                | Pilibanga      | NA                         | NA                         | -      |
|  | Nagaur         | Nagaur         | 590                        | 470                        | 120    |
|  | Churu          | Churu          | 1900                       | 2000                       | -100   |
|  | Alwar          | Alwar          | 680                        | 1100                       | -420   |
| Haryana                                  | Hisar          | Adampur        | 3000                       | 700                        | 2300   |
|  | Bhiwani        | Bhiwani        | 1500                       | 1800                       | -300   |
|  |                | Siwani         | 5800                       | 6000                       | -200   |
|  | Sirsa          | Sirsa          | NA                         | 200                        | -      |
|  |                | Dhabwali       | NA                         | NA                         | -      |
|  |                | Ellanabad      | NA                         | NA                         | -      |
|  | Fatehabad      | Fatehabad      | NA                         | NA                         | -      |
| Gujarat                                  | Banaskantha    | Deesa          | 10                         | 7                          | 3      |
|  | Patan          | Patan          | 29                         | 65                         | -36    |
|  | Rajkot         | Rajkot         | 658                        | 442                        | 216    |
|  | Jamnagar       | Dhrol          | 10                         | 7                          | 3      |
| Madhya Pradesh                           | Gwalior        | Dabra          | NA                         | NA                         | -      |
| Total Arrivals/Above Markets             |                |                | 22797                      | 21906                      | 891    |

#### 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.