



Guar Weekly Research Report

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Executive Summary

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Domestic Guar Seed Market Summary

All India weekly average prices decreased by 3.77 percent to Rs. 3425.85 per quintal during the week ended 23rd May 2018. Guar seed average price were ruling at Rs 3559.9 per quintal during 09-15 May 2018. As compared to prices in the week 16-23 May 2017, the prices are firm by 2.06 percent. Prices are expected to remain steady to weak in coming days.

As per forecast issued by IMD, southwest monsoon has arrived in south Andaman Sea and is likely to enter kerala in next four days. If this forecast issued by IMD holds, monsoon will arrive at least three days before this year. Furthermore, good rainfall can also be expected in parts of central India in between June 01 and June 15. IMD has already issued that India is likely to have a normal monsoon at 97 percent of LPA. Good monsoon will further weigh down prices of guar seed in future.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1059 as on 25th May 2018 up by 13 compared to last week and by 151 compared to 26th 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, export of guar split has declined in the month of April. Exports in the month of April are down by around 30.59% compared to previous month. India exported around 2943 tonnes of guar split in the month of April at an average FoB of \$1538.89 per tonne. Of the total quantity around 1482 tonnes and 1100 tonnes has been exported to China and Unites States respectively.

Guar June future contract remained steady last week and closed at Rs 3836.00 per quintal. As of now, guar is moving within the range of Rs 3720-3975 per quintal. Market has entered into seasonal downtrend. As of now, guar has breached the support level of Rs 4100-4150 per quintal and a fresh low of Rs 3600-3650 per quintal can be expected in near future. Forecast of good monsoon are likely to keep prices under pressure. Traders are advised to sell guar seed.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (5800 quintals) compared to previous week arrivals of 4800 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (440 quintals) compared to 790 quintals in the previous week.

Recommendation:

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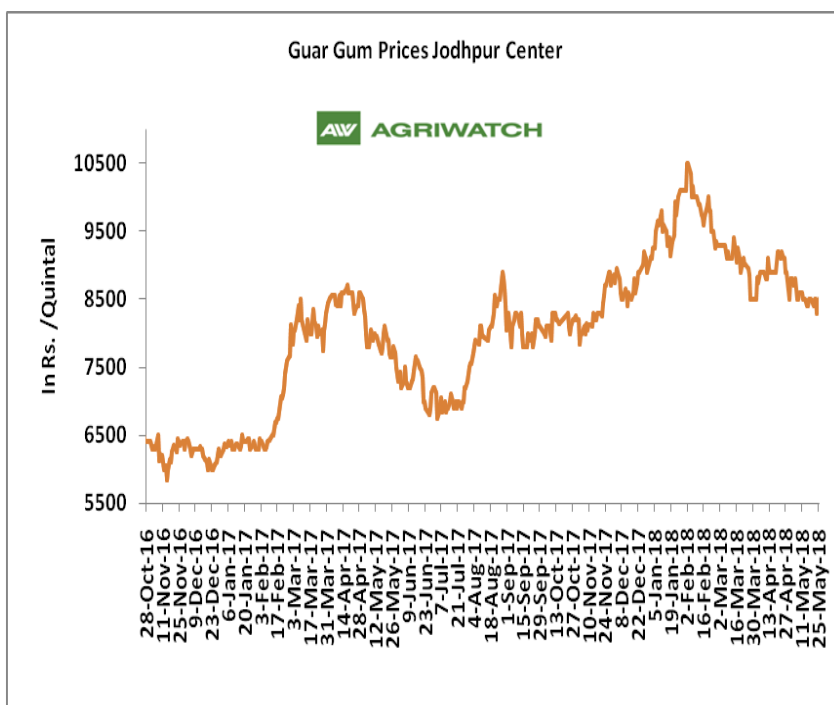
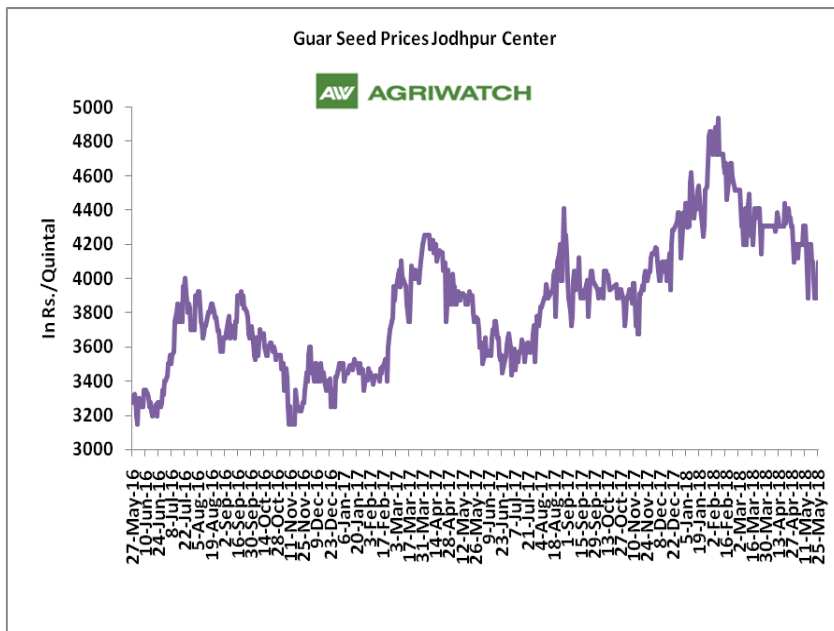
Weekly Call - : Market participants are advised to sell Guar seed at 3850 levels for a target of 3620 with a stop loss at 3925 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 25th May'18, Guar seed weekly average prices decreased by Rs 140.00/- qtl during the week compared to previous week and settled at Rs 3990 per quintal.
- In addition, Guar gum weekly price decreased by Rs 16.67 per quintal and settled at Rs. 8450 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.

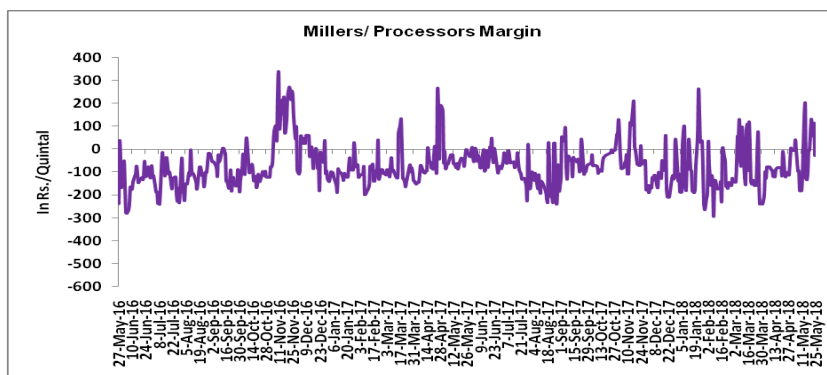


Millers/Processors Margin

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In the week ended 25th May'18, average crush margin is Rs. 57.21/Quintal, compared to last week's -45.64/Quintal. Therefore, crushing is favorable for Millers/Processors.

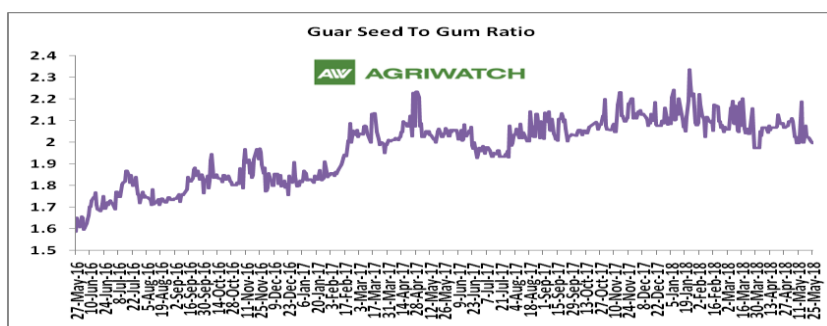
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 25th May'18 is 2.01, higher compared to last week's 2.05

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



Guar gum Weekly Export

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Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08 April-2018	6691.11	1879.72
09-15 April -2018	7835.08	1909.46
16-23 April -2018	7539.67	1894.68
24-30 April -2018	5216.49	1836.55
Total	27282.35	

Source: Trade

Technical Analysis (Guar Seed)
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Commodity: Guar Seed
Contract: June
Exchange: NCDEX
Expiry: June 20, 2018

Technical Commentary:

- Rise in price and fall open interest indicates short covering.
- 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	3555	3510	3836	4030	4115
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	June	Sell	Below 3850	3725	3620	3925

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: June

Exchange: NCDEX
Expiry: June 20, 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	June	7755	7665	8231	8550	8645
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	Sell	Below 8250	8015	7860	8391

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	19th May to 25th May 2018	12nd May to 18th May 2018	Change
Churi	Jodhpur	1505	1579	-74
Korma	Jodhpur	2188	2159	28
Churi	Sri-Ganganagar	1344	1344	Unch
Korma	Sri-Ganganagar	1913	1953	-40

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	19th May to 25th May 2018	12nd May to 18th May 2018	Change
Guargum Split		1230	1262	-32
Guargum Powder	200 Mesh 5000 CPS	1523	1558	-34
	200 Mesh 3500 CPS	1450	1484	-34
Guargum Meal	40%	293	303	-10
	50%	425	421	4

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			19th May to 25th May 2018	12nd May to 18th May 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	3800	3933	-133
		Jodhpur(Delivery)	3990	4130	-140
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3731	3745	-14
		Sri-Ganganagar (Delivery)	3881	3895	-14
		Rawla (Loose)	NA	NA	-
		Gharsana (Loose)	NA	NA	-
		Raisinghnagar (Loose)	3630	3700	-70
	Bikaner	Bikaner (Loose)	3772	3750	22
		Bikaner (Delivery)	3960	3938	23
		Nokha(Loose)	3733	3751	-18
		Nokha (Delivery)	3920	3938	-18
		Khajuwala (Loose)	3715	3714	1
		Khajuwala (Delivery)	3901	3900	1
		Lunkaransar (Loose)	3738	3754	-16
	Hanumangarh	Hanumangarh (Loose)	3683	3688	-5
		Hanumangarh (Delivery)	3868	3873	-5

		Nohar (Loose)	3727	3737	-10
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	3613	3650	-37
	Churu	Churu (Delivery)	NA	3894	-
	Alwar	Alwar (Loose)	NA	3619	-
Haryana	Hisar	Adampur (Loose)	3758	3758	Unch
		Adampur (Delivery)	3946	3946	Unch
	Bhiwani	Bhiwani (Delivery)	3926	3945	-19
		Siwani (Loose)	3873	3866	7
	Sirsa	Sirsa (Loose)	3760	NA	-
		Dhabwali (Loose)	3675	NA	-
		Dhabwali (Delivery)	3675	NA	-
		Ellanabad (Loose)	3700	NA	-
	Fatehabad	Fatehabad (Loose)	NA	NA	-
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	-
	Patan	Patan (Loose)	3595	3468	127
	Rajkot	Rajkot (Loose)	3641	3650	-9
	Jamnagar	Dhrol (Loose)	3526	3553	-27
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8450	8467	-17
	Alwar	Alwar	NA	8475	-
	Hanumangarh	Nohar	8410	8450	-40
Haryana	Bhiwani	Bhiwani	8388	8483	-95
	Sirsa	Sirsa	8350	NA	-
		Dhabwali	8450	NA	-
		Ellanabad	8250	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			25-May-18	18-May-18	25-Apr-18	25-May-17
Rajasthan	Jodhpur	Jodhpur (Loose)	3900	3900	4150	3600
		Jodhpur(Delivery)	4095	4095	4358	3750
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3750	3750	3900	3400
		Sri-Ganganagar (Delivery)	3900	3900	4050	3550
		Rawla (Loose)	NA	NA	NA	3350
		Gharsana (Loose)	NA	NA	4000	3275

		Raisinghnagar (Loose)	NA	NA	3950	3360
	Bikaner	Bikaner (Loose)	3775	3710	3950	3370
		Bikaner (Delivery)	3964	3896	4148	3520
		Nokha(Loose)	3725	3760	3940	3300
		Nokha (Delivery)	3911	3948	4137	3419
		Khajuwala (Loose)	3730	3740	3960	3400
		Khajuwala (Delivery)	3917	3927	4158	3536
		Lunkaransar (Loose)	3725	3800	3950	3350
	Hanumangarh	Hanumangarh (Loose)	3700	3700	3930	3547
		Hanumangarh (Delivery)	3885	3885	4127	3697
		Nohar (Loose)	NR	3750	3970	3450
		Pilibanga (Loose)	NA	NA	NA	3450
	Nagaur	Nagaur (Loose)	3650	3600	3850	3375
	Churu	Churu (Delivery)	NA	NA	4150	3500
	Alwar	Alwar (Loose)	NA	NA	3850	3250
Haryana	Hisar	Adampur (Loose)	3760	3770	3950	3425
		Adampur (Delivery)	3948	3959	4148	3575
	Bhiwani	Bhiwani (Delivery)	3950	3950	4150	3575
		Siwani (Loose)	3900	3870	4080	3500
	Sirsa	Sirsa (Loose)	3760	NA	NA	3400
		Dhabwali (Loose)	3675	NA	NA	3350
		Dhabwali (Delivery)	3675	NA	NA	3500
		Ellanabad (Loose)	3700	NA	NA	3350
	Fatehabad	Fatehabad (Loose)	NA	NA	NA	NA
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	NA	3250
	Patan	Patan (Loose)	3625	3540	3690	3385
	Rajkot	Rajkot (Loose)	3660	3650	3860	3400
	Jamnagar	Dhrol (Loose)	3545	3555	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8500	8500	9100	7650
	Alwar	Alwar	NA	NR	9100	7600
	Hanumangarh	Nohar	NR	8400	9000	7800
Haryana	Bhiwani	Bhiwani	8300	8500	9000	7800
	Sirsa	Sirsa	8350	NA	NA	7600
		Dhabwali	8450	NA	NA	7500
		Ellanabad	8250	NA	NA	7650
	Fatehabad	Fatehabad	NA	NA	NA	NA

Guar Seed Arrivals at Key Spot Markets

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Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			19th to 25th May 2018	12th to 18th May 2018	
Rajasthan	Jodhpur	Jodhpur	NA	NA	-
	Sri-Ganganagar	Sri-Ganganagar	2150	2000	150
		Rawla	NA	NA	-
		Gharsana	NA	NA	-
		Raisinghnagar	750	200	550
	Bikaner	Bikaner	440	790	-350
		Nokha	1600	1550	50
		Khajuwala	1350	1200	150
		Lunkaransar	1105	1020	85
	Hanumangarh	Hanumangarh	270	145	125
		Nohar	2800	3700	-900
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	850	800	50
	Churu	Churu	NA	1500	-
	Alwar	Alwar	NA	270	-
Haryana	Hisar	Adampur	5800	4800	1000
	Bhiwani	Bhiwani	1950	2500	-550
		Siwani	7400	4900	2500
	Sirsa	Sirsa	4	NA	-
		Dhabwali	NA	NA	-
		Ellanabad	100	NA	-
	Fatehabad	Fatehabad	NA	NA	-
Gujarat	Banaskantha	Deesa	NA	NA	-
	Patan	Patan	116	29	87
	Rajkot	Rajkot	2130	1050	1080
	Jamnagar	Dhrol	271	39	232
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			29086	26493	2593

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