



# 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 1.41 percent to Rs. 3377.41 per quintal during the week ended 31st May 2018. Guar seed average price were ruling at Rs 3425.85 per quintal during 16-23 May 2018. As compared to prices in the week 24-31 May 2017, the prices are firm by 1.97 percent. Prices are expected to remain steady to weak in coming days.

Prices of guar seed and guar gum are falling continuously as guar has entered in seasonal downtrend. Many traders in market are attributing the fall in prices to slick water chemical supplied by china. This chemical is not a perfect substitute for guar gum. Furthermore, this chemical supplied by china is expensive compared to guar gum supplied by India. The price of chemical is higher by around \$ 600-700 per tonne. Speculative trading is harming the guar industry and distress selling is putting more pressure on falling guar prices.

Guar seed future June contract continued its downtrend and closed at Rs 3663.50 per quintal. As of now, fundamentals are not in support of guar seed although small technical recoveries can be expected. Normal monsoon forecast is also weighing on prices. If current situation continues, Guar is likely to touch Rs 3200-3250 per quintal in future. IMD has already issued that India is likely to have a normal monsoon at 97 percent of LPA. Traders are advised to sell guar seed.

As per data released by Baker Hughes, the number of oilrigs in USA has increased to 1060 as on 01st June 2018 up by 1 compared to last week and by 144 compared to 02nd June 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 oilrigs is rising but 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.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (6900 quintals) compared to previous week arrivals of 5800 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (800 quintals) compared to 440 quintals in the previous week.

#### Recommendation:

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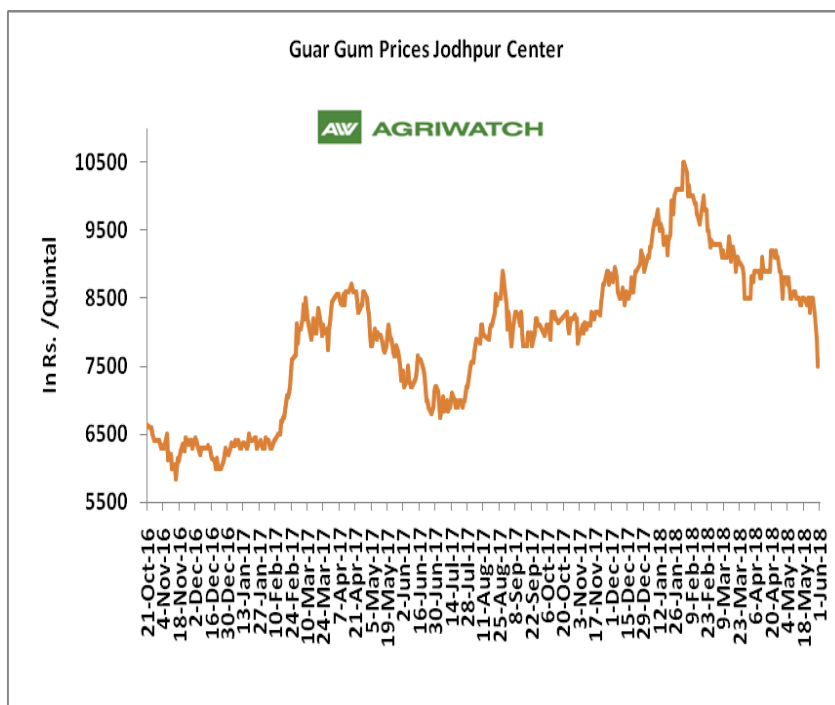
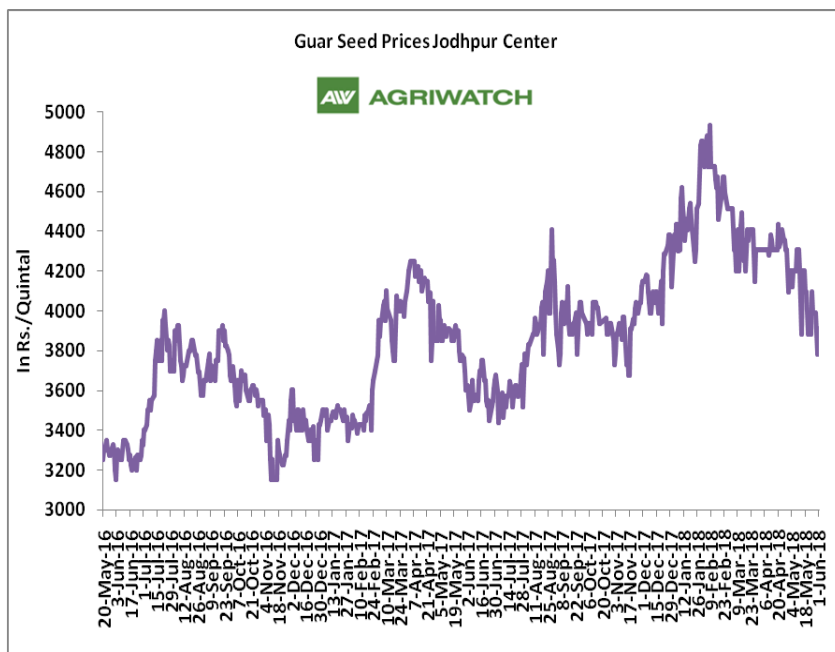
**Weekly Call - : Market participants are advised to sell Guar seed at 3680 levels for a target of 3480 with a stop loss at 3749 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 01<sup>st</sup> June'18, Guar seed weekly average prices decreased by Rs 78.75/- qtl during the week compared to previous week and settled at Rs 3911 per quintal.
- In addition, Guar gum weekly price decreased by Rs 500.00 per quintal and settled at Rs. 7950 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 01<sup>st</sup> June'18, average crush margin is Rs. -31.35/Quintal, compared to last week's 57.21/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.

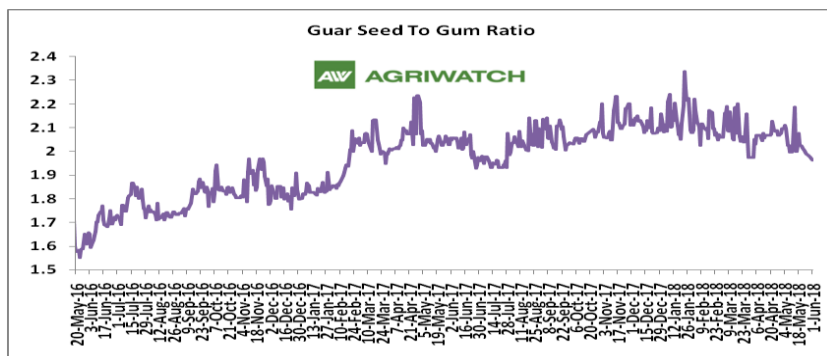
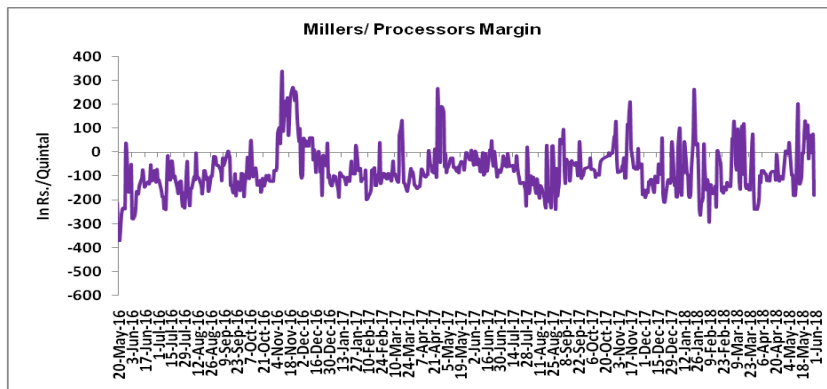
#### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 01<sup>st</sup> June'18 is 1.98, higher compared to last week's 2.01

Weak overseas demand of gum and good demand of seed from millers has decreased 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:**

- 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	June	3405	3360	3663.5	3855	3930
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	June	<b>Sell</b>	Below 3680	3565	3480	3749

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	7045	6930	7662	7995	8100
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	<b>Sell</b>	Below 7685	7410	7195	7850

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

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	26th May to 01 <sup>st</sup> June 2018	19th May to 25th May 2018	Change
Churi	Jodhpur	1475	1505	-30
Korma	Jodhpur	2194	2188	6
Churi	Sri-Ganganagar	1375	1344	32
Korma	Sri-Ganganagar	1912	1913	-1

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	26th May to 01 <sup>st</sup> June 2018	19th May to 25th May 2018	Change
Guargum Split		1244	1230	14
Guargum Powder	200 Mesh 5000 CPS	1540	1523	16
	200 Mesh 3500 CPS	1466	1450	16
Guargum Meal	40%	296	293	3
	50%	429	425	4

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			26th May to 01 <sup>st</sup> June 2018	19th May to 25th May 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	3725	3800	-75
		Jodhpur(Delivery)	3911	3990	-79
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3785	3731	54
		Sri-Ganganagar (Delivery)	3935	3881	54
		Rawla (Loose)	3593	NA	-
		Gharsana (Loose)	3583	NA	-
		Raisinghnagar (Loose)	3600	3630	-30
	Bikaner	Bikaner (Loose)	3646	3772	-126
		Bikaner (Delivery)	3828	3960	-132
		Nokha(Loose)	3650	3733	-83
		Nokha (Delivery)	3833	3920	-88
		Khajuwala (Loose)	3701	3715	-14
		Khajuwala (Delivery)	3886	3901	-14
		Lunkaransar (Loose)	3629	3738	-109
	Hanumangarh	Hanumangarh (Loose)	3612	3683	-72
		Hanumangarh (Delivery)	3792	3868	-75

		Nohar (Loose)	3639	3727	-88
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	3550	3613	-63
	Churu	Churu (Delivery)	3850	NA	-
	Alwar	Alwar (Loose)	3550	NA	-
Haryana	Hisar	Adampur (Loose)	3662	3758	-97
		Adampur (Delivery)	3845	3946	-102
	Bhiwani	Bhiwani (Delivery)	3845	3926	-81
		Siwani (Loose)	3799	3873	-73
	Sirsa	Sirsa (Loose)	3665	3760	-95
		Dhabwali (Loose)	3675	3675	Unch
		Dhabwali (Delivery)	3675	3675	Unch
		Ellanabad (Loose)	3600	3700	-100
	Fatehabad	Fatehabad (Loose)	3600	NA	-
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	-
	Patan	Patan (Loose)	3519	3595	-76
	Rajkot	Rajkot (Loose)	3585	3641	-56
	Jamnagar	Dhrol (Loose)	3505	3526	-21
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7950	8450	-500
	Alwar	Alwar	8025	NA	-
	Hanumangarh	Nohar	7617	8410	-793
Haryana	Bhiwani	Bhiwani	8175	8388	-213
	Sirsa	Sirsa	7980	8350	-370
		Dhabwali	NA	8450	-
		Ellanabad	7980	8250	-270
	Fatehabad	Fatehabad	7805	NA	-

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			1-Jun-18	25-May-18	2-May-18	1-Jun-17
Rajasthan	Jodhpur	Jodhpur (Loose)	3700	3900	4000	3450
		Jodhpur(Delivery)	3885	4095	4200	3600
	Sri-Ganganagar	Sri-Ganganagar(Loose)	Closed	3750	3750	3300
		Sri-Ganganagar (Delivery)	Closed	3900	3900	3450
		Rawla (Loose)	NR	NA	NA	3300
		Gharsana (Loose)	NA	NA	NA	3250

		Raisinghnagar (Loose)	Closed	NA	NA	3330
	<b>Bikaner</b>	Bikaner (Loose)	3575	3775	3670	3280
		Bikaner (Delivery)	3754	3964	3854	3430
		Nokha(Loose)	3580	3725	3640	3250
		Nokha (Delivery)	3759	3911	3822	3367
		Khajuwala (Loose)	NR	3730	3690	3300
		Khajuwala (Delivery)	NR	3917	3875	3432
		Lunkaransar (Loose)	3500	3725	3750	3250
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3560	3700	3600	3515
		Hanumangarh (Delivery)	3738	3885	3780	3665
		Nohar (Loose)	3610	NR	3650	3300
		Pilibanga (Loose)	NA	NA	NA	3300
	<b>Nagaur</b>	Nagaur (Loose)	3400	3650	3550	3200
	<b>Churu</b>	Churu (Delivery)	3900	NA	3900	3450
	<b>Alwar</b>	Alwar (Loose)	3600	NA	3600	3200
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3580	3760	NA	3300
		Adampur (Delivery)	3759	3948	NA	3450
	<b>Bhiwani</b>	Bhiwani (Delivery)	3750	3950	3850	3400
		Siwani (Loose)	3710	3900	3800	3350
	<b>Sirsa</b>	Sirsa (Loose)	3570	3760	NA	3300
		Dhabwali (Loose)	NA	3675	NA	3275
		Dhabwali (Delivery)	NA	3675	NA	3425
		Ellanabad (Loose)	Closed	3700	NA	3270
	<b>Fatehabad</b>	Fatehabad (Loose)	Closed	NA	NA	NA
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	NA	NA	3600	3250
	<b>Patan</b>	Patan (Loose)	NA	3625	3495	3200
	<b>Rajkot</b>	Rajkot (Loose)	3600	3660	3615	3150
	<b>Jamnagar</b>	Dhrol (Loose)	3465	3545	3360	NA
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	7600	8500	8800	7400
	<b>Alwar</b>	Alwar	7800	NA	8500	7600
	<b>Hanumangarh</b>	Nohar	7550	NR	8500	7500
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	7900	8300	8450	7450
	<b>Sirsa</b>	Sirsa	7750	8350	NA	7400
		Dhabwali	NA	8450	NA	7400
		Ellanabad	Closed	8250	NA	7400
	<b>Fatehabad</b>	Fatehabad	Closed	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			26th May to 01 <sup>st</sup> June 2018	19th May to 25th May 2018	
Rajasthan	Jodhpur	Jodhpur	NA	NA	-
	Sri-Ganganagar	Sri-Ganganagar	1900	2150	-250
		Rawla	250	NA	-
		Gharsana	70	NA	-
		Raisinghnagar	100	750	-650
	Bikaner	Bikaner	800	440	360
		Nokha	1500	1600	-100
		Khajuwala	1250	1350	-100
		Lunkaransar	550	1105	-555
	Hanumangarh	Hanumangarh	310	270	40
		Nohar	2550	2800	-250
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	450	850	-400
	Churu	Churu	1500	NA	-
	Alwar	Alwar	550	NA	-
Haryana	Hisar	Adampur	6900	5800	1100
	Bhiwani	Bhiwani	2050	1950	100
		Siwani	7400	7400	Unch
	Sirsa	Sirsa	3700	4	3696
		Dhabwali	100	NA	-
		Ellanabad	400	100	300
	Fatehabad	Fatehabad	600	NA	-
Gujarat	Banaskantha	Deesa	NA	NA	-
	Patan	Patan	105	116	-11
	Rajkot	Rajkot	2597	2130	467
	Jamnagar	Dhrol	290	271	19
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			35922	29086	6836

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