



Guar Weekly Research Report

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Executive Summary

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Domestic Guar Seed Market Summary

All India weekly average prices increased by 0.67 percent to Rs. 3400.08 per quintal during the week ended 08th June 2018. Guar seed average price were ruling at Rs 3377.41 per quintal during 24-31 May 2018. As compared to prices in the week 01-08 June 2017, the prices are firm by 3.66 percent. Prices are expected to remain steady to weak in coming days.

Guar seed future July contract continued its downtrend and closed at Rs 3656.50 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. Traders are advised to sell guar seed.

As per millers recovery of guar gum from guar seed is coming around 29.0-31.0 kg of guar gum this year compared to around 31-32 kg last year. Export demand for guar gum is normal. As of now guar gum prices in Jodhpur are hovering around Rs 7600 per quintal.

As per forecast by IMD, monsoon is likely to be 97 percent of the long-term average. As of now a trough is extending from Northwest Rajasthan to Bihar. Therefore, it is highly likely that Rajasthan and Haryana, the main growing states for guar seed, will witness thundershowers. Sowing of guar is likely to be slightly lower as compared to previous year due to lower returns compared to other competitive crops.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1062 as on 08th June 2018 up by 2 compared to last week and by 135 compared to 09th June 2017. The total number of oil rigs was recorded at 2179 worldwide in May'18 compared to 2096 in the same month last year. Although the number of oil rigs is rising but alternatives to guar gum are slightly 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 lower arrivals (4200 quintals) compared to previous week arrivals of 6900 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (450 quintals) compared to 800 quintals in the previous week.

Recommendation:

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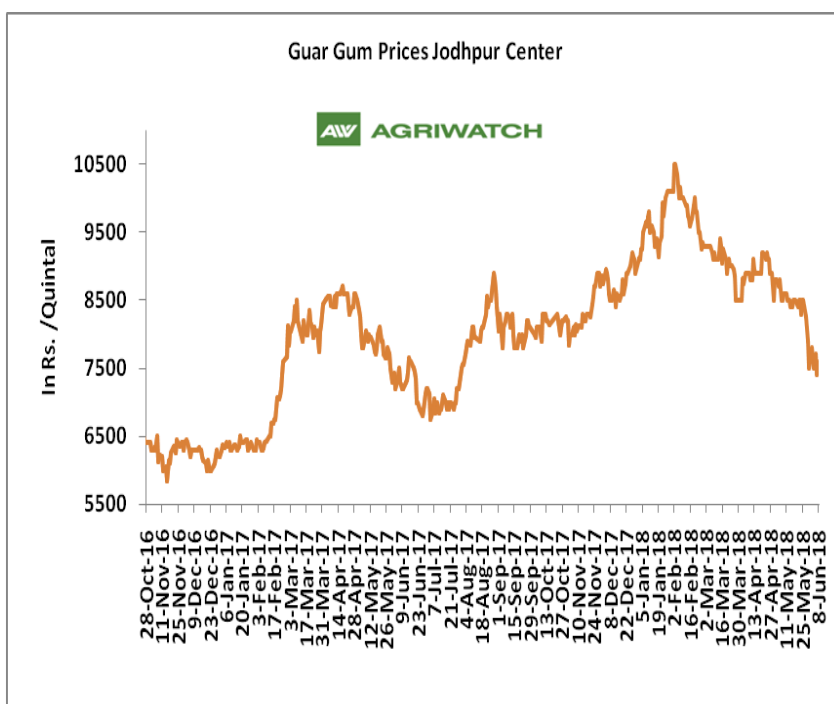
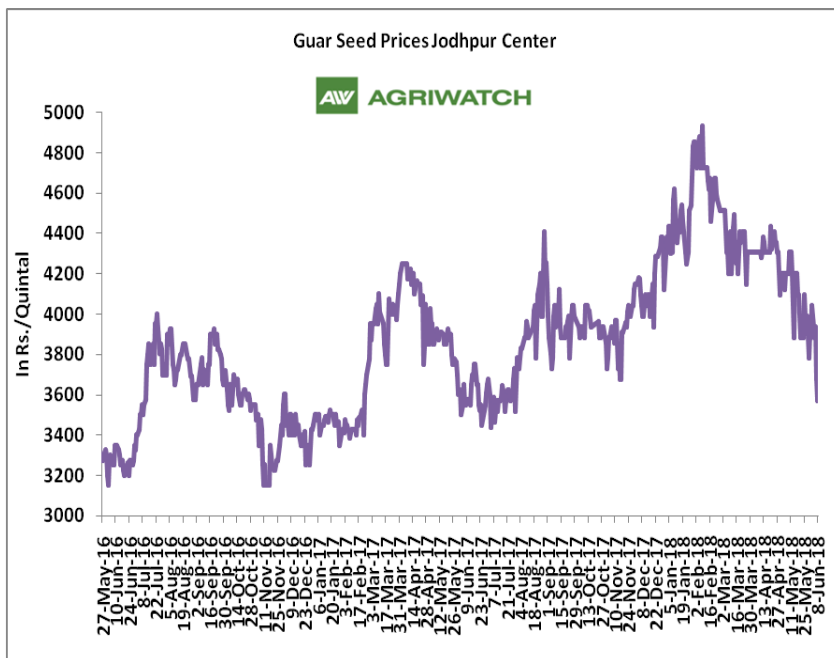
Weekly Call - : Market participants are advised to sell Guar seed at 3690 levels for a target of 3495 with a stop loss at 3759 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 08th June'18, Guar seed weekly average prices decreased by Rs 122.50/- qtl during the week compared to previous week and settled at Rs 3789 per quintal.
- In addition, Guar gum weekly price decreased by Rs 366.67 per quintal and settled at Rs. 7583 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.

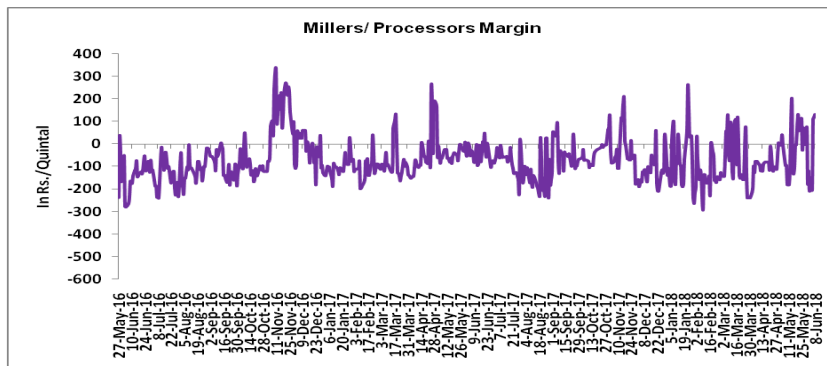


Millers/Processors Margin

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In the week ended 08th June'18, average crush margin is Rs. -33.62/Quintal, compared to last week's -31.35/Quintal. Therefore, crushing is not favorable for Millers/Processors.

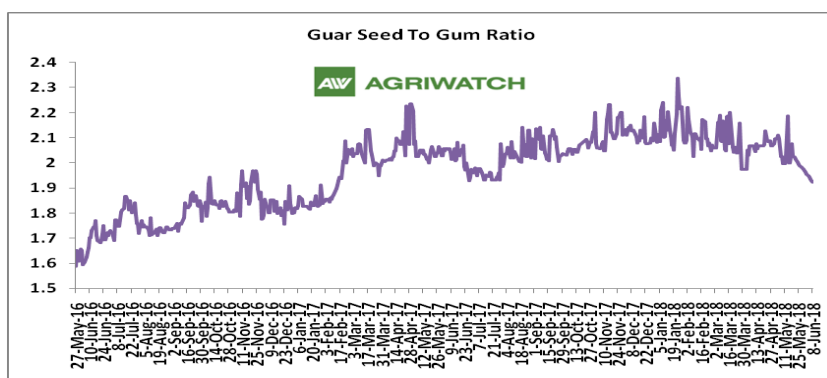
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 08th June'18 is 1.94, lower compared to last week's 1.98

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: July

Exchange: NCDEX
Expiry: July 20, 2018



Technical Commentary:

- Fall in price and rise in open interest indicates short 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	July	3415	3370	3656.5	3865	3940
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	July	Sell	Below 3690	3575	3495	3759

Technical Analysis (Guar Gum)
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Commodity: Guar Gum
Contract: July
Exchange: NCDEX
Expiry: July 20, 2018

Technical Commentary:

- Fall in price and rise in open interest indicates short 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	July	6945	6830	7555	7895	8000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	Sell	Below 7585	7310	7115	7750

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	2ndJune to 8thJune 2018	26th May to 01stJune 2018	Change
Churi	Jodhpur	1462	1475	-12
Korma	Jodhpur	2194	2194	Unch
Churi	Sri-Ganganagar	1294	1375	-82
Korma	Sri-Ganganagar	1944	1912	31

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	2ndJune to 8thJune 2018	26th May to 01stJune 2018	Change
Guargum Split		1140	1244	-104
Guargum Powder	200 Mesh 5000 CPS	1438	1540	-102
	200 Mesh 3500 CPS	1363	1466	-103
Guargum Meal	40%	298	296	2
	50%	432	429	3

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			2ndJune to 8thJune 2018	26th May to 01stJune 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	3608	3725	-117
		Jodhpur(Delivery)	3789	3911	-123
	Sri-Ganganagar	Sri-Ganganagar(Loose)	Closed	3785	-
		Sri-Ganganagar (Delivery)	Closed	3935	-
		Rawla (Loose)	NR	3593	-
		Gharsana (Loose)	3527	3583	-57
		Raisinghnagar (Loose)	Closed	3600	-
	Bikaner	Bikaner (Loose)	3513	3646	-133
		Bikaner (Delivery)	3688	3828	-140
		Nokha(Loose)	3505	3650	-145
		Nokha (Delivery)	3680	3833	-152
		Khajuwala (Loose)	3480	3701	-221
		Khajuwala (Delivery)	3654	3886	-232
		Lunkaransar (Loose)	3499	3629	-130
	Hanumangarh	Hanumangarh (Loose)	3481	3612	-131
		Hanumangarh (Delivery)	3655	3792	-137

		Nohar (Loose)	3560	3639	-79
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	3413	3550	-138
	Churu	Churu (Delivery)	3850	3850	Unch
	Alwar	Alwar (Loose)	3558	3550	8
Haryana	Hisar	Adampur (Loose)	3538	3662	-123
		Adampur (Delivery)	3715	3845	-130
	Bhiwani	Bhiwani (Delivery)	3721	3845	-124
		Siwani (Loose)	Closed	3799	-
	Sirsa	Sirsa (Loose)	Closed	3665	-
		Dhabwali (Loose)	Closed	3675	-
		Dhabwali (Delivery)	Closed	3675	-
		Ellanabad (Loose)	Closed	3600	-
	Fatehabad	Fatehabad (Loose)	Closed	3600	-
Gujarat	Banaskantha	Deesa (Loose)	3200	NA	-
	Patan	Patan (Loose)	3367	3519	-152
	Rajkot	Rajkot (Loose)	3491	3585	-94
	Jamnagar	Dhrol (Loose)	3459	3505	-46
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7583	7950	-367
	Alwar	Alwar	7633	8025	-392
	Hanumangarh	Nohar	7640	7617	23
Haryana	Bhiwani	Bhiwani	7575	8175	-600
	Sirsa	Sirsa	Closed	7980	-
		Dhabwali	Closed	NA	-
		Ellanabad	Closed	7980	-
	Fatehabad	Fatehabad	Closed	7805	-

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			8-Jun-18	1-Jun-18	8-May-18	8-Jun-17
Rajasthan	Jodhpur	Jodhpur (Loose)	3450	3700	4000	3400
		Jodhpur(Delivery)	3623	3885	4200	3550
	Sri-Ganganagar	Sri-Ganganagar(Loose)	Closed	Closed	3700	3185
		Sri-Ganganagar (Delivery)	Closed	Closed	3850	3335
		Rawla (Loose)	NR	NR	NA	3220
		Gharsana (Loose)	3480	NA	NA	3200

		Raisinghnagar (Loose)	Closed	Closed	NA	3150
	Bikaner	Bikaner (Loose)	3525	3575	3650	3130
		Bikaner (Delivery)	3701	3754	3833	3280
		Nokha(Loose)	3500	3580	3700	3150
		Nokha (Delivery)	3675	3759	3885	3263
		Khajuwala (Loose)	3500	NR	3710	3200
		Khajuwala (Delivery)	3675	NR	3896	3328
		Lunkaransar (Loose)	3500	3500	3750	3100
	Hanumangarh	Hanumangarh (Loose)	3550	3560	3720	3250
		Hanumangarh (Delivery)	3728	3738	3906	3400
		Nohar (Loose)	3600	3610	3775	3250
		Pilibanga (Loose)	NA	NA	NA	3250
	Nagaur	Nagaur (Loose)	3350	3400	3550	3250
	Churu	Churu (Delivery)	3900	3900	3825	3300
	Alwar	Alwar (Loose)	3600	3600	3525	3100
Haryana	Hisar	Adampur (Loose)	3550	3580	3700	3250
		Adampur (Delivery)	3728	3759	3885	3400
	Bhiwani	Bhiwani (Delivery)	3725	3750	3900	3300
		Siwani (Loose)	Closed	3710	3850	3280
	Sirsa	Sirsa (Loose)	Closed	3570	NA	3200
		Dhabwali (Loose)	Closed	NA	NA	3200
		Dhabwali (Delivery)	Closed	NA	NA	3350
		Ellanabad (Loose)	Closed	Closed	NA	3200
	Fatehabad	Fatehabad (Loose)	Closed	Closed	NA	NA
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	NA	3150
	Patan	Patan (Loose)	3360	NA	NA	3175
	Rajkot	Rajkot (Loose)	3470	3600	3700	3075
	Jamnagar	Dhrol (Loose)	NR	3465	NA	2925
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7600	7600	8500	7250
	Alwar	Alwar	7600	7800	8400	7200
	Hanumangarh	Nohar	7700	7550	8500	7400
Haryana	Bhiwani	Bhiwani	7550	7900	8400	7200
	Sirsa	Sirsa	Closed	7750	NA	7200
		Dhabwali	Closed	NA	NA	7200
		Ellanabad	Closed	Closed	NA	7200
	Fatehabad	Fatehabad	Closed	Closed	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			2ndJune to 8thJune 2018	26th May to 01stJune 2018	
Rajasthan	Jodhpur	Jodhpur	50	NA	-
	Sri-Ganganagar	Sri-Ganganagar	Closed	1900	-
		Rawla	NR	250	-
		Gharsana	270	70	200
		Raisinghnagar	Closed	100	-
	Bikaner	Bikaner	450	800	-350
		Nokha	1700	1500	200
		Khajuwala	900	1250	-350
		Lunkaransar	330	550	-220
	Hanumangarh	Hanumangarh	125	310	-185
		Nohar	235	2550	-2315
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	695	450	245
	Churu	Churu	3250	1500	1750
	Alwar	Alwar	950	550	400
Haryana	Hisar	Adampur	4200	6900	-2700
	Bhiwani	Bhiwani	3100	2050	1050
		Siwani	Closed	7400	-
	Sirsa	Sirsa	Closed	3700	-
		Dhabwali	Closed	100	-
		Ellanabad	Closed	400	-
	Fatehabad	Fatehabad	Closed	600	-
Gujarat	Banaskantha	Deesa	21	NA	-
	Patan	Patan	205	105	100
	Rajkot	Rajkot	2930	2597	333
	Jamnagar	Dhrol	196	290	-94
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			19607	35922	-16315

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