



# Guar Weekly Research Report

## Table of Contents

- ❖ **Executive Summary**
- ❖ **Recommendations**
- ❖ **Domestic Market Fundamentals**
- ❖ **Processing Margins**
- ❖ **Guar Seed to Gum Ratio**
- ❖ **Guar Gum Weekly Exports**
- ❖ **Technical Analysis (Guar Seed)**
- ❖ **Technical Analysis (Guar Gum)**
- ❖ **Guar Seed & Gum Prices at Key Spot Markets**
- ❖ **Guar Seed Arrivals at Key Centers**

### Executive Summary

[\(Back to Table of Contents\)](#)

#### Domestic Guar Seed Market Summary

All India weekly average prices decreased by 0.52 percent to Rs. 3382.56 per quintal during the week ended 15th June 2018. Guar seed average price were ruling at Rs 3400.08 per quintal during 01-08 June 2018. As compared to prices in the week 09-15 June 2017, the prices are firm by 0.93 percent. Prices are expected to remain steady to weak in coming days.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 1059 as on 15th June 2018 down by 3 compared to last week and up by 126 compared to 16th June 2017. The total number of oilrigs 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 latest update, India has exported 494101 tonnes of guar seed products in 2017-18. Of the total quantity around 321923 tonnes is guar gum, 127437 tonnes is guar meal and 44740 tonnes is guar split. Exports of guar seed products have increased by 17.66 percent in 2017-18 compared to previous year. Higher exports have helped in reducing stock position. Export demand is likely to stay good in coming weeks.

The wholesale price index of guar seed has decreased from 91.3 in April 2018 to 88.7 in May 2018. The WPI for May 2018 is up by 4.5 compared to last year for the same month and by 21.0 percent compared to May 2016. WPI is expected to stay week in coming months.

Guar seed future July contract showed technical recovery in past week and closed at Rs 3722.00 per quintal. As of now, fundamentals are not in support of guar seed. Downtrend is likely to continue 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.

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 (4600 quintals) compared to previous week arrivals of 4200 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (1000 quintals) compared to 450 quintals in the previous week.

#### Recommendation:

[\(Back to Table of Contents\)](#)

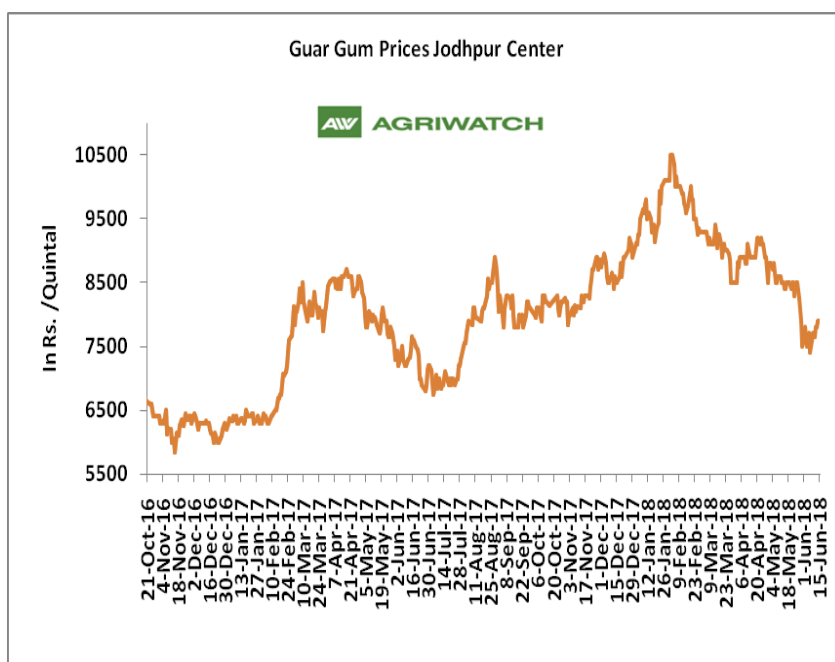
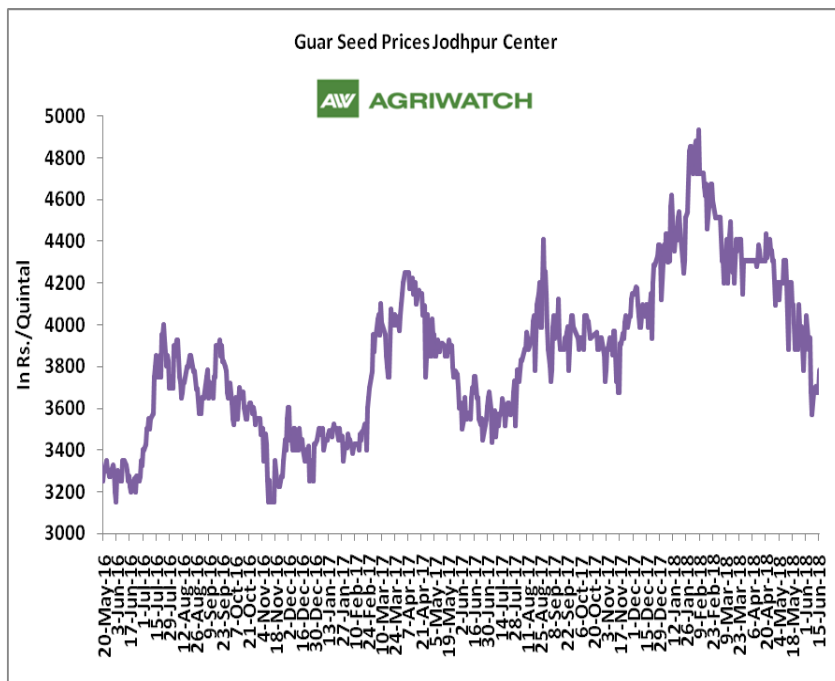
**Weekly Call - : Market participants are advised to sell Guar seed at 3735 levels for a target of 3595 with a stop loss at 3786 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

[\(Back to Table of Contents\)](#)

Domestic Front

- In the week ended 15<sup>th</sup> June'18, Guar seed weekly average prices decreased by Rs 91.88/- qtl during the week compared to previous week and settled at Rs 3697 per quintal.
- In addition, Guar gum weekly price increased by Rs 208.33 per quintal and settled at Rs. 7792 per quintal. Firm demand for guar gum from domestic as well as overseas market keep prices at higher 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.

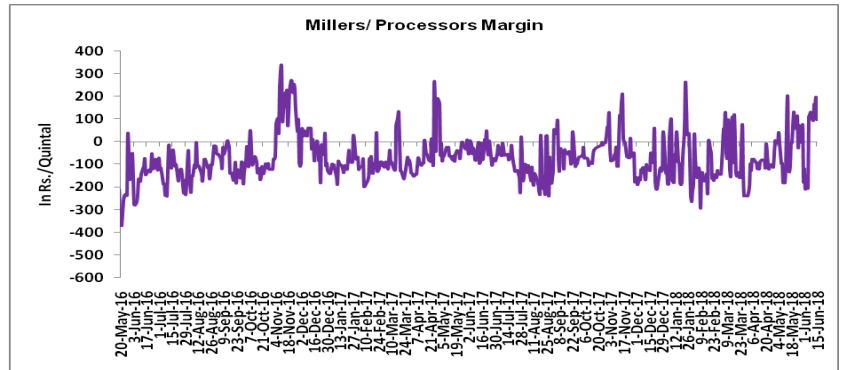


### Millers/Processors Margin

[\(Back to Table of Contents\)](#)

In the week ended 15<sup>th</sup> June'18, average crush margin is Rs. 138.02/Quintal, compared to last week's -33.62/Quintal. Therefore, crushing is favorable for Millers/Processors.

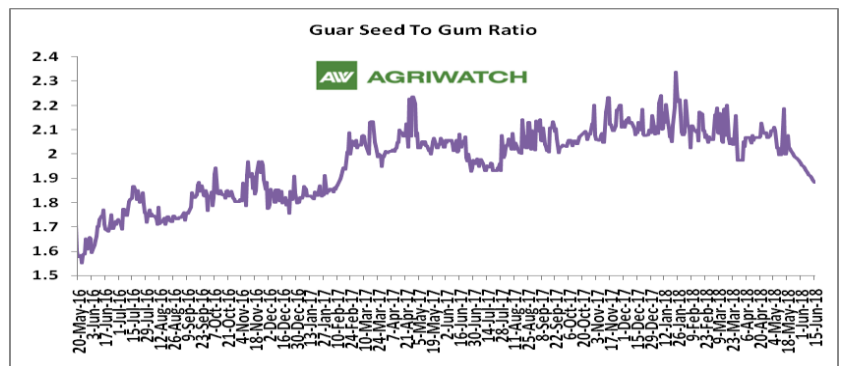
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 15<sup>th</sup> June'18 is 1.90, lower compared to last week's 1.94

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



### Guar gum Weekly Export

[\(Back to Table of Contents\)](#)

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)

[\(Back to Table of Contents\)](#)

Commodity: Guar Seed  
Contract: July

Exchange: NCDEX  
Expiry: July 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 Seed	NCDEX	July	3530	3475	3722	3860	3915
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	July	<b>Sell</b>	Below 3735	3650	3595	3786

Technical Analysis (Guar Gum)

[\(Back to Table of Contents\)](#)

Commodity: Guar Gum  
Contract: July

Exchange: NCDEX  
Expiry: July 20, 2018



**Technical Commentary:**

- Rise in price and fall in 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 Gum	NCDEX	July	7210	7105	7720	7985	8090
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	<b>Sell</b>	Below 7725	7510	7355	7854

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

[\(Back to Table of Contents\)](#)

Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	9th to 15thJune 2018	2nd to 8thJune 2018	Change
Churi	Jodhpur	1494	1462	31
Korma	Jodhpur	2209	2194	15
Churi	Sri-Ganganagar	1338	1294	44
Korma	Sri-Ganganagar	2013	1944	69

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	9th to 15thJune 2018	2nd to 8thJune 2018	Change
Guargum Split		1141	1140	2
Guargum Powder	200 Mesh 5000 CPS	1437	1438	0
	200 Mesh 3500 CPS	1363	1363	0
Guargum Meal	40%	296	298	-2
	50%	429	432	-3

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			9th to 15thJune 2018	2nd to 8thJune 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	3521	3608	-88
		Jodhpur(Delivery)	3697	3789	-92
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3735	Closed	-
		Sri-Ganganagar (Delivery)	3885	Closed	-
		Rawla (Loose)	NR	NR	-
		Gharsana (Loose)	3521	3527	-5
		Raisinghnagar (Loose)	3550	Closed	-
	Bikaner	Bikaner (Loose)	3588	3513	75
		Bikaner (Delivery)	3767	3688	79
		Nokha(Loose)	3569	3505	64
		Nokha (Delivery)	3748	3680	67
		Khajuwala (Loose)	3543	3480	63
		Khajuwala (Delivery)	3720	3654	66
		Lunkaransar (Loose)	3542	3499	43
	Hanumangarh	Hanumangarh (Loose)	3548	3481	68
		Hanumangarh (Delivery)	3726	3655	71

		Nohar (Loose)	3591	3560	31
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	3442	3413	29
	Churu	Churu (Delivery)	3875	3850	25
	Alwar	Alwar (Loose)	3600	3558	42
Haryana	Hisar	Adampur (Loose)	3589	3538	51
		Adampur (Delivery)	3769	3715	53
	Bhiwani	Bhiwani (Delivery)	3775	3721	54
		Siwani (Loose)	3726	Closed	-
	Sirsa	Sirsa (Loose)	3575	Closed	-
		Dhabwali (Loose)	3550	Closed	-
		Dhabwali (Delivery)	3728	Closed	-
		Ellanabad (Loose)	3560	Closed	-
	Fatehabad	Fatehabad (Loose)	3570	Closed	-
Gujarat	Banaskantha	Deesa (Loose)	3555	3200	355
	Patan	Patan (Loose)	3434	3367	67
	Rajkot	Rajkot (Loose)	3508	3491	18
	Jamnagar	Dhrol (Loose)	3407	3459	-52
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7792	7583	208
	Alwar	Alwar	7683	7633	50
	Hanumangarh	Nohar	7750	7640	110
Haryana	Bhiwani	Bhiwani	7492	7575	-83
	Sirsa	Sirsa	7740	Closed	-
		Dhabwali	7650	Closed	-
		Ellanabad	7660	Closed	-
	Fatehabad	Fatehabad	7660	Closed	-

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			15-Jun-18	8-Jun-18	15-May-18	15-Jun-17
Rajasthan	Jodhpur	Jodhpur (Loose)	3600	3450	4000	3525
		Jodhpur(Delivery)	3780	3623	4200	3675
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3775	NR	3700	3320
		Sri-Ganganagar (Delivery)	3925	NR	3850	3470
		Rawla (Loose)	NR	NR	NR	3400
		Gharsana (Loose)	NA	3480	NA	3420



		Raisinghnagar (Loose)	NR	NR	NR	3300
	<b>Bikaner</b>	Bikaner (Loose)	3650	3525	3700	3425
		Bikaner (Delivery)	3833	3701	3885	3575
		Nokha(Loose)	3670	3500	3720	3450
		Nokha (Delivery)	3854	3675	3906	3574
		Khajuwala (Loose)	3600	3500	3700	3440
		Khajuwala (Delivery)	3780	3675	3885	3578
		Lunkaransar (Loose)	3600	3500	3725	3425
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3600	3550	3650	3400
		Hanumangarh (Delivery)	3780	3728	3833	3550
		Nohar (Loose)	3650	3600	3700	3500
		Pilibanga (Loose)	NA	3480	NA	3400
	<b>Nagaur</b>	Nagaur (Loose)	3500	3350	3650	3200
	<b>Churu</b>	Churu (Delivery)	3950	3900	3875	3500
	<b>Alwar</b>	Alwar (Loose)	3700	3600	3600	3300
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3680	3550	3740	3500
		Adampur (Delivery)	3864	3728	3927	3650
	<b>Bhiwani</b>	Bhiwani (Delivery)	3850	3725	3925	3600
		Siwani (Loose)	3800	NA	3825	3550
	<b>Sirsa</b>	Sirsa (Loose)	3650	NA	NA	3475
		Dhabwali (Loose)	NA	NA	NA	3400
		Dhabwali (Delivery)	NA	NA	NA	3550
		Ellanabad (Loose)	3600	NA	NA	3350
	<b>Fatehabad</b>	Fatehabad (Loose)	3600	NA	NA	NA
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	NA	NA	NA	3200
	<b>Patan</b>	Patan (Loose)	NA	3360	NA	3230
	<b>Rajkot</b>	Rajkot (Loose)	3615	3470	3625	3180
	<b>Jamnagar</b>	Dhrol (Loose)	3485	3415	NA	NA
<b>M.P</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	7900	7600	8400	7650
	<b>Alwar</b>	Alwar	7900	7600	8400	7600
	<b>Hanumangarh</b>	Nohar	7800	7700	8400	7700
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	7650	7550	8450	7600
	<b>Sirsa</b>	Sirsa	7800	NA	NA	7800
		Dhabwali	NA	NA	NA	7600
		Ellanabad	7700	NA	NA	7600
	<b>Fatehabad</b>	Fatehabad	7800	NA	NA	NA

### Guar Seed Arrivals at Key Spot Markets

[\(Back to Table of Contents\)](#)

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			9th to 15th June 2018	2nd to 8th June 2018	
Rajasthan	Jodhpur	Jodhpur	390	50	340
	Sri-Ganganagar	Sri-Ganganagar	1450	Closed	-
		Rawla	NR	NR	-
		Gharsana	175	270	-95
		Raisinghnagar	400	Closed	-
	Bikaner	Bikaner	1000	450	550
		Nokha	1900	1700	200
		Khajuwala	1100	900	200
		Lunkaransar	650	330	320
	Hanumangarh	Hanumangarh	110	125	-15
		Nohar	2125	235	1890
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	675	695	-20
	Churu	Churu	3500	3250	250
	Alwar	Alwar	1400	950	450
Haryana	Hisar	Adampur	4600	4200	400
	Bhiwani	Bhiwani	1800	3100	-1300
		Siwani	6900	Closed	-
	Sirsa	Sirsa	1300	Closed	-
		Dhabwali	450	Closed	-
		Ellanabad	580	Closed	-
	Fatehabad	Fatehabad	550	Closed	-
Gujarat	Banaskantha	Deesa	10	21	-11
	Patan	Patan	215	205	10
	Rajkot	Rajkot	1810	2930	-1120
	Jamnagar	Dhrol	86	196	-110
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			33176	19607	13569

#### 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.