



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 4.97 percent to Rs. 3214.45 per quintal during the week ended 23rd June 2018. Guar seed average price were ruling at Rs 3382.56 per quintal during 09-15 June 2018. As compared to prices in the week 16-23 June 2017, the prices are weak by 3.66 percent. Prices are expected to remain steady to weak in coming days.

As per trade sources, export of guar split has increased in the month of May. Exports in the month of May are up by around 86.20% compared to previous month. India exported around 5480 tonnes of guar split in the month of May at an average FoB of \$ 1460.89 per tonne. Of the total quantity around 3060 tonnes and 2000 tonnes has been exported to China and United States respectively. Remaining quantity has been exported to Netherlands and Switzerland.

As per trade sources, export of guar gum has increased in the month of May by 18.51 percent compared to previous month. India exported around 32331 tonnes of guar gum in the month of May at an average FoB of \$ 1838.08 per tonne compared to 27282 tonnes in April at an average FoB of \$ 1884.02 per tonne. Export demand is normal as of now.

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.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 1052 as on 22nd June 2018 down by 7 compared to last week and up by 111 compared to 23rd 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.

Guar seed future July contract remained weak and closed at Rs 3622.00 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 3400-3350 per quintal in future.

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 4600 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (900 quintals) compared to 1000 quintals in the previous week.

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

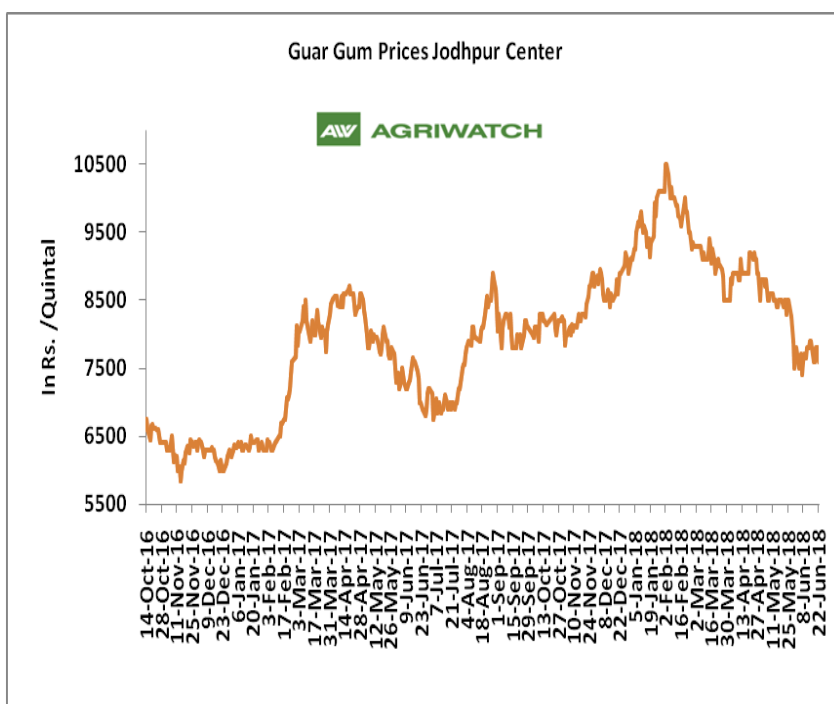
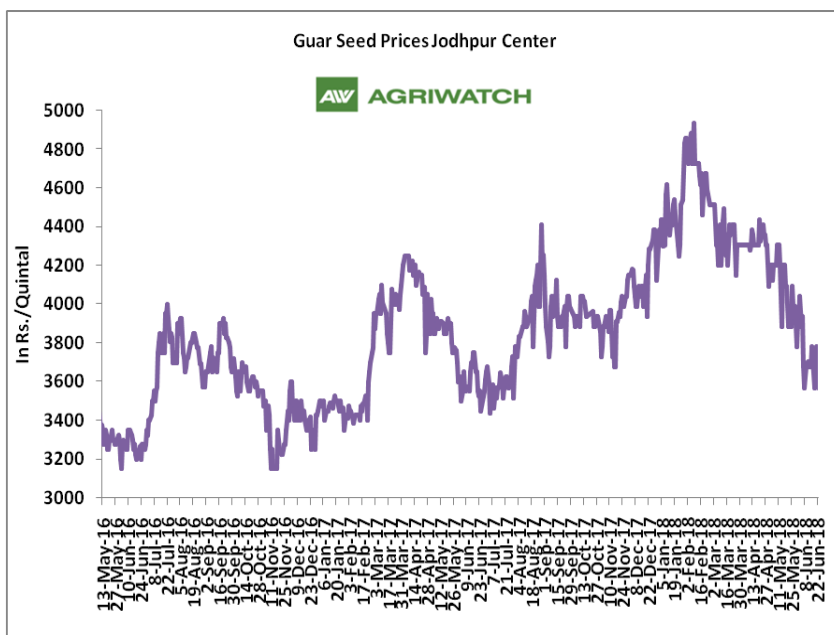
Weekly Call - : Market participants are advised to sell Guar seed at 3635 levels for a target of 3495 with a stop loss at 3686 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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

Domestic Front

- In the week ended 22nd June'18, Guar seed weekly average prices decreased by Rs 42.88/- qtl during the week compared to previous week and settled at Rs 3654 per quintal.
- In addition, Guar gum weekly price decreased by Rs 111.67 per quintal and settled at Rs. 7680 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.



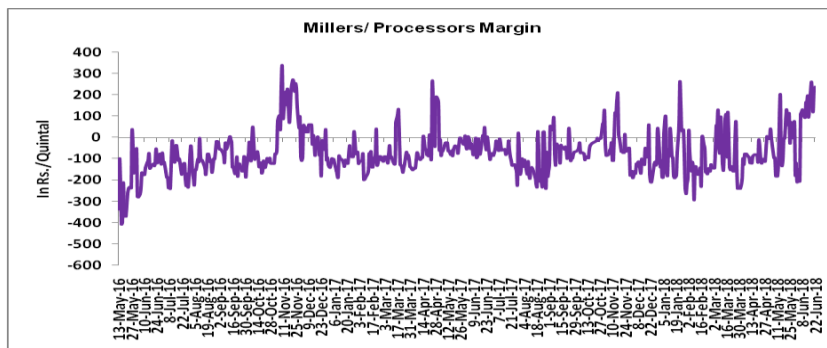


Millers/Processors Margin

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

In the week ended 22nd June'18, average crush margin is Rs. 199.60/Quintal, compared to last week's 138.02/Quintal. Therefore, crushing is favorable for Millers/Processors.

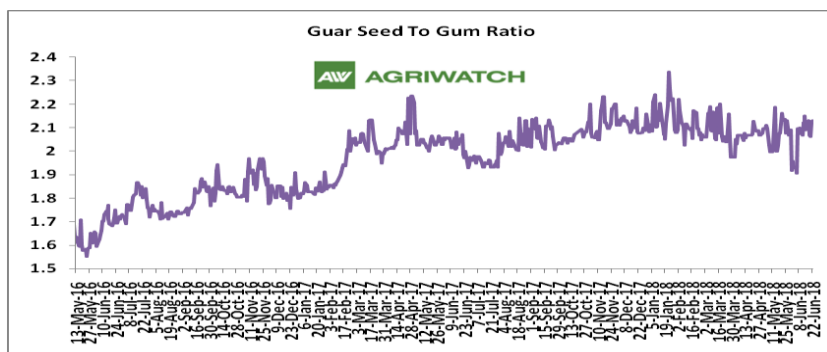
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 22nd June'18 is 2.10, lower compared to last week's 2.11

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 May-2018	9346.74	1842.35
09-16 May -2018	6799.55	1879.11
17-24 May -2018	9729.38	1828.80
25-31 May -2018	6456.12	1798.45
Total	32331.79	

Source: Trade

Technical Analysis (Guar Seed)

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

Commodity: Guar Seed
Contract: July

Exchange: NCDEX
Expiry: July 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	July	3430	3375	3622	3760	3815
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	July	Sell	Below 3635	3550	3495	3686

Technical Analysis (Guar Gum)

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

Commodity: Guar Gum
Contract: July

Exchange: NCDEX
Expiry: July 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	July	7010	6905	7526	7785	7890
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	Sell	Below 7525	7310	7155	7654

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	16 th to 22 nd June 2018	9 th to 15 th June 2018	Change
Churi	Jodhpur	1548	1494	54
Korma	Jodhpur	2290	2209	81
Churi	Sri-Ganganagar	1410	1338	73
Korma	Sri-Ganganagar	2123	2013	111

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	16 th to 22 nd June 2018	9 th to 15 th June 2018	Change
Guargum Split		1146	1141	5
Guargum Powder	200 Mesh 5000 CPS	1440	1437	3
	200 Mesh 3500 CPS	1367	1363	3
Guargum Meal	40%	306	296	10
	50%	438	429	9

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			16 th to 22 nd June 2018	9 th to 15 th June 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	3480	3521	-41
		Jodhpur(Delivery)	3654	3697	-43
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3620	3735	-115
		Sri-Ganganagar (Delivery)	3770	3885	-115
		Rawla (Loose)	3550	NR	-
		Gharsana (Loose)	3570	3521	49
		Raisinghnagar (Loose)	3555	3550	5
	Bikaner	Bikaner (Loose)	3597	3588	10
		Bikaner (Delivery)	3777	3767	10
		Nokha(Loose)	3581	3569	12
		Nokha (Delivery)	3760	3748	12
		Khajuwala (Loose)	3569	3543	26
		Khajuwala (Delivery)	3747	3720	27
		Lunkaransar (Loose)	3545	3542	3
	Hanumangarh	Hanumangarh (Loose)	3567	3548	19
		Hanumangarh (Delivery)	3745	3726	20

		Nohar (Loose)	3624	3591	33
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	3465	3442	23
	Churu	Churu (Delivery)	3880	3875	5
	Alwar	Alwar (Loose)	3620	3600	20
Haryana	Hisar	Adampur (Loose)	3633	3589	44
		Adampur (Delivery)	3815	3769	46
	Bhiwani	Bhiwani (Delivery)	3759	3775	-16
		Siwani (Loose)	3720	3726	-6
	Sirsa	Sirsa (Loose)	3617	3575	42
		Dhabwali (Loose)	3645	3550	95
		Dhabwali (Delivery)	3827	3728	100
		Ellanabad (Loose)	3581	3560	21
	Fatehabad	Fatehabad (Loose)	3560	3570	-10
Gujarat	Banaskantha	Deesa (Loose)	3463	3555	-93
	Patan	Patan (Loose)	3516	3434	83
	Rajkot	Rajkot (Loose)	3590	3508	82
	Jamnagar	Dhrol (Loose)	3475	3407	68
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7680	7792	-112
	Alwar	Alwar	7720	7683	37
	Hanumangarh	Nohar	7720	7750	-30
Haryana	Bhiwani	Bhiwani	7496	7492	4
	Sirsa	Sirsa	7730	7740	-10
		Dhabwali	7630	7650	-20
		Ellanabad	7700	7660	40
	Fatehabad	Fatehabad	7650	7660	-10

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			22-Jun-18	15-Jun-18	22-May-18	22-Jun-17
Rajasthan	Jodhpur	Jodhpur (Loose)	3400	3600	3800	3375
		Jodhpur(Delivery)	3570	3780	3990	3525
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3600	3775	3725	3200
		Sri-Ganganagar (Delivery)	3750	3925	3875	3350
		Rawla (Loose)	3550	3620	NA	3200
		Gharsana (Loose)	NA	3650	NA	3150

		Raisinghnagar (Loose)	3550	NR	3625	3120
	Bikaner	Bikaner (Loose)	3570	3650	3800	3200
		Bikaner (Delivery)	3749	3833	3990	3350
		Nokha(Loose)	3550	3670	3750	3180
		Nokha (Delivery)	3728	3854	3938	3294
		Khajuwala (Loose)	NR	3600	3720	3160
		Khajuwala (Delivery)	NR	3780	3906	3286
		Lunkaransar (Loose)	3525	3600	3750	3100
	Hanumangarh	Hanumangarh (Loose)	3575	3600	3700	3240
		Hanumangarh (Delivery)	3754	3780	3885	3390
		Nohar (Loose)	3620	3650	3740	3200
		Pilibanga (Loose)	NA	NA	NA	3200
	Nagaur	Nagaur (Loose)	3500	3500	3600	3300
	Churu	Churu (Delivery)	3850	3950	NA	3300
	Alwar	Alwar (Loose)	3600	3700	NA	3100
Haryana	Hisar	Adampur (Loose)	3625	3680	3770	3175
		Adampur (Delivery)	3806	3864	3959	3325
	Bhiwani	Bhiwani (Delivery)	3750	3850	3925	3300
		Siwani (Loose)	3700	3800	3900	3280
	Sirsa	Sirsa (Loose)	3600	3650	NA	3200
		Dhabwali (Loose)	3650	NA	NA	3200
		Dhabwali (Delivery)	3833	NA	NA	3350
		Ellanabad (Loose)	Closed	3600	NA	3150
	Fatehabad	Fatehabad (Loose)	3550	3600	NA	NA
Gujarat	Banaskantha	Deesa (Loose)	3500	NA	NA	3125
	Patan	Patan (Loose)	3375	3550	3530	3125
	Rajkot	Rajkot (Loose)	3590	3615	3610	3050
	Jamnagar	Dhrol (Loose)	3455	3485	3500	2920
M.P	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7600	7900	8500	7000
	Alwar	Alwar	7700	7900	0	7000
	Hanumangarh	Nohar	7700	7800	8500	7150
Haryana	Bhiwani	Bhiwani	7400	7650	8480	6800
	Sirsa	Sirsa	7700	7800	NA	7000
		Dhabwali	7600	NA	NA	7100
		Ellanabad	Closed	7700	NA	7100
	Fatehabad	Fatehabad	7600	7800	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			16 th to 22 nd June 2018	9 th to 15 th June 2018	
Rajasthan	Jodhpur	Jodhpur	540	390	150
	Sri-Ganganagar	Sri-Ganganagar	1400	1450	-50
		Rawla	190	NR	-
		Gharsana	125	175	-50
		Raisinghnagar	710	400	310
	Bikaner	Bikaner	900	1000	-100
		Nokha	1200	1900	-700
		Khajuwala	1100	1100	Unch
		Lunkaransar	900	650	250
	Hanumangarh	Hanumangarh	145	110	35
		Nohar	3000	2125	875
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	500	675	-175
	Churu	Churu	2400	3500	-1100
	Alwar	Alwar	1100	1400	-300
Haryana	Hisar	Adampur	4200	4600	-400
	Bhiwani	Bhiwani	1050	1800	-750
		Siwani	5000	6900	-1900
	Sirsa	Sirsa	2750	1300	1450
		Dhabwali	400	450	-50
		Ellanabad	280	580	-300
	Fatehabad	Fatehabad	330	550	-220
Gujarat	Banaskantha	Deesa	35	10	25
	Patan	Patan	125	215	-90
	Rajkot	Rajkot	1350	1810	-460
	Jamnagar	Dhrol	67	86	-19
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			29797	33176	-3379

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.