



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 2.93 percent to Rs. 3308.76 per quintal during the week ended 30th June 2018. Guar seed average price were ruling at Rs 3214.45 per quintal during 16-23 June 2018. As compared to prices in the week 24-30 June 2017, the prices are firm by 0.22 percent. Prices are expected to remain steady to firm in coming days.

Guar korma has provided huge support to guar industry this year. Guar korma has been the third largest exported commodity derived from guar. Demand for roasted guar korma is high. Roasting guar korma increases its protein content. Millers/Processors margins have improved as their total returns have increased against their total cost. Increase in oil prices and good demand for gum has provided support to guar prices in the past week.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 1047 as on 29th June 2018 down by 5 compared to last week and up by 107 compared to 30th 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 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. Furthermore, export of guar split has also 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.

Guar seed future July contract closed at Rs 3855.00 per quintal after increasing by around Rs 233 per quintal in the past week. Crude oil has increased by around 414 in the past week. Increase in crude oil prices accompanied with lower acreage is providing support to guar prices. Prices are likely to touch Rs 4000 per quintal in near future if current trend continues.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (6200 quintals) compared to previous week arrivals of 4200 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (1700 quintals) compared to 900 quintals in the previous week.

Recommendation:

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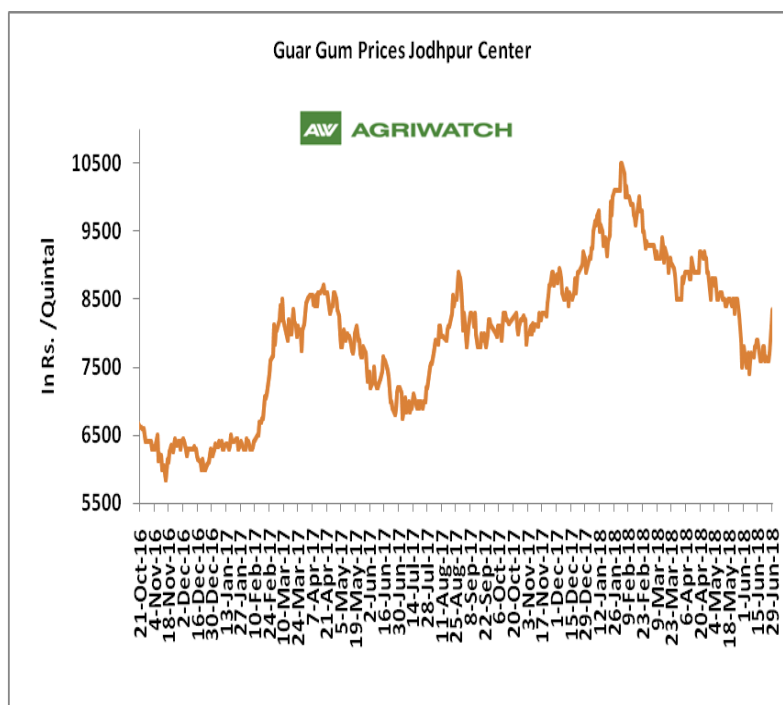
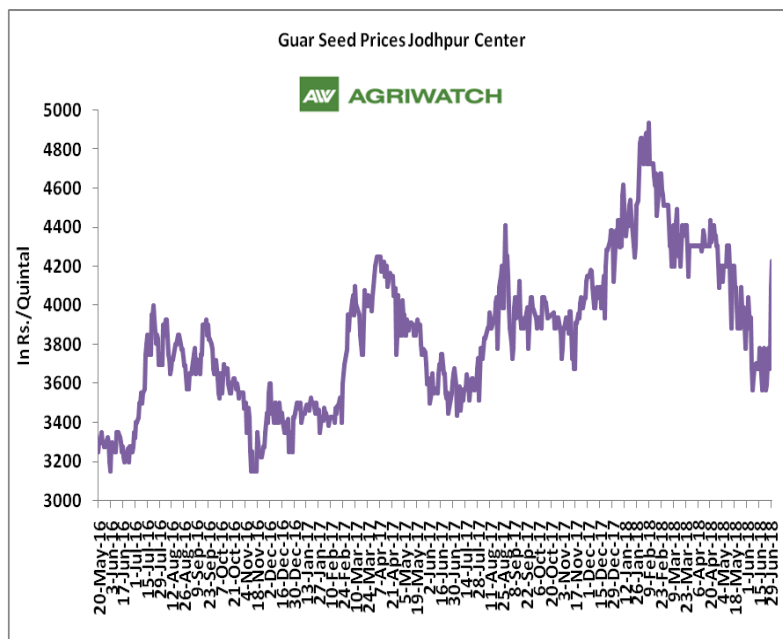
Weekly Call - : Market participants are advised to buy Guar seed at 3850 levels for a target of 4000 with a stop loss at 3760 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 29th June'18, Guar seed weekly average prices increased by Rs 199.50/- qtl during the week compared to previous week and settled at Rs 3854 per quintal.
- In addition, Guar gum weekly price increased by Rs 153.33 per quintal and settled at Rs. 7833 per quintal. Firm demand for guar gum from domestic as well as overseas market kept prices at higher side in previous week.
- According to third advance estimate for 2017-18, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 213000 hectares, 146000 tonnes and 683 kg/hectare respectively. As per final estimate for 2016-17 issued by Gujarat's Department of Agriculture for Guar seed the area, production and yield are 223000 hectares, 167000 tonnes and 749 kg/hectare.
- According to third advance estimate for 2017-18, issued by Rajasthan's Department of Agriculture for Guar seed, the area, production and yield are 3432293 hectares, 1244830 tonnes and 363 kg/hectare respectively. As per final estimate estimate for 2016-17 issued by Gujarat's Department of Agriculture for Guar seed the area, production and yield are 3530007 hectares, 1404819 tonnes and 398 kg/hectare.

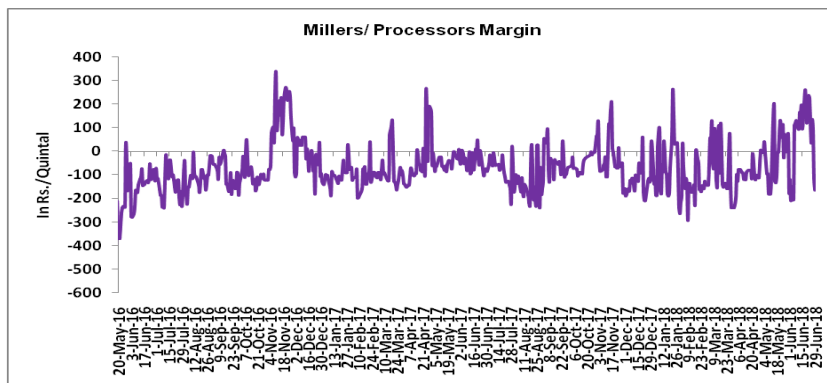


Millers/Processors Margin

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In the week ended 29th June'18, average crush margin is Rs. 35.01/Quintal, compared to last week's 199.60/Quintal. Therefore, crushing is favorable for Millers/Processors.

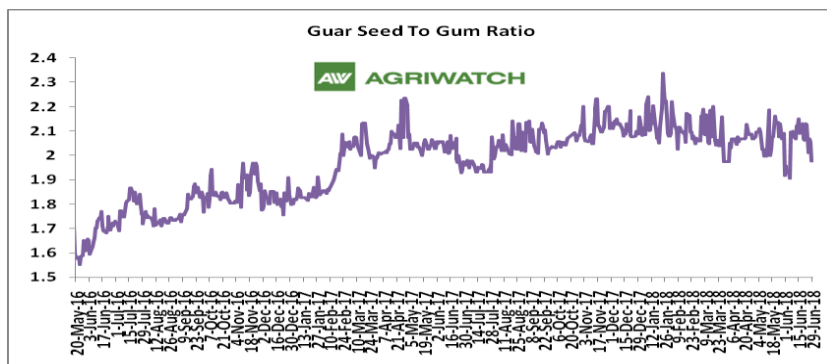
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 29th June'18 is 2.04, lower compared to last week's 2.10

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 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)
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Commodity: Guar Seed
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 neutral region.
- Last candlestick depicts bullishness in market.
- Prices closed above 9 and 18 day EMAs.

Strategy: Buy

| Weekly Supports & Resistances | | | S1 | S2 | PCP | R1 | R2 |
|-------------------------------|-------|------|------|------------|------|------|------|
| Guar Seed | NCDEX | July | 3680 | 3605 | 3855 | 4205 | 4280 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Seed | NCDEX | July | Buy | Above 3850 | 4000 | 4115 | 3760 |

Technical Analysis (Guar Gum)

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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 neutral region.
- Last candlestick depicts bullishness in market.
- Prices closed above 9 and 18 day EMAs.

Strategy: Buy

| Weekly Supports & Resistances | | | S1 | S2 | PCP | R1 | R2 |
|-------------------------------|-------|------|------|------------|------|------|------|
| Guar Gum | NCDEX | July | 7830 | 7715 | 8171 | 8685 | 8760 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Gum | NCDEX | July | Buy | Above 8155 | 8390 | 8580 | 8014 |

Guar Seed & Gum Prices at Key Spot Markets

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| Guar by – Products Weekly Average Prices (Prices in Rs/75kg) | | | | |
|--|----------------|---------------------------|---------------------------|--------|
| Commodity | Centre | 23rdJune to 29thJune 2018 | 16thJune to 22thJune 2018 | Change |
| Churi | Jodhpur | 1519 | 1548 | -29 |
| Korma | Jodhpur | 2269 | 2290 | -21 |
| Churi | Sri-Ganganagar | 1331 | 1410 | -79 |
| Korma | Sri-Ganganagar | 2044 | 2123 | -79 |

| Guar Export Weekly Average Prices (Prices in \$/MT) | | | | |
|---|-------------------|---------------------------|---------------------------|--------|
| Commodity | Variety | 23rdJune to 29thJune 2018 | 16thJune to 22thJune 2018 | Change |
| Guargum Split | | 1163 | 1146 | 16 |
| Guargum Powder | 200 Mesh 5000 CPS | 1455 | 1440 | 15 |
| | 200 Mesh 3500 CPS | 1382 | 1367 | 15 |
| Guargum Meal | 40% | 307 | 306 | 1 |
| | 50% | 439 | 438 | 1 |

| Guar Seed Weekly Average Prices: | | | | | |
|----------------------------------|----------------|---------------------------|--------------------------------------|---------------------------|--------|
| Commodity | District | Centre | Weekly Prices (Average) (Rs/Qtl) | | Change |
| Guar Seed | | | 23rdJune to 29thJune 2018 | 16thJune to 22thJune 2018 | |
| Rajasthan | Jodhpur | Jodhpur (Loose) | 3670 | 3480 | 190 |
| | | Jodhpur(Delivery) | 3854 | 3654 | 200 |
| | Sri-Ganganagar | Sri-Ganganagar(Loose) | 3592 | 3620 | -28 |
| | | Sri-Ganganagar (Delivery) | 3742 | 3770 | -28 |
| | | Rawla (Loose) | 3568 | 3550 | 18 |
| | | Gharsana (Loose) | 3538 | 3570 | -32 |
| | | Raisinghnagar (Loose) | 3623 | 3555 | 68 |
| | Bikaner | Bikaner (Loose) | 3613 | 3597 | 16 |
| | | Bikaner (Delivery) | 3793 | 3777 | 16 |
| | | Nokha(Loose) | 3593 | 3581 | 12 |
| | | Nokha (Delivery) | 3772 | 3760 | 12 |
| | | Khajuwala (Loose) | 3574 | 3569 | 5 |
| | | Khajuwala (Delivery) | 3753 | 3747 | 6 |
| | | Lunkaransar (Loose) | 3596 | 3545 | 51 |
| | Hanumangarh | Hanumangarh (Loose) | 3600 | 3567 | 33 |
| | | Hanumangarh (Delivery) | 3780 | 3745 | 35 |

| | | | | | |
|----------------|-------------|---------------------|------|------|------|
| | | Nohar (Loose) | 3670 | 3624 | 46 |
| | | Pilibanga (Loose) | NA | NA | - |
| | Nagaur | Nagaur (Loose) | 3508 | 3465 | 43 |
| | Churu | Churu (Delivery) | 3875 | 3880 | -5 |
| | Alwar | Alwar (Loose) | 3600 | 3620 | -20 |
| Haryana | Hisar | Adampur (Loose) | 3656 | 3633 | 23 |
| | | Adampur (Delivery) | 3839 | 3815 | 24 |
| | Bhiwani | Bhiwani (Delivery) | 3875 | 3759 | 116 |
| | | Siwani (Loose) | 3754 | 3720 | 34 |
| | Sirsa | Sirsa (Loose) | 3648 | 3617 | 31 |
| | | Dhabwali (Loose) | 3703 | 3645 | 58 |
| | | Dhabwali (Delivery) | 3889 | 3827 | 61 |
| | | Ellanabad (Loose) | 3575 | 3581 | -6 |
| | Fatehabad | Fatehabad (Loose) | 3608 | 3560 | 48 |
| Gujarat | Banaskantha | Deesa (Loose) | NA | 3463 | - |
| | Patan | Patan (Loose) | 3511 | 3516 | -5 |
| | Rajkot | Rajkot (Loose) | 3615 | 3590 | 25 |
| | Jamnagar | Dhrol (Loose) | 3425 | 3475 | -50 |
| Madhya Pradesh | Gwalior | Dabra (Loose) | NA | NA | - |
| Guar Gum | | | | | |
| Rajasthan | Jodhpur | Jodhpur | 7833 | 7680 | 153 |
| | Alwar | Alwar | 7800 | 7720 | 80 |
| | Hanumangarh | Nohar | 7833 | 7720 | 113 |
| Haryana | Bhiwani | Bhiwani | 7800 | 7496 | 304 |
| | Sirsa | Sirsa | 7808 | 7730 | 78 |
| | | Dhabwali | 7667 | 7630 | 37 |
| | | Ellanabad | 7820 | 7700 | 120 |
| | Fatehabad | Fatehabad | 7650 | 7650 | Unch |

| Week on Week Price: Scenario of Guarseed and Guargum: | | | | | | |
|---|----------------|---------------------------|-----------|-----------|-----------|-----------|
| Commodity | District | Centre | Today | Week Ago | Month Ago | Year Ago |
| Guar Seed | | | 29-Jun-18 | 22-Jun-18 | 29-May-18 | 29-Jun-17 |
| Rajasthan | Jodhpur | Jodhpur (Loose) | 4025 | 3400 | 3800 | 3460 |
| | | Jodhpur(Delivery) | 4226 | 3570 | 3990 | 3610 |
| | Sri-Ganganagar | Sri-Ganganagar(Loose) | 3600 | 3600 | 3750 | 3250 |
| | | Sri-Ganganagar (Delivery) | 3750 | 3750 | 3900 | 3400 |
| | | Rawla (Loose) | 3600 | 3550 | 3660 | 3200 |
| | | Gharsana (Loose) | 3575 | NA | 3650 | 3190 |

| | | | | | | |
|-----------------------|--------------------|------------------------|------|--------|------|------|
| | | Raisinghnagar (Loose) | 3700 | 3550 | NR | 3275 |
| | Bikaner | Bikaner (Loose) | 3750 | 3570 | 3700 | 3275 |
| | | Bikaner (Delivery) | 3938 | 3749 | 3885 | 3425 |
| | | Nokha(Loose) | 3725 | 3550 | 3625 | 3225 |
| | | Nokha (Delivery) | 3911 | 3728 | 3806 | 3341 |
| | | Khajuwala (Loose) | 3735 | 3570 | 3680 | 3310 |
| | | Khajuwala (Delivery) | 3922 | 3749 | 3864 | 3442 |
| | | Lunkaransar (Loose) | 3700 | 3525 | 3700 | 3250 |
| | Hanumangarh | Hanumangarh (Loose) | 3750 | 3575 | 3675 | 3240 |
| | | Hanumangarh (Delivery) | 3938 | 3754 | 3859 | 3390 |
| | | Nohar (Loose) | 3850 | 3620 | 3725 | 3300 |
| | | Pilibanga (Loose) | NA | NA | NA | 3250 |
| | Nagaur | Nagaur (Loose) | 3650 | 3500 | 3650 | 3200 |
| | Churu | Churu (Delivery) | 4000 | 3850 | 3900 | 3350 |
| | Alwar | Alwar (Loose) | 3700 | 3600 | 3600 | 3100 |
| Haryana | Hisar | Adampur (Loose) | 3725 | 3625 | 3700 | 3225 |
| | | Adampur (Delivery) | 3911 | 3806 | 3885 | 3375 |
| | Bhiwani | Bhiwani (Delivery) | 3950 | 3750 | 3900 | 3425 |
| | | Siwani (Loose) | 3825 | 3700 | 3825 | 3375 |
| | Sirsa | Sirsa (Loose) | 3775 | 3600 | 3690 | 3300 |
| | | Dhabwali (Loose) | 3775 | 3650 | NA | 3200 |
| | | Dhabwali (Delivery) | 3964 | 3833 | NA | 3350 |
| | | Ellanabad (Loose) | 3650 | Closed | 3600 | 3200 |
| | Fatehabad | Fatehabad (Loose) | 3650 | 3550 | 3650 | NA |
| | | | | | | |
| Gujarat | Banaskantha | Deesa (Loose) | NA | 3500 | NA | 3200 |
| | Patan | Patan (Loose) | 3590 | 3375 | 3530 | 3175 |
| | Rajkot | Rajkot (Loose) | 3710 | 3590 | 3550 | 3110 |
| | Jamnagar | Dhrol (Loose) | NA | 3455 | 3570 | NA |
| Madhya Pradesh | Gwalior | Dabra (Loose) | NA | NA | NA | NA |
| Guar Gum | | | | | | |
| Rajasthan | Jodhpur | Jodhpur | 8350 | 7600 | 8250 | 7125 |
| | Alwar | Alwar | 8100 | 7700 | 8500 | 7100 |
| | Hanumangarh | Nohar | 8300 | 7700 | NR | 7300 |
| Haryana | Bhiwani | Bhiwani | 8150 | 7400 | 8350 | 7125 |
| | Sirsa | Sirsa | 8100 | 7700 | 8100 | 7100 |
| | | Dhabwali | 7900 | 7600 | NA | 7100 |
| | | Ellanabad | 8300 | Closed | 8000 | 7100 |
| | Fatehabad | Fatehabad | 7900 | 7600 | 8102 | 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 | | | 23rdJune to 29thJune 2018 | 16thJune to 22thJune 2018 | |
| Rajasthan | Jodhpur | Jodhpur | 450 | 540 | -90 |
| | Sri-Ganganagar | Sri-Ganganagar | 1400 | 1400 | Unch |
| | | Rawla | 195 | 190 | 5 |
| | | Gharsana | 250 | 125 | 125 |
| | | Raisinghnagar | 465 | 710 | -245 |
| | Bikaner | Bikaner | 1700 | 900 | 800 |
| | | Nokha | 1500 | 1200 | 300 |
| | | Khajuwala | 1550 | 1100 | 450 |
| | | Lunkaransar | 750 | 900 | -150 |
| | Hanumangarh | Hanumangarh | 240 | 145 | 95 |
| | | Nohar | 4250 | 3000 | 1250 |
| | | Pilibanga | NA | NA | - |
| | Nagaur | Nagaur | 1120 | 500 | 620 |
| | Churu | Churu | 3400 | 2400 | 1000 |
| | Alwar | Alwar | 1200 | 1100 | 100 |
| Haryana | Hisar | Adampur | 6200 | 4200 | 2000 |
| | Bhiwani | Bhiwani | 950 | 1050 | -100 |
| | | Siwani | 5600 | 5000 | 600 |
| | Sirsa | Sirsa | 3700 | 2750 | 950 |
| | | Dhabwali | 310 | 400 | -90 |
| | | Ellanabad | 430 | 280 | 150 |
| | Fatehabad | Fatehabad | 430 | 330 | 100 |
| Gujarat | Banaskantha | Deesa | NA | 35 | - |
| | Patan | Patan | 75 | 125 | -50 |
| | Rajkot | Rajkot | 1185 | 1350 | -165 |
| | Jamnagar | Dhrol | 22 | 67 | -45 |
| Madhya Pradesh | Gwalior | Dabra | NA | NA | - |
| Total Arrivals/Above Markets | | | 37372 | 29797 | 7575 |

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