

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 11.35 percent to Rs. 3684.20 per quintal during the week ended 08th July 2018. Guar seed average price were ruling at Rs 3308.76 per quintal during 24-30 June 2018. As compared to prices in the week 01-08 July 2017, the prices are firm by 11.70 percent. Prices are expected to remain steady to firm in coming days.

Acreage for guar seed is expected to be lower this year due to lower returns in guar compared to other competitive crops. Government has declared higher MSP for Kharif crops. Farmers are more likely to sow cotton, Paddy, moong, etc. Fallow land may also increase in Rajasthan during Kharif season as farmers may forego guar to sow chickpea in Rabi season.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1052 as on 06th July 2018 up by 5 compared to last week and up by 100 compared to 07th July 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.

Guar seed future October contract closed at Rs 4148.00 per quintal after increasing by around Rs 150.50 per quintal in the past week. Guar has breached the resistance level of Rs 4100 per quintal and is likely to touch Rs 4200-4250 per quintal in near future. Lower acreage and firmness in crude oil prices is providing support to guar prices.

According to latest update, area sown in Gujarat until 02nd July 2018 is 252 hectares compared to 2100 hectares in the previous Kharif season. Area of guar is expected to be lower this season as farmers are shifting to other crops like cotton and pulses.

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.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (7600 quintals) compared to previous week arrivals of 6200 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1500 quintals) compared to 1700 quintals in the previous week.

Recommendation:

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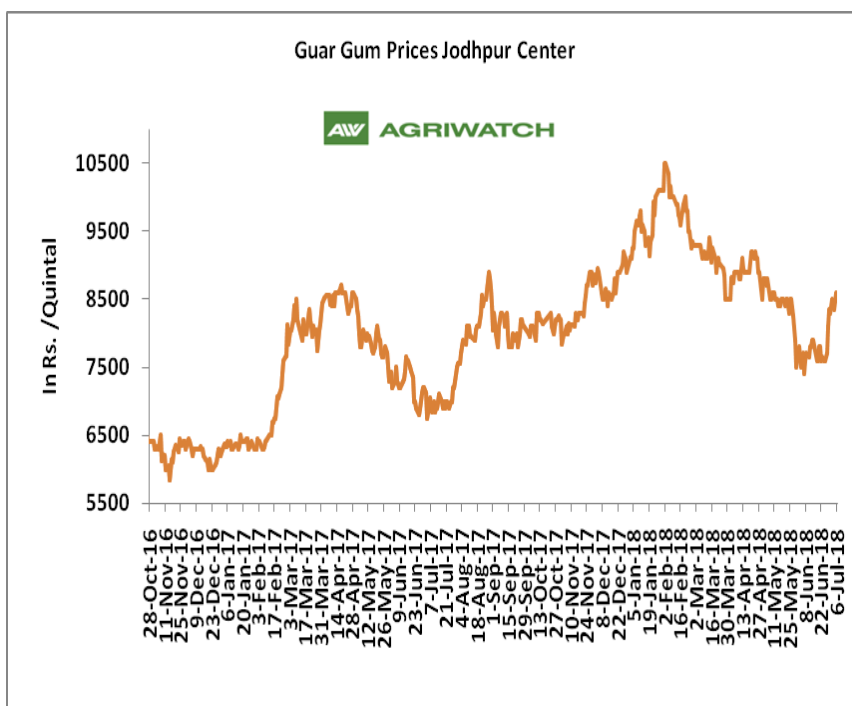
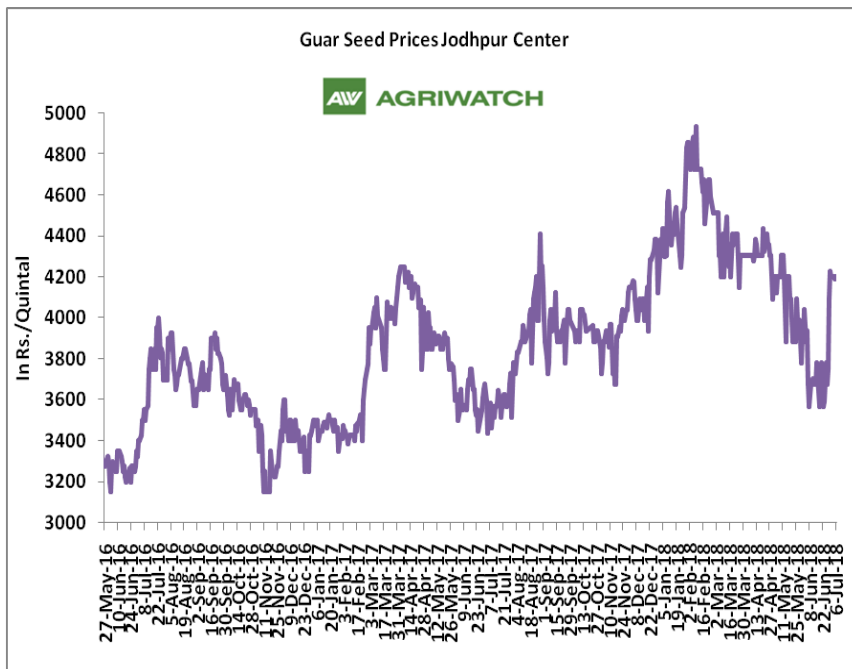
Weekly Call - : Market participants are advised to buy Guar seed at 4125 levels for a target of 4235 with a stop loss at 4059 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 06th July'18, Guar seed weekly average prices increased by Rs 344.75/- qtl during the week compared to previous week and settled at Rs 4198 per quintal.
- In addition, Guar gum weekly price increased by Rs 608.33 per quintal and settled at Rs. 8442 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 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.

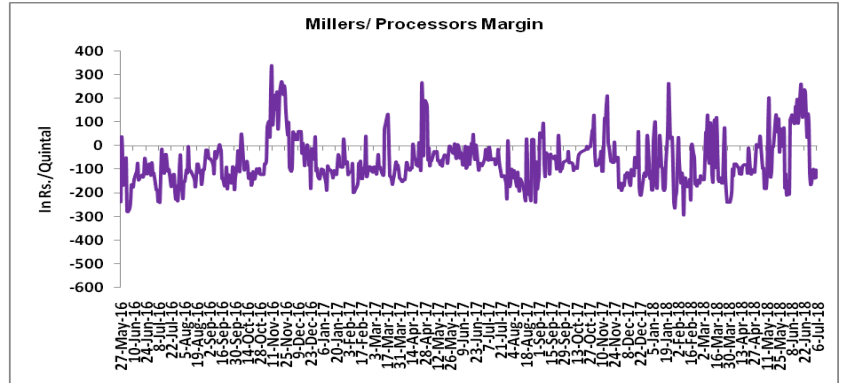


Millers/Processors Margin

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In the week ended 06th July'18, average crush margin is Rs. -126.93/Quintal, compared to last week's 35.01/Quintal. Therefore, crushing is not favorable for Millers/Processors.

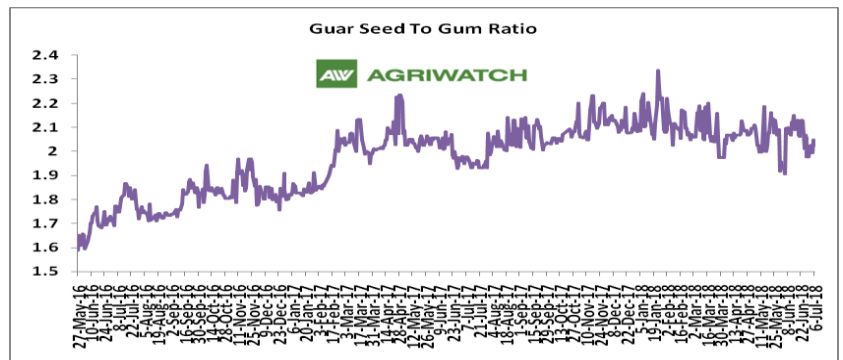
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 06th July'18 is 2.01, lower compared to last week's 2.04

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: October

Exchange: NCDEX
Expiry: October 20, 2018



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- 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	October	3980	3925	4148	4425	4510
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Buy	Above 4125	4235	4320	4059

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: October

Exchange: NCDEX
Expiry: October 20, 2018



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- 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	October	8450	8360	8752	9195	9260
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Buy	Above 8710	8955	9110	8565

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	30 th June to 6 th July 2018	23 rd June to 29 th June 2018	Change
Churi	Jodhpur	1500	1519	-19
Korma	Jodhpur	2241	2269	-28
Churi	Sri-Ganganagar	1325	1331	-6
Korma	Sri-Ganganagar	2044	2044	Unch

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	30 th June to 6 th July 2018	23 rd June to 29 th June 2018	Change
Guargum Split		1231	1163	68
Guargum Powder	200 Mesh 5000 CPS	1522	1455	67
	200 Mesh 3500 CPS	1449	1382	67
Guargum Meal	40%	306	307	-1
	50%	432	439	-7

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			30 th June to 6 th July 2018	23 rd June to 29 th June 2018	
Guar Seed	Jodhpur	Jodhpur (Loose)	3998	3670	328
		Jodhpur(Delivery)	4198	3854	345
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3775	3592	183
		Sri-Ganganagar (Delivery)	3925	3742	183
		Rawla (Loose)	3713	3568	146
		Gharsana (Loose)	3766	3538	228
		Raisinghnagar (Loose)	3783	3623	160
	Bikaner	Bikaner (Loose)	3833	3613	220
		Bikaner (Delivery)	4024	3793	231
		Nokha(Loose)	3827	3593	234
		Nokha (Delivery)	4018	3772	246
		Khajuwala (Loose)	3787	3574	213
		Khajuwala (Delivery)	3976	3753	223
		Lunkaransar (Loose)	3817	3596	221
	Hanumangarh	Hanumangarh (Loose)	3799	3600	199
		Hanumangarh (Delivery)	3989	3780	209

		Nohar (Loose)	3854	3670	184
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	3692	3508	183
	Churu	Churu (Delivery)	4042	3875	167
	Alwar	Alwar (Loose)	3800	3600	200
Haryana	Hisar	Adampur (Loose)	3800	3656	144
		Adampur (Delivery)	3990	3839	151
	Bhiwani	Bhiwani (Delivery)	3980	3875	105
		Siwani (Loose)	3919	3754	165
	Sirsa	Sirsa (Loose)	3813	3648	165
		Dhabwali (Loose)	3844	3703	141
		Dhabwali (Delivery)	4036	3889	148
		Ellanabad (Loose)	3730	3575	155
	Fatehabad	Fatehabad (Loose)	3746	3608	138
	Gujarat	Banaskantha	Deesa (Loose)	3635	NA
Patan		Patan (Loose)	3682	3511	170
Rajkot		Rajkot (Loose)	3727	3615	112
Jamnagar		Dhrol (Loose)	3770	3425	345
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8442	7833	608
	Alwar	Alwar	8383	7800	583
	Hanumangarh	Nohar	8442	7833	608
Haryana	Bhiwani	Bhiwani	8550	7800	750
	Sirsa	Sirsa	8458	7808	650
		Dhabwali	8317	7667	650
		Ellanabad	8390	7820	570
	Fatehabad	Fatehabad	8317	7650	667

Week on Week Price: Scenario of Guarseed and Guargum:							
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago	
			6-Jul-18	29-Jun-18	5-Jun-18	6-Jul-17	
Guar Seed	Rajasthan	Jodhpur	Jodhpur (Loose)	4000	4025	3750	3350
			Jodhpur(Delivery)	4200	4226	3938	3518
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3800	3600	NA	3140	
		Sri-Ganganagar (Delivery)	3950	3750	NA	3300	
		Rawla (Loose)	3750	3600	NA	3050	
		Gharsana (Loose)	3850	3575	NA	3060	

		Raisinghnagar (Loose)	3900	3700	NA	3100
	Bikaner	Bikaner (Loose)	3950	3750	3500	3225
		Bikaner (Delivery)	4148	3938	3675	3386
		Nokha(Loose)	3910	3725	3500	3150
		Nokha (Delivery)	4106	3911	3675	3308
		Khajuwala (Loose)	3900	3735	3500	3150
		Khajuwala (Delivery)	4095	3922	3675	3308
		Lunkaransar (Loose)	3900	3700	NA	3150
	Hanumangarh	Hanumangarh (Loose)	3900	3750	3350	3080
		Hanumangarh (Delivery)	4095	3938	3518	3234
		Nohar (Loose)	3950	3850	3515	3180
		Pilibanga (Loose)	NA	NA	NA	3130
	Nagaur	Nagaur (Loose)	3850	3650	3375	3100
	Churu	Churu (Delivery)	4100	4000	3700	3250
	Alwar	Alwar (Loose)	3900	3700	3400	3000
Haryana	Hisar	Adampur (Loose)	3900	3725	3500	3150
		Adampur (Delivery)	4095	3911	3675	3308
	Bhiwani	Bhiwani (Delivery)	4100	3950	3650	3250
		Siwani (Loose)	4000	3825	NA	3200
	Sirsa	Sirsa (Loose)	3905	3775	NA	3125
		Dhabwali (Loose)	3955	3775	NA	3100
		Dhabwali (Delivery)	4153	3964	NA	3255
		Ellanabad (Loose)	3800	3650	NA	3200
	Fatehabad	Fatehabad (Loose)	3900	3650	NA	NA
	Gujarat	Banaskantha	Deesa (Loose)	NA	NA	NA
Patan		Patan (Loose)	3705	3590	3395	NA
Rajkot		Rajkot (Loose)	3845	3710	3445	NA
Jamnagar		Dhrol (Loose)	NA	3500	3390	NA
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8500	8350	7500	6950
	Alwar	Alwar	8500	8100	7500	6900
	Hanumangarh	Nohar	8700	8300	7450	6800
Haryana	Bhiwani	Bhiwani	8700	8150	7250	6900
	Sirsa	Sirsa	8700	8100	NA	6750
		Dhabwali	8550	7900	NA	6800
		Ellanabad	8550	8300	NA	6900
Fatehabad	Fatehabad	8550	7900	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			30 th June to 6 th July 2018	23 rd June to 29 th June 2018	
Rajasthan	Jodhpur	Jodhpur	510	450	60
	Sri-Ganganagar	Sri-Ganganagar	1800	1400	400
		Rawla	356	195	161
		Gharsana	550	250	300
		Raisinghnagar	1165	465	700
	Bikaner	Bikaner	1500	1700	-200
		Nokha	2300	1500	800
		Khajuwala	1350	1550	-200
		Lunkaransar	1500	750	750
	Hanumangarh	Hanumangarh	480	240	240
		Nohar	3700	4250	-550
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	1050	1120	-70
	Churu	Churu	3400	3400	Unch
Alwar	Alwar	1200	1200	Unch	
Haryana	Hisar	Adampur	7600	6200	1400
	Bhiwani	Bhiwani	15500	950	14550
		Siwani	4700	5600	-900
	Sirsa	Sirsa	7000	3700	3300
		Dhabwali	400	310	90
		Ellanabad	875	430	445
	Fatehabad	Fatehabad	175	430	-255
Gujarat	Banaskantha	Deesa	7	NA	-
	Patan	Patan	276	75	201
	Rajkot	Rajkot	1755	1185	570
	Jamnagar	Dhrol	24	22	2
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			59173	37372	21801

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