



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 0.31 percent to Rs. 3624.74 per quintal during the week ended 23rd July 2018. Guar seed average price were ruling at Rs 3613.54 per quintal during 09-15 July 2018. As compared to prices in the week 16-23 July 2017, the prices are firm by 1.85 percent. Prices are expected to remain steady to weak in coming days.

Guar seed future October contract touched a high of Rs 4394.00 per quintal before closing at Rs 4338.00 per quintal in last week. As per trade sources, guar is likely to be bearish with small technical recoveries in coming weeks and touch Rs 4000.00-4050.00 per quintal. Export demand of guar gum is normal. Acreage for guar seed is expected to be lower this year due to lower returns in guar compared to other competitive crops.

As per trade sources, export of guar split has increased in the month of June. Exports in the month of June are up by around 17.88% compared to previous month. India exported around 6460 tonnes of guar split in the month of June at an average FoB of \$ 1301.34 per tonne. Of the total quantity, around 4040 tonnes and 2403.62 tonnes have been exported to China and Unites States respectively.

As per trade sources, export of guar gum has decreased in the month of June by 30.01 percent compared to previous month. India exported around 22630 tonnes of guar gum in the month of June at an average FoB of \$ 1734.54 per tonne compared to 32331 tonnes in May at an average FoB of \$ 1838.09 per tonne. Export demand is normal as of now.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1046 as on 20th July 2018 down by 8 compared to last week and up by 96 compared to 21st July 2017. The total number of oilrigs was recorded at 2179 worldwide in June'18 compared to 2152 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.

The wholesale price index of guar seed has decreased from 88.7 in May 2018 to 85.1 in June 2018. The WPI for June 2018 is up by 8.4 compared to last year for the same month and by 18.0 percent compared to June 2016. WPI is expected to stay week in coming months.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (6100 quintals) compared to previous week arrivals of 5600 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1850 quintals) compared to 1950 quintals in the previous week.

Recommendation:

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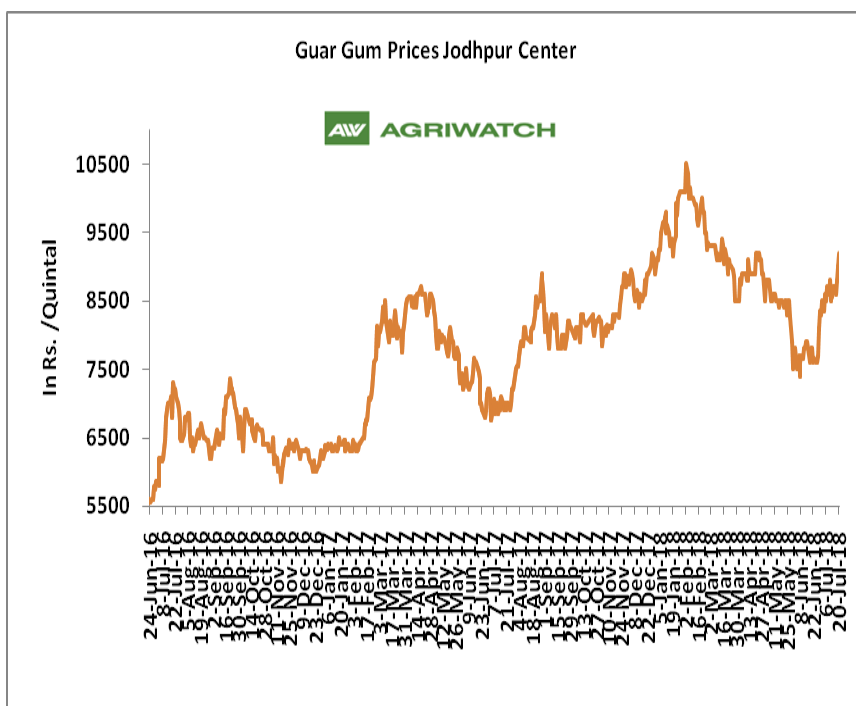
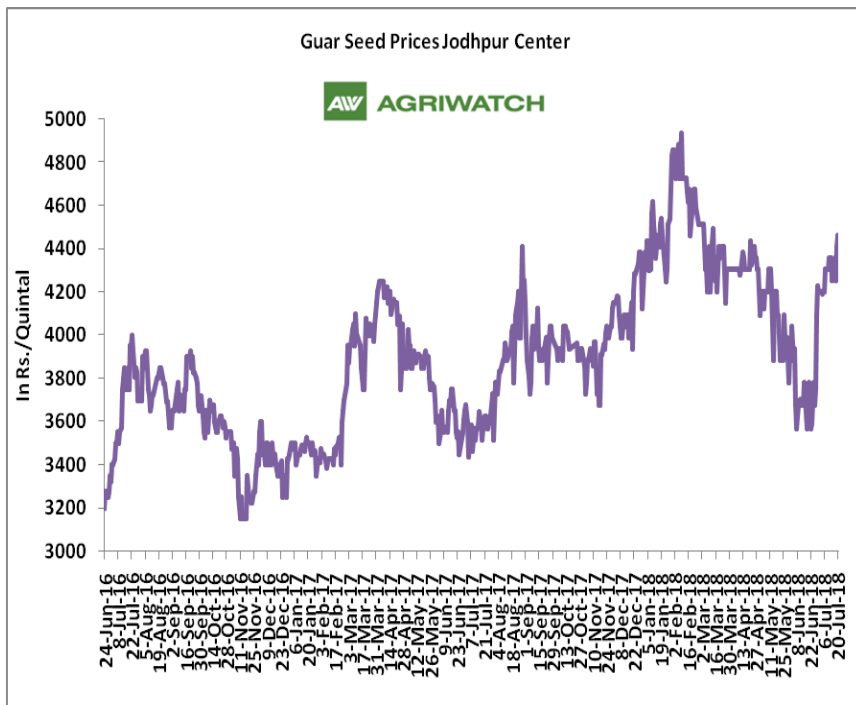
Weekly Call - : Market participants are advised to sell Guar seed at 4345 levels for a target of 4080 with a stop loss at 4441 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 20th July'18, Guar seed weekly average prices increased by Rs 56.88/- qtl during the week compared to previous week and settled at Rs 4375 per quintal.
- In addition, Guar gum weekly price increased by Rs 191.67 per quintal and settled at Rs. 8833 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.

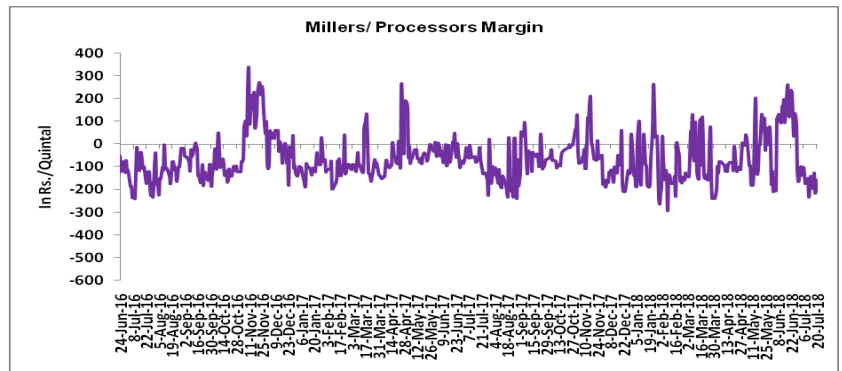


Millers/Processors Margin

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In the week ended 20th July'18, average crush margin is Rs. -175.00/Quintal, compared to last week's -176.85/Quintal. Therefore, crushing is not favorable for Millers/Processors.

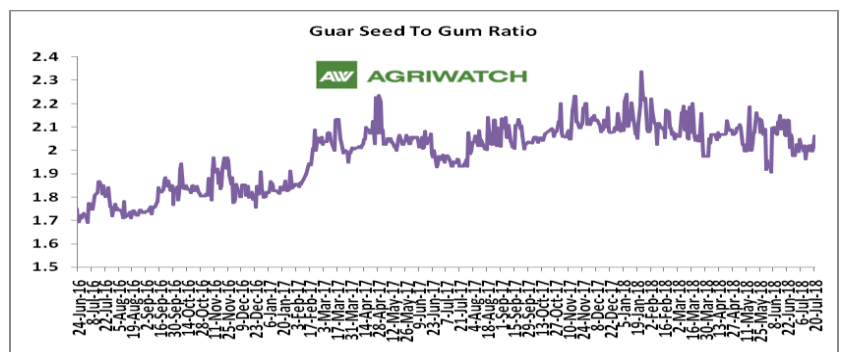
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 20th July'18 is 2.02, lower compared to last week's 2.00

Overall, buoyant demand of gum from overseas and good demand of seed from millers has increased the overall ratio.



Guar gum Weekly Export

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Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08 June-2018	6551.92	1731.71
09-16 June -2018	5250.98	1768.47
17-23 June -2018	5957.46	1719.51
24-31 June -2018	4870.44	1713.45
Total	22630.8	

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

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	October	4025	3975	4338	4545	4630
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Sell	Below 4345	4185	4080	4441

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

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	October	8745	8660	9342	9665	9750
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Sell	Below 9350	9035	8850	9539

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	14th to 20th July 2018	7th to 13th July 2018	Change
Churi	Jodhpur	1492	1500	-8
Korma	Jodhpur	2254	2250	4
Churi	Sri-Ganganagar	1344	1345	-1
Korma	Sri-Ganganagar	2088	2057	31

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	14th to 20th July 2018	7th to 13th July 2018	Change
Guargum Split		1302	1266	36
Guargum Powder	200 Mesh 5000 CPS	1594	1557	36
	200 Mesh 3500 CPS	1521	1485	36
Guargum Meal	40%	306	306	Unch
	50%	435	422	13

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			14th to 20th July 2018	7th to 13th July 2018	
Guar Seed	Jodhpur	Jodhpur (Loose)	4167	4113	54
		Jodhpur(Delivery)	4375	4318	57
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3965	3842	123
		Sri-Ganganagar (Delivery)	4115	3992	123
		Rawla (Loose)	3950	3841	109
		Gharsana (Loose)	3952	3833	119
		Raisinghnagar (Loose)	4013	3863	151
	Bikaner	Bikaner (Loose)	3963	3848	115
		Bikaner (Delivery)	4162	4041	121
		Nokha(Loose)	4017	3930	87
		Nokha (Delivery)	4218	4127	91
		Khajuwala (Loose)	4013	3901	112
		Khajuwala (Delivery)	4213	4096	117
		Lunkaransar (Loose)	4008	3892	117
	Hanumangarh	Hanumangarh (Loose)	3935	3858	78
		Hanumangarh (Delivery)	4132	4050	81

		Nohar (Loose)	3988	3908	80
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	3842	3742	100
	Churu	Churu (Delivery)	4092	3950	142
	Alwar	Alwar (Loose)	3833	3717	117
Haryana	Hisar	Adampur (Loose)	3983	3869	113
		Adampur (Delivery)	4182	4063	119
	Bhiwani	Bhiwani (Delivery)	4180	4062	118
		Siwani (Loose)	4096	3978	118
	Sirsa	Sirsa (Loose)	4004	3877	128
		Dhabwali (Loose)	3954	3856	98
		Dhabwali (Delivery)	4152	4049	103
		Ellanabad (Loose)	3983	3825	158
	Fatehabad	Fatehabad (Loose)	3975	3843	132
Gujarat	Banaskantha	Deesa (Loose)	3787	3712	75
	Patan	Patan (Loose)	3809	3835	-26
	Rajkot	Rajkot (Loose)	3820	3783	38
	Jamnagar	Dhrol (Loose)	3620	3580	40
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8833	8642	192
	Alwar	Alwar	8800	8517	283
	Hanumangarh	Nohar	9025	8650	375
Haryana	Bhiwani	Bhiwani	9030	8645	385
	Sirsa	Sirsa	8867	8608	258
		Dhabwali	8675	8520	155
		Ellanabad	8858	8642	217
	Fatehabad	Fatehabad	8622	8507	115

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			20-Jul-18	13-Jul-18	20-Jun-18	20-Jul-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4250	4050	3600	3400
		Jodhpur(Delivery)	4463	4253	3780	3570
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4040	3900	3600	3200
		Sri-Ganganagar (Delivery)	4190	4050	3750	3275
		Rawla (Loose)	4025	3895	3500	3200
		Gharsana (Loose)	4030	3820	3570	3180

		Raisinghnagar (Loose)	4050	3750	3550	3280
	Bikaner	Bikaner (Loose)	4050	3800	3590	3220
		Bikaner (Delivery)	4253	3990	3770	3381
		Nokha(Loose)	4050	3900	3580	3250
		Nokha (Delivery)	4253	4095	3759	3413
		Khajuwala (Loose)	4125	3880	3575	3250
		Khajuwala (Delivery)	4331	4074	3754	3413
		Lunkaransar (Loose)	4150	3850	3525	3100
	Hanumangarh	Hanumangarh (Loose)	3980	3800	3525	3160
		Hanumangarh (Delivery)	4179	3990	3701	3318
		Nohar (Loose)	4050	3850	3600	3250
		Pilibanga (Loose)	NA	NA	NA	2995
	Nagaur	Nagaur (Loose)	3900	3700	3500	3200
	Churu	Churu (Delivery)	4150	3900	3900	3300
	Alwar	Alwar (Loose)	3950	3700	3600	3000
Haryana	Hisar	Adampur (Loose)	4025	3825	3650	3300
		Adampur (Delivery)	4226	4016	3833	3465
	Bhiwani	Bhiwani (Delivery)	4300	4070	3770	3400
		Siwani (Loose)	4150	3975	3750	3360
	Sirsa	Sirsa (Loose)	4100	3875	3620	3225
		Dhabwali (Loose)	4050	3800	3700	3060
		Dhabwali (Delivery)	4253	3990	3885	3213
		Ellanabad (Loose)	4025	3800	3600	3200
	Fatehabad	Fatehabad (Loose)	4025	3850	3500	NA
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	NA	3300
	Patan	Patan (Loose)	3795	3770	NA	NA
	Rajkot	Rajkot (Loose)	3895	3700	3610	3075
	Jamnagar	Dhrol (Loose)	NA	3580	3460	NA
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9200	8550	7800	6900
	Alwar	Alwar	8900	8400	7800	6900
	Hanumangarh	Nohar	9250	8600	7700	7000
Haryana	Bhiwani	Bhiwani	9450	8600	7580	7000
	Sirsa	Sirsa	9200	8350	7800	7000
		Dhabwali	9100	8420	7700	7000
		Ellanabad	9000	8550	7700	6900
	Fatehabad	Fatehabad	9000	8420	7700	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			14th to 20th July 2018	7th to 13th July 2018	
Rajasthan	Jodhpur	Jodhpur	580	520	60
	Sri-Ganganagar	Sri-Ganganagar	1235	1500	-265
		Rawla	790	583	207
		Gharsana	420	370	50
		Raisinghnagar	1650	1400	250
	Bikaner	Bikaner	1850	1950	-100
		Nokha	2100	2100	Unch
		Khajuwala	2250	2500	-250
		Lunkaransar	2300	1660	640
	Hanumangarh	Hanumangarh	490	300	190
		Nohar	2050	2700	-650
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	1050	850	200
	Churu	Churu	2800	3500	-700
	Alwar	Alwar	1200	1400	-200
Haryana	Hisar	Adampur	6100	5600	500
	Bhiwani	Bhiwani	28000	26500	1500
		Siwani	4900	5100	-200
	Sirsa	Sirsa	2200	3300	-1100
		Dhabwali	660	510	150
		Ellanabad	460	500	-40
	Fatehabad	Fatehabad	370	550	-180
Gujarat	Banaskantha	Deesa	46	148	-102
	Patan	Patan	123	176	-53
	Rajkot	Rajkot	1185	1435	-250
	Jamnagar	Dhrol	1	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			64810	65152	-342

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