



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 3.66 percent to Rs. 3757.40 per quintal during the week ended 31st July 2018. Guar seed average price were ruling at Rs 3624.74 per quintal during 16-23 July 2018. As compared to prices in the week 24-31 July 2017, the prices are firm by 6.11 percent. Prices are expected to remain steady to firm in coming days.

Guar seed future October contract touched a high of Rs 4311.00 per quintal before closing at Rs 4273.50 per quintal in last week. As per trade sources, guar is likely to be bullish with small in coming weeks and touch Rs 4450.00-4500.00 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 data released by Baker Hughes the number of oil rigs in USA has increased to 1048 as on 27th July 2018 up by 2 compared to last week and up by 90 compared to 28th 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.

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. India exported around 6460 tonnes of guar split in the month of June at an average FoB of \$ 1301.34 per tonne. Export demand is normal as of now.

As per latest update, area sown in Rajasthan until 26th July 2018 is 2447.80 thousand hectares compared to 2312.50 thousand hectares in previous Kharif season on same date. Area of guar is expected to be lower this season as farmers are shifting to moong and sesame this year due to better prices.

As per millers recovery of guar gum from guar seed is coming around 29.5-30.50 kg of guar gum this year compared to around 31-32 kg last year. Export demand for guar gum is normal. As of now guar gum prices in Jodhpur are hovering around Rs 9300 per quintal.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (8100 quintals) compared to previous week arrivals of 6100 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (2650 quintals) compared to 1850 quintals in the previous week.

Recommendation:

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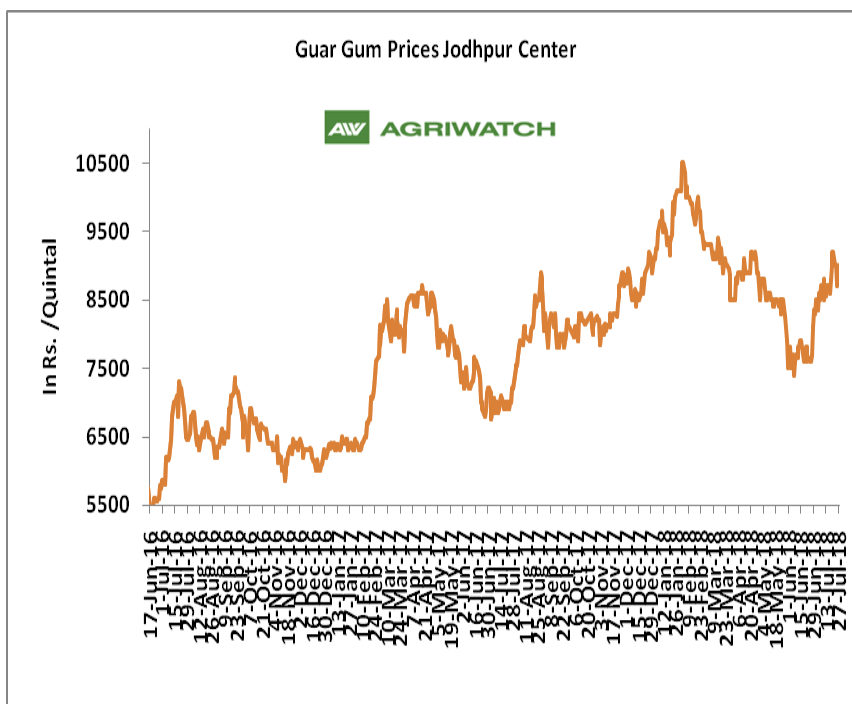
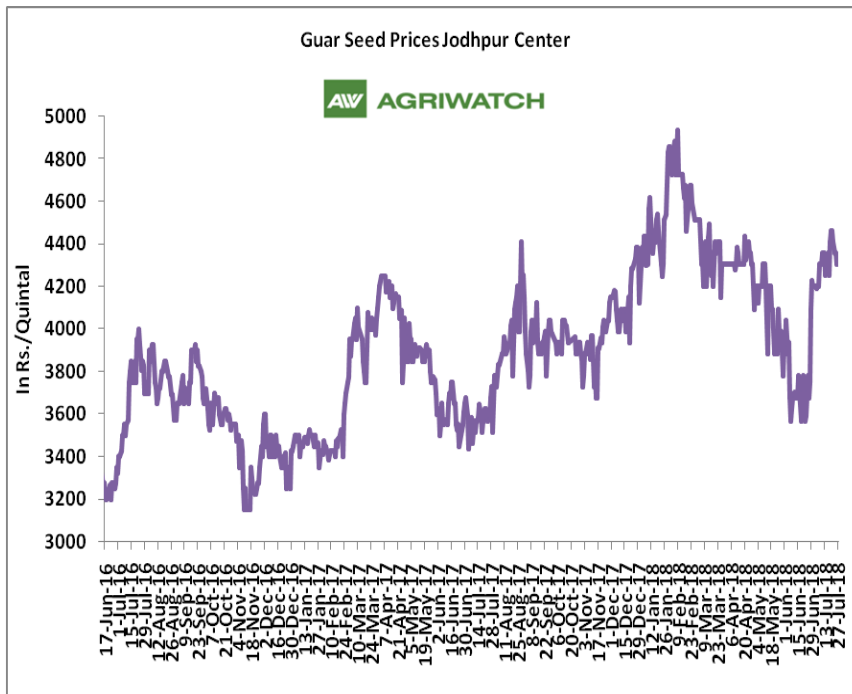
Weekly Call - : Market participants are advised to buy Guar seed at 4265 levels for a target of 4530 with a stop loss at 4169 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 27th July'18, Guar seed weekly average prices decreased by Rs 30.63/- qtl during the week compared to previous week and settled at Rs 4344 per quintal.
- In addition, Guar gum weekly price increased by Rs 108.33 per quintal and settled at Rs. 8942 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.

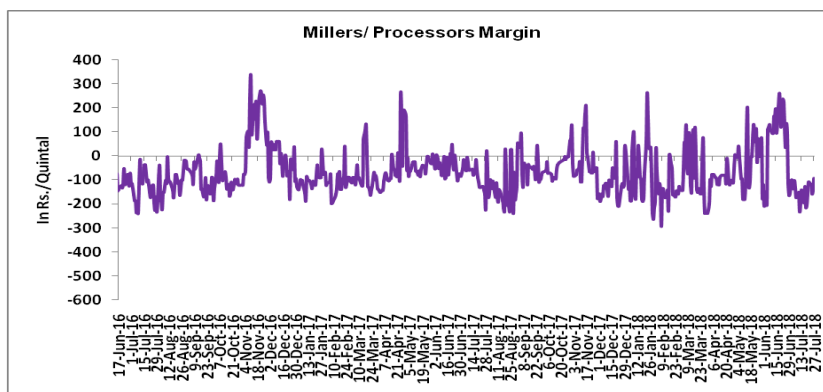


Millers/Processors Margin

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In the week ended 27th July'18, average crush margin is Rs. -123.29/Quintal, compared to last week's -175.00/Quintal. Therefore, crushing is not favorable for Millers/Processors.

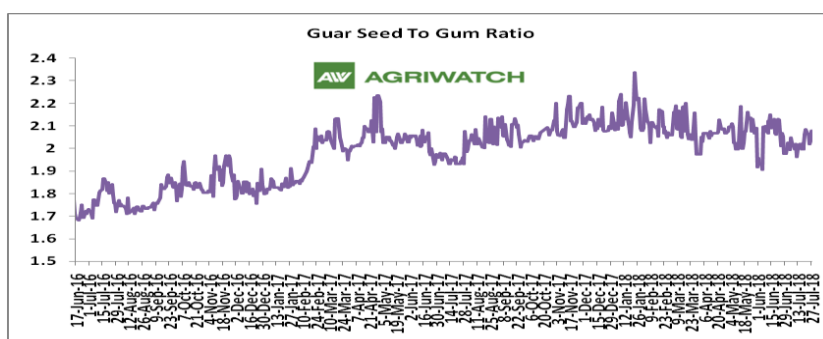
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 27th July'18 is 2.06, lower compared to last week's 2.02

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:

- Fall in price and rise in open interest indicates short 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	4050	3975	4273.5	4695	4750
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Buy	Above 4265	4425	4530	4169

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	8900	8810	9220	9885	9980
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Buy	Above 9210	9555	9780	9003

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	21st to 27th July 2018	14th to 20th July 2018	Change
Churi	Jodhpur	1447	1492	-45
Korma	Jodhpur	2285	2254	31
Churi	Sri-Ganganagar	1338	1344	-6
Korma	Sri-Ganganagar	2138	2088	51

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	21st to 27th July 2018	14th to 20th July 2018	Change
Guargum Split		1301	1302	-1
Guargum Powder	200 Mesh 5000 CPS	1592	1594	-2
	200 Mesh 3500 CPS	1519	1521	-1
Guargum Meal	40%	298	306	-8
	50%	436	435	1

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			21st to 27th July 2018	14th to 20th July 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4138	4167	-29
		Jodhpur(Delivery)	4344	4375	-31
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3946	3965	-19
		Sri-Ganganagar (Delivery)	4096	4115	-19
		Rawla (Loose)	3912	3950	-38
		Gharsana (Loose)	3911	3952	-41
		Raisinghnagar (Loose)	3993	4013	-20
	Bikaner	Bikaner (Loose)	3950	3963	-13
		Bikaner (Delivery)	4148	4162	-14
		Nokha(Loose)	3974	4017	-43
		Nokha (Delivery)	4173	4218	-45
		Khajuwala (Loose)	3954	4013	-58
		Khajuwala (Delivery)	4152	4213	-61
		Lunkaransar (Loose)	3933	4008	-75
	Hanumangarh	Hanumangarh (Loose)	3898	3935	-38
		Hanumangarh (Delivery)	4092	4132	-39

		Nohar (Loose)	3953	3988	-35
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	3830	3842	-12
	Churu	Churu (Delivery)	4117	4092	25
	Alwar	Alwar (Loose)	3833	3833	Unch
Haryana	Hisar	Adampur (Loose)	3957	3983	-26
		Adampur (Delivery)	4155	4182	-27
	Bhiwani	Bhiwani (Delivery)	4129	4180	-51
		Siwani (Loose)	4078	4096	-18
	Sirsa	Sirsa (Loose)	3963	4004	-41
		Dhabwali (Loose)	3928	3954	-26
		Dhabwali (Delivery)	4125	4152	-27
		Ellanabad (Loose)	3917	3983	-67
	Fatehabad	Fatehabad (Loose)	3900	3975	-75
Gujarat	Banaskantha	Deesa (Loose)	NA	3787	-
	Patan	Patan (Loose)	NA	3809	-
	Rajkot	Rajkot (Loose)	3798	3820	-23
	Jamnagar	Dhrol (Loose)	4375	3620	755
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8942	8833	108
	Alwar	Alwar	8883	8800	83
	Hanumangarh	Nohar	9092	9025	67
Haryana	Bhiwani	Bhiwani	9208	9030	178
	Sirsa	Sirsa	8833	8867	-33
		Dhabwali	8808	8675	133
		Ellanabad	8883	8858	25
	Fatehabad	Fatehabad	8808	8622	187

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			27-Jul-18	20-Jul-18	27-Jun-18	27-Jul-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4125	4250	3570	3500
		Jodhpur(Delivery)	4331	4463	3749	3675
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3950	4040	3600	3175
		Sri-Ganganagar (Delivery)	4100	4190	3750	3225
		Rawla (Loose)	3900	4025	3590	3300
		Gharsana (Loose)	3925	4030	3580	3300

		Raisinghnagar (Loose)	4050	4050	3660	3380
	Bikaner	Bikaner (Loose)	3950	4050	3650	3325
		Bikaner (Delivery)	4148	4253	3833	3491
		Nokha(Loose)	4000	4050	3580	3290
		Nokha (Delivery)	4200	4253	3759	3455
		Khajuwala (Loose)	3950	4125	3570	3340
		Khajuwala (Delivery)	4148	4331	3749	3507
		Lunkaransar (Loose)	3900	4150	3550	3350
	Hanumangarh	Hanumangarh (Loose)	3925	3980	3600	3200
		Hanumangarh (Delivery)	4121	4179	3780	3360
		Nohar (Loose)	3975	4050	3700	3325
		Pilibanga (Loose)	NA	NA	NA	3185
	Nagaur	Nagaur (Loose)	Closed	3900	3500	3150
	Churu	Churu (Delivery)	4100	4150	3900	3400
	Alwar	Alwar (Loose)	3800	3950	3600	3200
Haryana	Hisar	Adampur (Loose)	3950	4025	3650	3300
		Adampur (Delivery)	4148	4226	3833	3465
	Bhiwani	Bhiwani (Delivery)	4150	4300	3850	3425
		Siwani (Loose)	4100	4150	3775	3425
	Sirsa	Sirsa (Loose)	3920	4100	3650	3300
		Dhabwali (Loose)	3890	4050	3720	3125
		Dhabwali (Delivery)	4085	4253	3906	3281
		Ellanabad (Loose)	3900	4025	3600	3250
	Fatehabad	Fatehabad (Loose)	3900	4025	3650	3300
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	NA	NA
	Patan	Patan (Loose)	NA	3795	3435	NA
	Rajkot	Rajkot (Loose)	NR	3895	3590	3150
	Jamnagar	Dhrol (Loose)	NA	NA	3425	NA
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9000	9200	7700	7200
	Alwar	Alwar	9000	8900	7700	7000
	Hanumangarh	Nohar	9200	9250	8000	7100
Haryana	Bhiwani	Bhiwani	9350	9450	7600	7300
	Sirsa	Sirsa	8900	9200	7900	7250
		Dhabwali	8750	9100	7600	7150
		Ellanabad	8900	9000	7900	7350
	Fatehabad	Fatehabad	8750	9000	7500	7000

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			21st to 27th July 2018	14th to 20th July 2018	
Rajasthan	Jodhpur	Jodhpur	660	580	80
	Sri-Ganganagar	Sri-Ganganagar	900	1235	-335
		Rawla	510	790	-280
		Gharsana	540	420	120
		Raisinghnagar	1500	1650	-150
	Bikaner	Bikaner	2650	1850	800
		Nokha	1310	2100	-790
		Khajuwala	1900	2250	-350
		Lunkaransar	3500	2300	1200
	Hanumangarh	Hanumangarh	680	490	190
		Nohar	2500	2050	450
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	590	1050	-460
	Churu	Churu	3100	2800	300
	Alwar	Alwar	1250	1200	50
Haryana	Hisar	Adampur	8100	6100	2000
	Bhiwani	Bhiwani	11100	28000	-16900
		Siwani	4900	4900	Unch
	Sirsa	Sirsa	4300	2200	2100
		Dhabwali	730	660	70
		Ellanabad	475	460	15
	Fatehabad	Fatehabad	580	370	210
Gujarat	Banaskantha	Deesa	NA	46	-
	Patan	Patan	NA	123	-
	Rajkot	Rajkot	342	1185	-843
	Jamnagar	Dhrol	10	1	9
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			52127	64810	-12683

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