



Guar Weekly Research Report

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Executive Summary

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Domestic Guar Seed Market Summary

All India average monthly prices for guar seed increased by 14.71 percent from Rs 3170.10 in June to Rs 3636.50 per qtl in July-2018. Average price (July) is higher by 7.41 percent compared to Rs 3385.68 per qtl (June-2017). Guar prices are expected to remain steady to weak in coming days.

Guar seed future October contract touched a high of Rs 4528.00 per quintal before closing at Rs 4447.50 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 4200.00-4150.00 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 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 data released by Baker Hughes the number of oil rigs in USA has increased to 1044 as on 03rd August 2018 down by 4 compared to last week and up by 90 compared to 04th August 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 latest update, area sown in Rajasthan until 03rd August 2018 is 2742.10 thousand hectares compared to 2412.50 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.

According to latest update, area sown in Gujarat until 30th July 2018 is 63245 hectares compared to 161200 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 Bajra as these crops are fetching more returns. The last three-year average normal area for guar seed in Gujarat is 256167 hectares.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (7600 quintals) compared to previous week arrivals of 8100 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (2200 quintals) compared to 2650 quintals in the previous week.

Recommendation:

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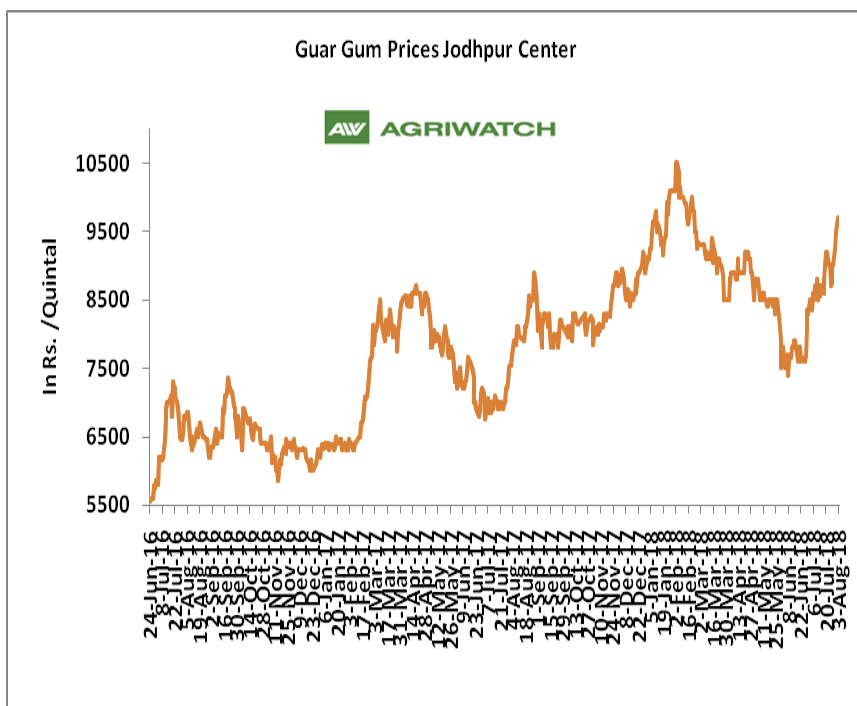
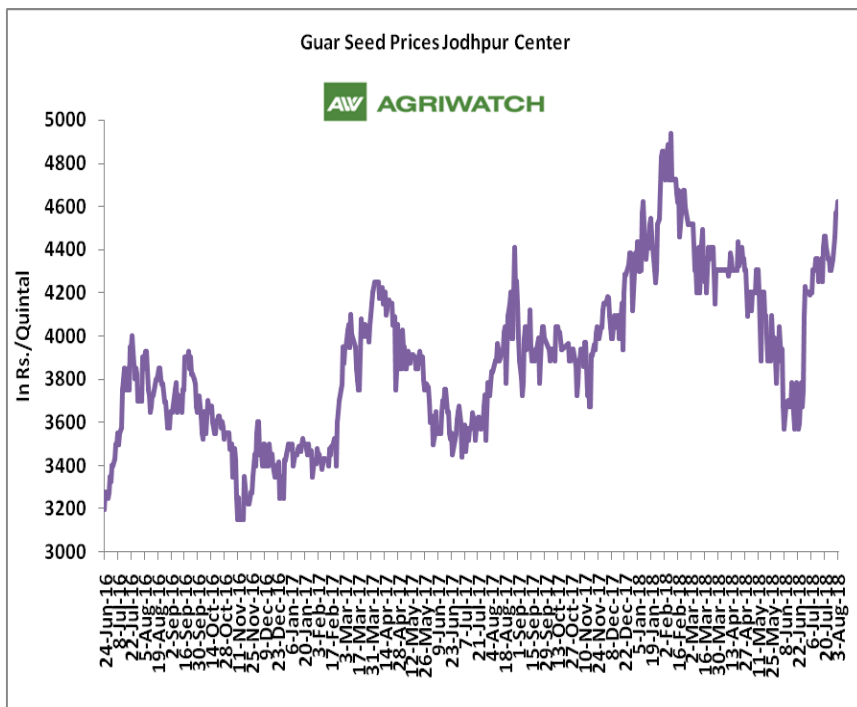
Weekly Call - : Market participants are advised to sell Guar seed at 4428 levels for a target of 4185 with a stop loss at 4510 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 03rd August'18, Guar seed weekly average prices increased by Rs 183.75/- qtl during the week compared to previous week and settled at Rs 4528 per quintal.
- In addition, Guar gum weekly price increased by Rs 500.00 per quintal and settled at Rs. 9442 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

In the week ended 03rd August'18, average crush margin is Rs. -143.47/Quintal, compared to last week's -123.29/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 03rd August'18 is 2.08, lower compared to last week's 2.06

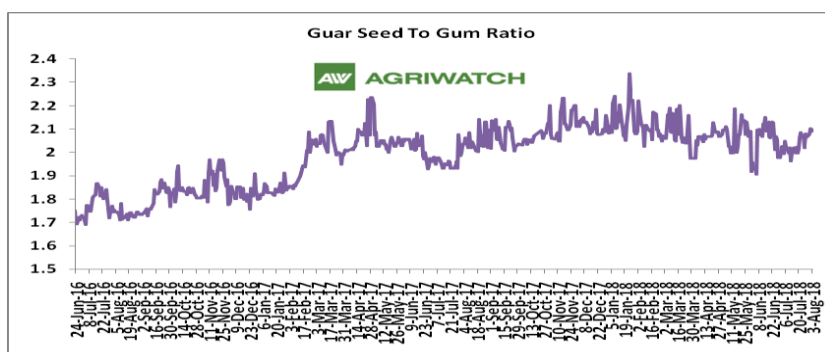
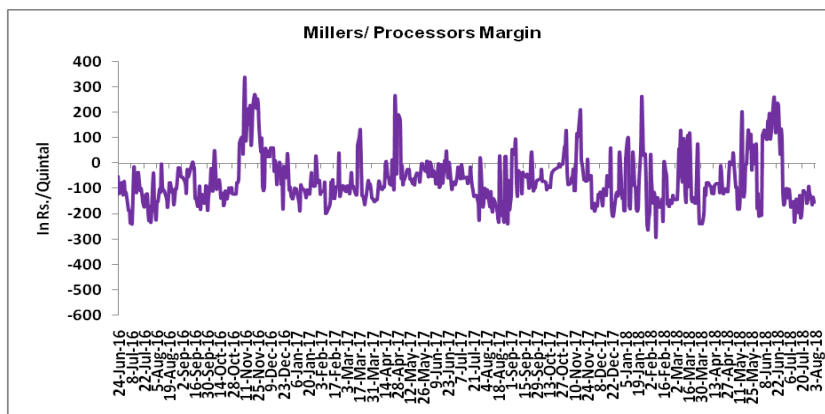
Overall, buoyant demand of gum from overseas and good demand of seed from millers has increased the overall ratio.

Guar gum Weekly Export

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

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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	4070	4000	4447.5	4625	4705
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Sell	Below 4428	4290	4185	4510

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 bearishness in market.
- Prices closed above 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	October	9050	8955	9720	9980	10065
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Sell	Below 9670	9345	9160	9865

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	28th July to 03rd August 2018	21st to 27th July 2018	Change
Churi	Jodhpur	1448	1447	1
Korma	Jodhpur	2290	2285	5
Churi	Sri-Ganganagar	1350	1338	12
Korma	Sri-Ganganagar	2144	2138	6

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	28th July to 03rd August 2018	21st to 27th July 2018	Change
Guargum Split		1343	1301	42
Guargum Powder	200 Mesh 5000 CPS	1635	1592	42
	200 Mesh 3500 CPS	1562	1519	42
Guargum Meal	40%	304	298	6
	50%	449	436	13

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			28th July to 03rd August 2018	21st to 27th July 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4313	4138	175
		Jodhpur(Delivery)	4528	4344	184
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4097	3946	151
		Sri-Ganganagar (Delivery)	4247	4096	151
		Rawla (Loose)	4068	3912	157
		Gharsana (Loose)	4095	3911	184
		Raisinghnagar (Loose)	4129	3993	136
	Bikaner	Bikaner (Loose)	4123	3950	173
		Bikaner (Delivery)	4329	4148	181
		Nokha(Loose)	4143	3974	169
		Nokha (Delivery)	4351	4173	178
		Khajuwala (Loose)	4118	3954	164
		Khajuwala (Delivery)	4324	4152	172
		Lunkaransar (Loose)	4150	3933	217
	Hanumangarh	Hanumangarh (Loose)	4087	3898	189
		Hanumangarh (Delivery)	4291	4092	199

		Nohar (Loose)	4133	3953	181
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	4025	3830	195
	Churu	Churu (Delivery)	4325	4117	208
	Alwar	Alwar (Loose)	3975	3833	142
Haryana	Hisar	Adampur (Loose)	4127	3957	170
		Adampur (Delivery)	4333	4155	179
	Bhiwani	Bhiwani (Delivery)	4325	4129	196
		Siwani (Loose)	4246	4078	168
	Sirsa	Sirsa (Loose)	4098	3963	135
		Dhabwali (Loose)	4040	3928	112
		Dhabwali (Delivery)	4242	4125	117
		Ellanabad (Loose)	4056	3917	139
	Fatehabad	Fatehabad (Loose)	4092	3900	192
Gujarat	Banaskantha	Deesa (Loose)	3860	NA	-
	Patan	Patan (Loose)	3978	NA	-
	Rajkot	Rajkot (Loose)	4003	3798	205
	Jamnagar	Dhrol (Loose)	NA	4375	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9442	8942	500
	Alwar	Alwar	9325	8883	442
	Hanumangarh	Nohar	9483	9092	392
Haryana	Bhiwani	Bhiwani	9633	9208	425
	Sirsa	Sirsa	9408	8833	575
		Dhabwali	9292	8808	483
		Ellanabad	9417	8883	533
	Fatehabad	Fatehabad	9280	8808	472

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			3-Aug-18	27-Jul-18	3-Jul-18	3-Aug-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4375	4125	4000	3600
		Jodhpur(Delivery)	4594	4331	4200	3780
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4200	3950	3800	3350
		Sri-Ganganagar (Delivery)	4350	4100	3950	3570
		Rawla (Loose)	4150	3900	3740	3315
		Gharsana (Loose)	4130	3925	3750	3350

		Raisinghnagar (Loose)	4200	4050	3750	3400
	Bikaner	Bikaner (Loose)	4150	3950	3770	3370
		Bikaner (Delivery)	4358	4148	3959	3539
		Nokha(Loose)	4200	4000	3800	3360
		Nokha (Delivery)	4410	4200	3990	3528
		Khajuwala (Loose)	4200	3950	3800	3450
		Khajuwala (Delivery)	4410	4148	3990	3623
		Lunkaransar (Loose)	4150	3900	3800	3350
	Hanumangarh	Hanumangarh (Loose)	4170	3925	3775	3225
		Hanumangarh (Delivery)	4379	4121	3964	3386
		Nohar (Loose)	4200	3975	3825	3425
		Pilibanga (Loose)	NA	NA	NA	3190
	Nagaur	Nagaur (Loose)	4100	3850	3650	3250
	Churu	Churu (Delivery)	4350	4100	4000	3500
	Alwar	Alwar (Loose)	4100	3800	3750	3200
Haryana	Hisar	Adampur (Loose)	4150	3950	3800	3350
		Adampur (Delivery)	4358	4148	3990	3518
	Bhiwani	Bhiwani (Delivery)	4350	4150	3900	3350
		Siwani (Loose)	4280	4100	3875	3490
	Sirsa	Sirsa (Loose)	4150	3920	3775	3400
		Dhabwali (Loose)	4100	3890	3800	3340
		Dhabwali (Delivery)	4305	4085	3990	3507
		Ellanabad (Loose)	4100	3900	3700	3325
	Fatehabad	Fatehabad (Loose)	4150	3900	3700	NA
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	3635	3500
	Patan	Patan (Loose)	4055	NA	3725	3205
	Rajkot	Rajkot (Loose)	4100	NA	3705	3250
	Jamnagar	Dhrol (Loose)	NA	NA	NA	NA
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	3075
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9600	9000	8400	7700
	Alwar	Alwar	9550	9000	8300	7600
	Hanumangarh	Nohar	9700	9200	8400	7600
Haryana	Bhiwani	Bhiwani	9500	9350	8600	7650
	Sirsa	Sirsa	9500	8900	8300	7600
		Dhabwali	9500	8750	8300	7700
		Ellanabad	9550	8900	8300	7600
	Fatehabad	Fatehabad	9450	8750	8300	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			28th July to 03rd August 2018	21th to 27th July 2018	
Rajasthan	Jodhpur	Jodhpur	1095	660	435
	Sri-Ganganagar	Sri-Ganganagar	1000	900	100
		Rawla	660	510	150
		Gharsana	600	540	60
		Raisinghnagar	2250	1500	750
	Bikaner	Bikaner	2200	2650	-450
		Nokha	3050	1310	1740
		Khajuwala	2450	1900	550
		Lunkaransar	3150	3500	-350
	Hanumangarh	Hanumangarh	1110	680	430
		Nohar	2300	2500	-200
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	1300	590	710
	Churu	Churu	6300	3100	3200
	Alwar	Alwar	3000	1250	1750
Haryana	Hisar	Adampur	7600	8100	-500
	Bhiwani	Bhiwani	24000	11100	12900
		Siwani	9300	4900	4400
	Sirsa	Sirsa	6000	4300	1700
		Dhabwali	1500	730	770
		Ellanabad	650	475	175
	Fatehabad	Fatehabad	1050	580	470
Gujarat	Banaskantha	Deesa	2	NA	-
	Patan	Patan	351	NA	-
	Rajkot	Rajkot	1695	342	1353
	Jamnagar	Dhrol	NA	10	-10
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			82613	52127	30486

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