



Guar Weekly Research Report

Table of Contents

- ❖ **Executive Summary**
- ❖ **Recommendations**
- ❖ **Domestic Market Fundamentals**
- ❖ **Processing Margins**
- ❖ **Guar Seed to Gum Ratio**
- ❖ **Guar Gum Weekly Exports**
- ❖ **Technical Analysis (Guar Seed)**
- ❖ **Technical Analysis (Guar Gum)**
- ❖ **Guar Seed & Gum Prices at Key Spot Markets**
- ❖ **Guar Seed Arrivals at Key Centers**

Executive Summary
[\(Back to Table of Contents\)](#)
Domestic Guar Seed Market Summary

All India weekly average prices increased by 3.10 percent to Rs. 3873.71 per quintal during the week ended 08th August 2018. Guar seed average price were ruling at Rs 3757.40 per quintal during 24-31 July 2018. As compared to prices in the week 01-08 August 2017, the prices are firm by 1.84 percent. Prices are expected to remain steady to weak in coming days.

As per latest update, area sown in Rajasthan until 10th August 2018 is 2838.50 thousand hectares compared to target of 3500.00 thousand hectares for 2018 Kharif season. 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 06th August 2018 is 86338 hectares compared to 167700 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. Acreage is expected to be slightly lower in Gujarat.

Guar seed future October contract touched a high of Rs 4572.50 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 4300.00-4350.00 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 1057 as on 10th August 2018 up by 13 compared to last week and up by 108 compared to 11th August 2017. The total number of oilrigs was recorded at 2251 worldwide in July'18 compared to 2110 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 far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (5200 quintals) compared to previous week arrivals of 7600 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1850 quintals) compared to 2200 quintals in the previous week.

Recommendation:
[\(Back to Table of Contents\)](#)

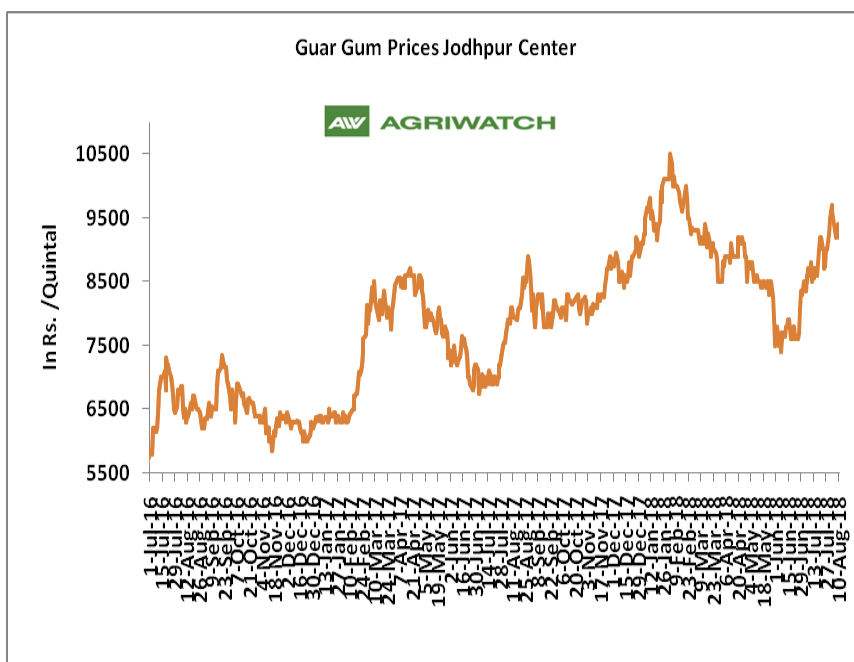
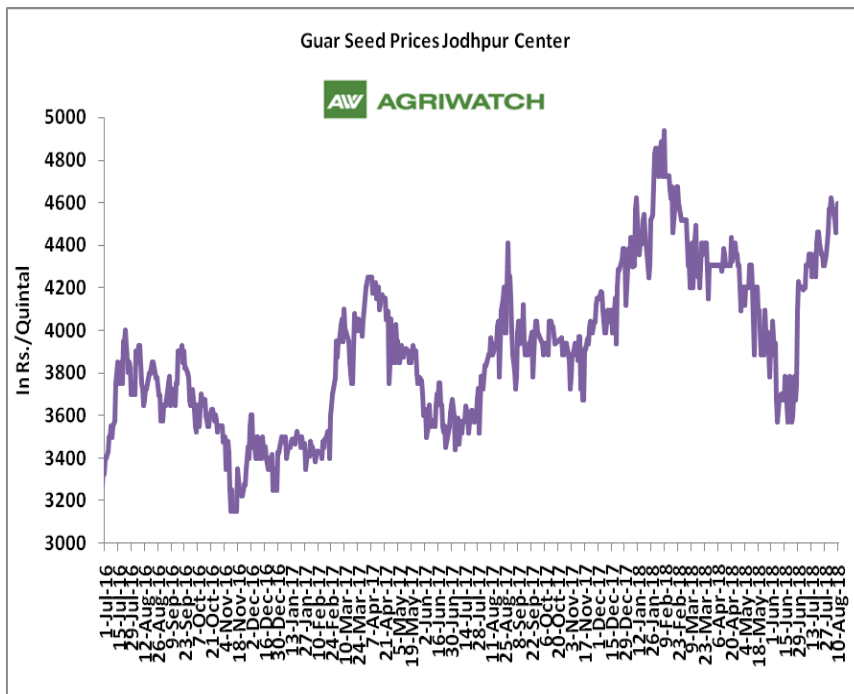
Weekly Call - : Market participants are advised to sell Guar seed at 4605 levels for a target of 4450 with a stop loss at 4698 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

[\(Back to Table of Contents\)](#)

Domestic Front

- In the week ended 10th August'18, Guar seed weekly average prices increased by Rs 3.50/- qtl during the week compared to previous week and settled at Rs 4532 per quintal.
- In addition, Guar gum weekly price decreased by Rs 125.00 per quintal and settled at Rs. 9317 per quintal. Weak demand for guar gum from domestic as well as overseas market kept prices at lower 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.



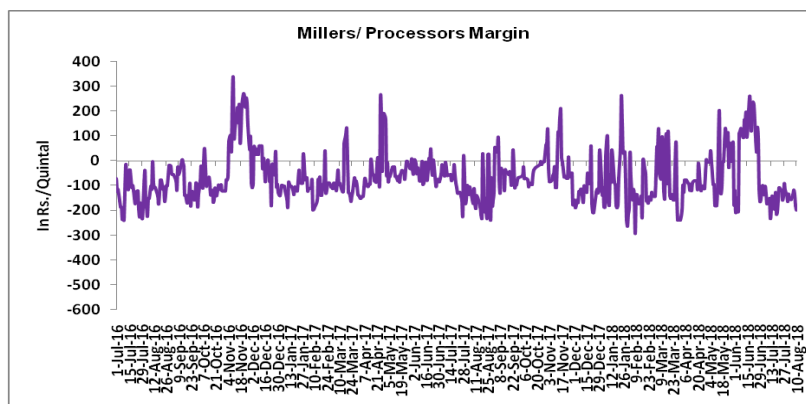


Millers/Processors Margin

[\(Back to Table of Contents\)](#)

In the week ended 10th August'18, average crush margin is Rs. -154.65/Quintal, compared to last week's -143.47/Quintal. Therefore, crushing is not favorable for Millers/Processors.

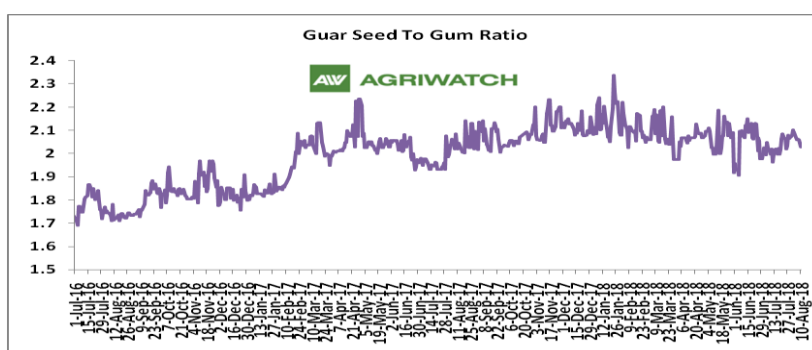
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 10th August'18 is 2.06, lower compared to last week's 2.08

Weak overseas demand of gum and good demand of seed from millers has decreased the overall ratio.



Guar gum Weekly Export

[\(Back to Table of Contents\)](#)

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)
[\(Back to Table of Contents\)](#)
Commodity: Guar Seed
Contract: October
Exchange: NCDEX
Expiry: October 20, 2018

Technical Commentary:

- Rise in price and fall in open interest indicates short covering.
- RSI is moving in overbought region.
- Prices closed above 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	October	4305	4250	4572.50	4765	4805
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Sell	Below 4605	4450	4375	4698

Technical Analysis (Guar Gum)

[\(Back to Table of Contents\)](#)

Commodity: Guar Gum
Contract: October

Exchange: NCDEX
Expiry: October 20, 2018



Technical Commentary:

- Rise in price and fall in open interest indicates short covering.
- RSI is moving in overbought region.
- Prices closed above 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	October	9230	9115	9847	10210	10395
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Sell	Below 9865	9580	9365	10036

Guar Seed & Gum Prices at Key Spot Markets

[\(Back to Table of Contents\)](#)

Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	04th to 10th August 2018	28th July to 03rd August 2018	Change
Churi	Jodhpur	1494	1448	46
Korma	Jodhpur	2313	2290	23
Churi	Sri-Ganganagar	1382	1350	32
Korma	Sri-Ganganagar	2200	2144	56

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	04th to 10th August 2018	28th July to 03rd August 2018	Change
Guargum Split		1366	1343	23
Guargum Powder	200 Mesh 5000 CPS	1657	1635	22
	200 Mesh 3500 CPS	1584	1562	22
Guargum Meal	40%	306	304	2
	50%	442	449	-8

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			04th to 10th August 2018	28th July to 03rd Aug 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4316	4313	3
		Jodhpur(Delivery)	4532	4528	4
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4033	4097	-63
		Sri-Ganganagar (Delivery)	4183	4247	-63
		Rawla (Loose)	4047	4068	-22
		Gharsana (Loose)	4040	4095	-55
		Raisinghnagar (Loose)	4083	4129	-46
	Bikaner	Bikaner (Loose)	4072	4123	-51
		Bikaner (Delivery)	4275	4329	-53
		Nokha(Loose)	4115	4143	-28
		Nokha (Delivery)	4321	4351	-30
		Khajuwala (Loose)	4093	4118	-25
		Khajuwala (Delivery)	4298	4324	-26
		Lunkaransar (Loose)	4100	4150	-50
	Hanumangarh	Hanumangarh (Loose)	4037	4087	-50
		Hanumangarh (Delivery)	4239	4291	-53

		Nohar (Loose)	4083	4133	-50
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	4017	4025	-8
	Churu	Churu (Delivery)	4292	4325	-33
	Alwar	Alwar (Loose)	4033	3975	58
Haryana	Hisar	Adampur (Loose)	4157	4127	30
		Adampur (Delivery)	4365	4333	32
	Bhiwani	Bhiwani (Delivery)	4338	4325	13
		Siwani (Loose)	4250	4246	4
	Sirsa	Sirsa (Loose)	4105	4098	7
		Dhabwali (Loose)	4063	4040	23
		Dhabwali (Delivery)	4267	4242	25
		Ellanabad (Loose)	4050	4056	-6
	Fatehabad	Fatehabad (Loose)	4135	4092	43
Gujarat	Banaskantha	Deesa (Loose)	3900	3860	40
	Patan	Patan (Loose)	3993	3978	15
	Rajkot	Rajkot (Loose)	4026	4003	24
	Jamnagar	Dhrol (Loose)	3743	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9317	9442	-125
	Alwar	Alwar	9408	9325	83
	Hanumangarh	Nohar	9308	9483	-175
Haryana	Bhiwani	Bhiwani	9533	9633	-100
	Sirsa	Sirsa	9300	9408	-108
		Dhabwali	9383	9292	92
		Ellanabad	9392	9417	-25
	Fatehabad	Fatehabad	9268	9280	-12

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			10-Aug-18	3-Aug-18	10-Jul-18	10-Aug-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4320	4375	4150	3775
		Jodhpur(Delivery)	4536	4594	4358	3964
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4000	4200	3850	3550
		Sri-Ganganagar (Delivery)	4150	4350	4000	3700
		Rawla (Loose)	4000	4150	3900	3580
		Gharsana (Loose)	4050	4130	3850	3500

		Raisinghnagar (Loose)	4000	4200	3900	3560
	Bikaner	Bikaner (Loose)	4050	4150	3850	3550
		Bikaner (Delivery)	4253	4358	4043	3728
		Nokha(Loose)	4080	4200	3950	3550
		Nokha (Delivery)	4284	4410	4148	3728
		Khajuwala (Loose)	4090	4200	3925	3625
		Khajuwala (Delivery)	4295	4410	4121	3806
		Lunkaransar (Loose)	4100	4150	3950	3600
	Hanumangarh	Hanumangarh (Loose)	4020	4170	3875	NA
		Hanumangarh (Delivery)	4221	4379	4069	NA
		Nohar (Loose)	4070	4200	3925	NA
		Pilibanga (Loose)	NA	NA	NA	NA
	Nagaur	Nagaur (Loose)	4000	4100	3800	3350
	Churu	Churu (Delivery)	4250	4350	3950	3800
	Alwar	Alwar (Loose)	4000	4100	3650	3600
Haryana	Hisar	Adampur (Loose)	4150	4150	3900	3500
		Adampur (Delivery)	4358	4358	4095	3675
	Bhiwani	Bhiwani (Delivery)	4400	4350	4100	3650
		Siwani (Loose)	4250	4280	3950	3650
	Sirsa	Sirsa (Loose)	4140	4150	3880	3525
		Dhabwali (Loose)	4050	4100	3800	3500
		Dhabwali (Delivery)	4253	4305	3990	3675
		Ellanabad (Loose)	4020	4100	3825	3450
	Fatehabad	Fatehabad (Loose)	4100	4150	3850	NA
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	3710	3425
	Patan	Patan (Loose)	3950	4055	3835	3470
	Rajkot	Rajkot (Loose)	4045	4100	3845	3395
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3205
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9200	9600	8800	8100
	Alwar	Alwar	9300	9550	8500	8050
	Hanumangarh	Nohar	9250	9700	8500	NA
Haryana	Bhiwani	Bhiwani	9750	9500	8700	8200
	Sirsa	Sirsa	9200	9500	8600	8100
		Dhabwali	9350	9500	8500	8100
		Ellanabad	9250	9550	8500	8050
	Fatehabad	Fatehabad	9200	9450	8600	NA

Guar Seed Arrivals at Key Spot Markets

[\(Back to Table of Contents\)](#)

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			04th to 10th August 2018	28th July to 03rd August 2018	
Rajasthan	Jodhpur	Jodhpur	1400	1095	305
	Sri-Ganganagar	Sri-Ganganagar	1800	1000	800
		Rawla	1100	660	440
		Gharsana	850	600	250
		Raisinghnagar	2150	2250	-100
	Bikaner	Bikaner	1850	2200	-350
		Nokha	6100	3050	3050
		Khajuwala	1850	2450	-600
		Lunkaransar	3000	3150	-150
	Hanumangarh	Hanumangarh	1450	1110	340
		Nohar	2400	2300	100
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	1350	1300	50
	Churu	Churu	3350	6300	-2950
	Alwar	Alwar	1850	3000	-1150
Haryana	Hisar	Adampur	5200	7600	-2400
	Bhiwani	Bhiwani	19500	24000	-4500
		Siwani	7500	9300	-1800
	Sirsa	Sirsa	5300	6000	-700
		Dhabwali	3700	1500	2200
		Ellanabad	725	650	75
	Fatehabad	Fatehabad	2400	1050	1350
Gujarat	Banaskantha	Deesa	10	2	8
	Patan	Patan	577	351	226
	Rajkot	Rajkot	165	1695	-1530
	Jamnagar	Dhrol	2	NA	2
Madhya Pradesh	Gwalior	Dabra	NA	NA	Unch
Total Arrivals/Above Markets			75579	82613	-7034

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2018 Indian Agribusiness Systems Ltd.