



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 3.16 percent to Rs. 3996.03 per quintal during the week ended 15th August 2018. Guar seed average price were ruling at Rs 3873.71 per quintal during 01-18 August 2018. As compared to prices in the week 09-15 August 2017, the prices are firm by 3.29 percent. Prices are expected to remain steady to weak in coming days.

The wholesale price index of guar seed has increased from 85.1 in June 2018 to 92.6 in July 2018. The WPI for July 2018 is up by 20.5 compared to last year for the same month and by 16.8 compared to July 2016. WPI is expected to stay weak in coming month.

According to latest update, area sown in Gujarat until 13th August 2018 is 93005 hectares compared to 180800 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.

As per latest update, area sown in Rajasthan until 16th August 2018 is 2731.9 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.

Guar seed future October contract touched a low of Rs 4355.00 per quintal before closing at Rs 4601.00 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 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 data released by Baker Hughes the number of oil rigs in USA has increased to 1057 as on 17th August 2018 up by 111 compared to 18th 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 higher arrivals (5600 quintals) compared to previous week arrivals of 5200 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1600 quintals) compared to 1850 quintals in the previous week.

Recommendation:

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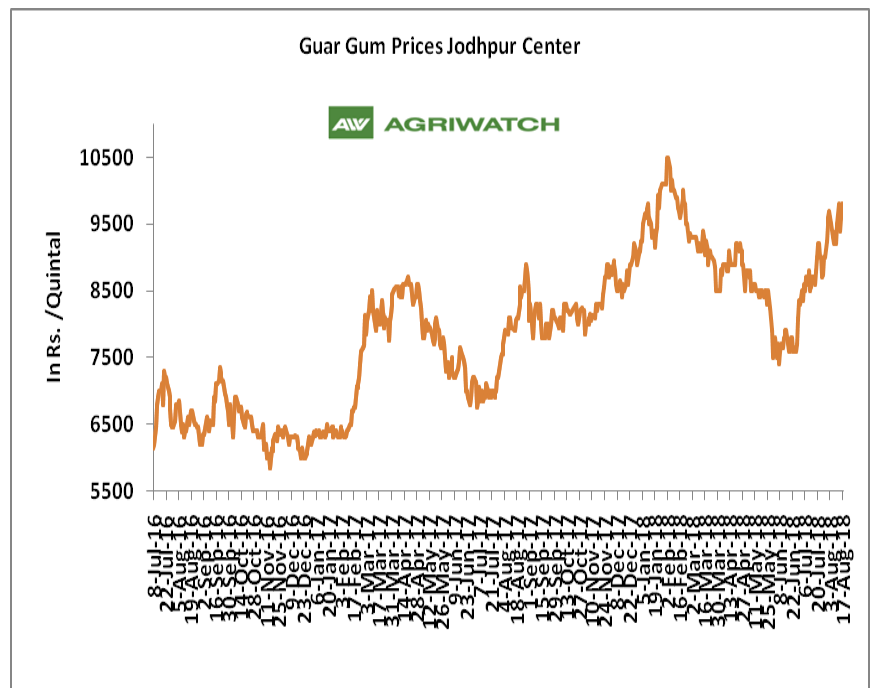
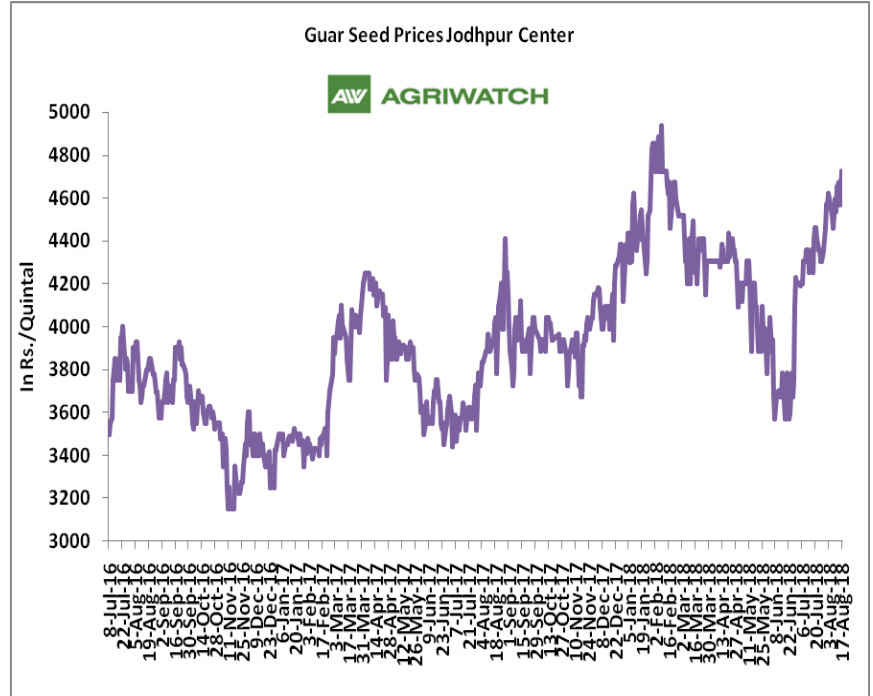
Weekly Call - : Market participants are advised to sell Guar seed at 4630 levels for a target of 4405 with a stop loss at 4708 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 17th August'18, Guar seed weekly average prices increased by Rs 136.68/- qtl during the week compared to previous week and settled at Rs 4668 per quintal.
- In addition, Guar gum weekly price decreased by Rs 333.33 per quintal and settled at Rs. 9650 per quintal. Good 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.

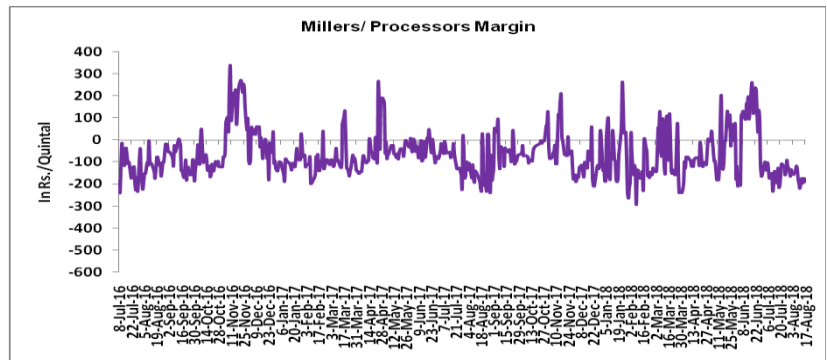


Millers/Processors Margin

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In the week ended 17th August'18, average crush margin is Rs. -190.94/Quintal, compared to last week's -154.65/Quintal. Therefore, crushing is not favorable for Millers/Processors.

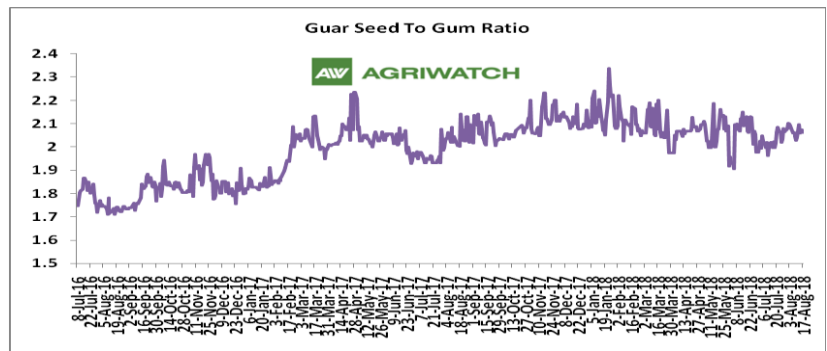
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 17th August'18 is 2.07, higher 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

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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.
- Prices closed above 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	October	4310	4235	4601	4795	4880
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Sell	Below 4630	4500	4405	4708

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.
- Prices closed above 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	October	9305	9220	9882	10295	10410
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Sell	Below 9940	9625	9410	10129

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	11th to 17th August 2018	04th to 10th August 2018	Change
Churi	Jodhpur	1500	1494	6
Korma	Jodhpur	2283	2313	-30
Churi	Sri-Ganganagar	1373	1382	-9
Korma	Sri-Ganganagar	2175	2200	-25

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	11th to 17th August 2018	04th to 10th August 2018	Change
Guargum Split		1372	1366	6
Guargum Powder	200 Mesh 5000 CPS	1659	1657	2
	200 Mesh 3500 CPS	1587	1584	3
Guargum Meal	40%	301	306	-4
	50%	445	442	3

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			11th to 17th August 2018	04th to 10th August 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4446	4316	130
		Jodhpur(Delivery)	4668	4532	137
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4240	4033	207
		Sri-Ganganagar (Delivery)	4390	4183	207
		Rawla (Loose)	4153	4047	106
		Gharsana (Loose)	4175	4040	135
		Raisinghnagar (Loose)	4163	4083	79
	Bikaner	Bikaner (Loose)	4156	4072	84
		Bikaner (Delivery)	4364	4275	89
		Nokha(Loose)	4186	4115	71
		Nokha (Delivery)	4395	4321	75
		Khajuwala (Loose)	4234	4093	141
		Khajuwala (Delivery)	4446	4298	148
		Lunkaransar (Loose)	4220	4100	120
	Hanumangarh	Hanumangarh (Loose)	4190	4037	153
		Hanumangarh (Delivery)	4400	4239	161

		Nohar (Loose)	4250	4083	167
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	4210	4017	193
	Churu	Churu (Delivery)	4410	4292	118
	Alwar	Alwar (Loose)	4120	4033	87
Haryana	Hisar	Adampur (Loose)	4262	4157	105
		Adampur (Delivery)	4475	4365	111
	Bhiwani	Bhiwani (Delivery)	4425	4338	87
		Siwani (Loose)	4351	4250	101
	Sirsa	Sirsa (Loose)	4215	4105	110
		Dhabwali (Loose)	4139	4063	76
		Dhabwali (Delivery)	4346	4267	79
		Ellanabad (Loose)	4170	4050	120
	Fatehabad	Fatehabad (Loose)	4170	4135	35
Gujarat	Banaskantha	Deesa (Loose)	4025	3900	125
	Patan	Patan (Loose)	4046	3993	54
	Rajkot	Rajkot (Loose)	4101	4026	75
	Jamnagar	Dhrol (Loose)	3752	3743	8
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9650	9442	208
	Alwar	Alwar	9390	9325	65
	Hanumangarh	Nohar	9640	9483	157
Haryana	Bhiwani	Bhiwani	9800	9633	167
	Sirsa	Sirsa	9560	9408	152
		Dhabwali	9490	9292	198
		Ellanabad	9620	9417	203
	Fatehabad	Fatehabad	9493	9280	213

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			17-Aug-18	10-Aug-18	17-Jul-18	17-Aug-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4500	4320	4050	3825
		Jodhpur (Delivery)	4725	4536	4253	4016
	Sri-Ganganagar	Sri-Ganganagar (Loose)	4250	4000	3900	3650
		Sri-Ganganagar (Delivery)	4400	4150	4050	3800
		Rawla (Loose)	Closed	4000	3860	3670
		Gharsana (Loose)	Closed	4050	3850	3560

		Raisinghnagar (Loose)	Closed	4000	4000	NA
	Bikaner	Bikaner (Loose)	4150	4050	3900	3710
		Bikaner (Delivery)	4358	4253	4095	3896
		Nokha(Loose)	4200	4080	3950	3600
		Nokha (Delivery)	4410	4284	4148	3780
		Khajuwala (Loose)	4300	4090	4000	3760
		Khajuwala (Delivery)	4515	4295	4200	3948
		Lunkaransar (Loose)	4300	4100	3900	3650
	Hanumangarh	Hanumangarh (Loose)	4350	4020	3850	3450
		Hanumangarh (Delivery)	4568	4221	4043	3623
		Nohar (Loose)	4400	4070	3900	3625
		Pilibanga (Loose)	NA	NA	NA	NA
	Nagaur	Nagaur (Loose)	4300	4000	3850	3500
	Churu	Churu (Delivery)	4450	4250	4050	3900
	Alwar	Alwar (Loose)	4150	4000	3750	3600
Haryana	Hisar	Adampur (Loose)	4300	4150	3950	3600
		Adampur (Delivery)	4515	4358	4148	3780
	Bhiwani	Bhiwani (Delivery)	Closed	4400	4080	3725
		Siwani (Loose)	Closed	4250	4025	3680
	Sirsa	Sirsa (Loose)	4255	4140	3935	3615
		Dhabwali (Loose)	4100	4050	3900	3550
		Dhabwali (Delivery)	4305	4253	4095	3728
		Ellanabad (Loose)	4150	4020	3950	3500
	Fatehabad	Fatehabad (Loose)	4100	4100	3900	NA
Gujarat	Banaskantha	Deesa (Loose)	Closed	NA	3825	3500
	Patan	Patan (Loose)	NR	3950	3790	NA
	Rajkot	Rajkot (Loose)	NR	4045	3730	NA
	Jamnagar	Dhrol (Loose)	NA	NA	NA	NA
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	3280
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9750	9200	8600	8050
	Alwar	Alwar	9450	9300	8700	8050
	Hanumangarh	Nohar	9900	9250	8900	8000
Haryana	Bhiwani	Bhiwani	Closed	9750	9000	8370
	Sirsa	Sirsa	9600	9200	8650	8050
		Dhabwali	9500	9350	8500	8050
		Ellanabad	9800	9250	8750	8000
	Fatehabad	Fatehabad	9600	9200	8500	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			11th to 17th August 2018	04th to 10th August 2018	
Rajasthan	Jodhpur	Jodhpur	490	1400	-910
	Sri-Ganganagar	Sri-Ganganagar	2200	1800	400
		Rawla	600	1100	-500
		Gharsana	350	850	-500
		Raisinghnagar	1000	2150	-1150
	Bikaner	Bikaner	1600	1850	-250
		Nokha	4100	6100	-2000
		Khajuwala	1650	1850	-200
		Lunkaransar	900	3000	-2100
	Hanumangarh	Hanumangarh	650	1450	-800
		Nohar	1500	2400	-900
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	850	1350	-500
	Churu	Churu	2000	3350	-1350
	Alwar	Alwar	2300	1850	450
Haryana	Hisar	Adampur	5600	5200	400
	Bhiwani	Bhiwani	28000	19500	8500
		Siwani	5400	7500	-2100
	Sirsa	Sirsa	4600	5300	-700
		Dhabwali	2200	3700	-1500
		Ellanabad	290	725	-435
	Fatehabad	Fatehabad	420	2400	-1980
Gujarat	Banaskantha	Deesa	35	10	25
	Patan	Patan	204	577	-373
	Rajkot	Rajkot	135	165	-30
	Jamnagar	Dhrol	5	2	3
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			67079	75579	-8500

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