



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 0.57 percent to Rs. 4018.96 per quintal during the week ended 23rd August 2018. Guar seed average price were ruling at Rs 3996.03 per quintal during 09-15 August 2018. As compared to prices in the week 16-23 August 2017, the prices are firm by 2.32 percent. Prices are expected to remain steady to weak in coming days.

As per trade sources, export of guar split has decreased in the month of July. Exports in the month of July are down by around 16.42% compared to previous month. India exported around 5399 tonnes of guar split in the month of July at an average FoB of \$ 1110.07 per tonne. Of the total quantity, around 3020 tonnes and 2007.3 tonnes have been exported to China and United States respectively.

As per trade sources, export of guar gum has decreased in the month of July by 0.07 percent compared to previous month. India exported around 21797 tonnes of guar gum in the month of July at an average FoB of \$ 1745.68 per tonne compared to 22630 tonnes in June at an average FoB of \$ 1734.54 per tonne. Export demand is normal as of now.

Guar seed future October contract touched a low of Rs 4285.00 per quintal before closing at Rs 4309.50 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 3900.00-3950.00 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 latest update, area sown in Rajasthan until 24th August 2018 is 3065.80 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.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1044 as on 24th August 2018 down by 13 compared to 17th August 2018 and up by 104 compared to 25th August 2017. The total number of oil rigs 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 (4400 quintals) compared to previous week arrivals of 5600 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (2000 quintals) compared to 1600 quintals in the previous week.

Recommendation:

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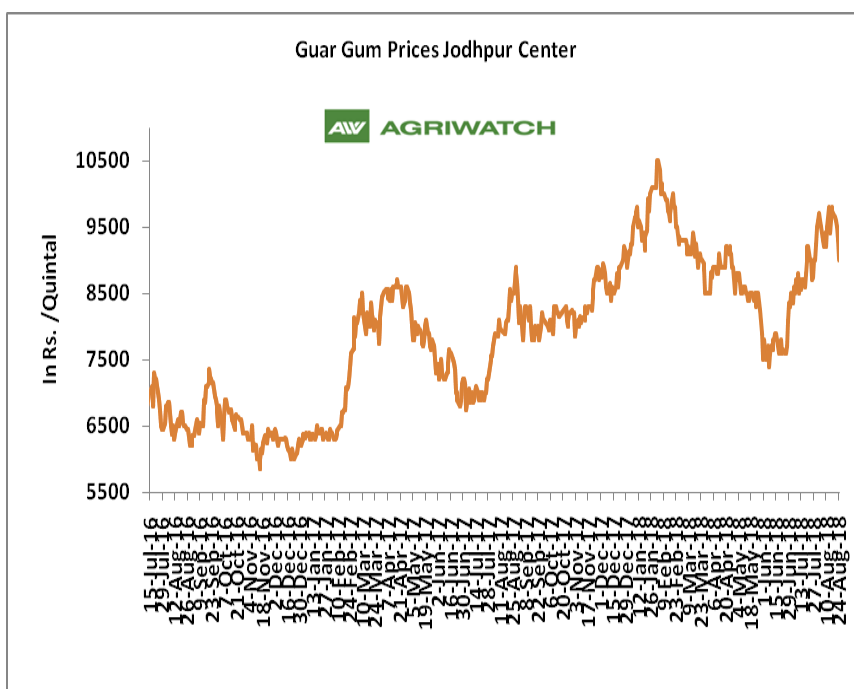
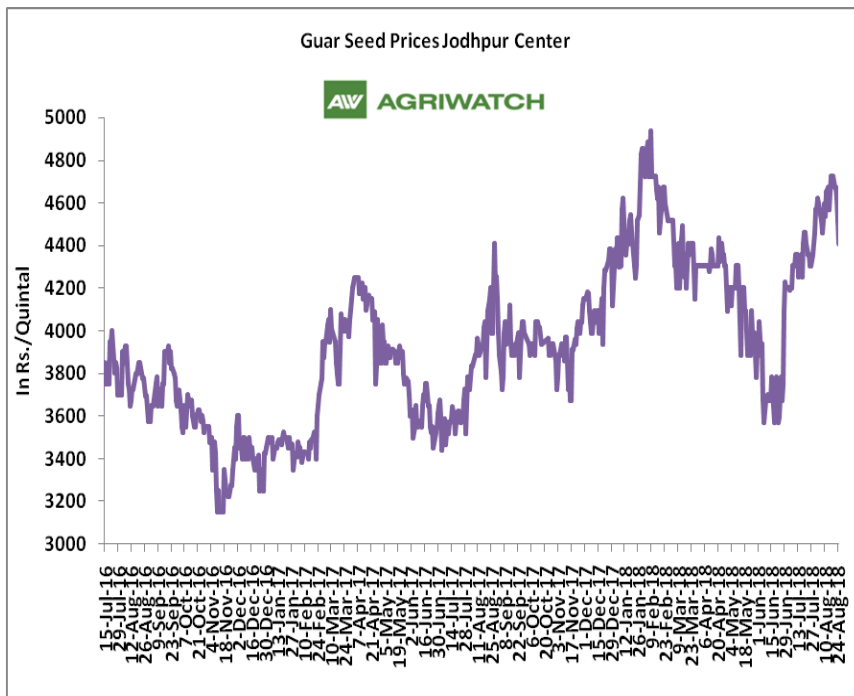
Weekly Call - : Market participants are advised to sell Guar seed at 4320 levels for a target of 3920 with a stop loss at 4449 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 24th August'18, Guar seed weekly average prices decreased by Rs 65.80/- qtl during the week compared to previous week and settled at Rs 4603 per quintal.
- In addition, Guar gum weekly price decreased by Rs 191.67 per quintal and settled at Rs. 9458 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.

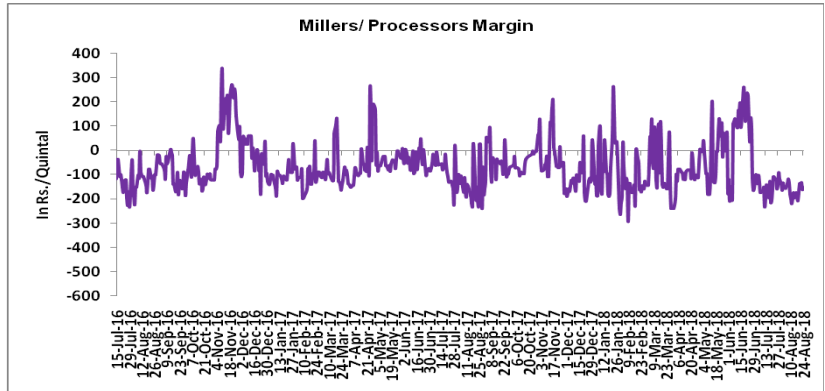


Millers/Processors Margin

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In the week ended 24th August'18, average crush margin is Rs. -156.82/Quintal, compared to last week's -190.94/Quintal. Therefore, crushing is not favorable for Millers/Processors.

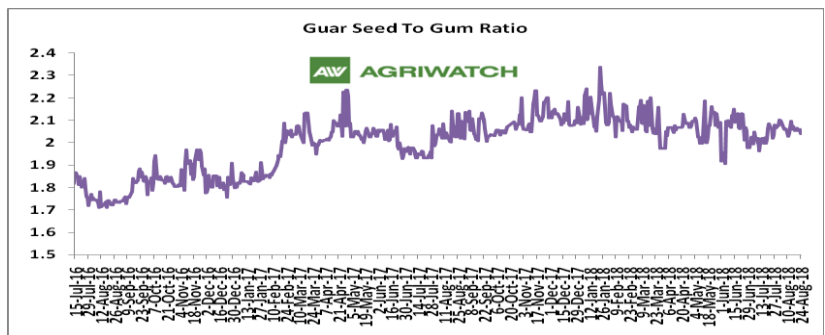
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 24th August'18 is 2.05, higher compared to last week's 2.07

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



Guar gum Weekly Export

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Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08 July-2018	4323.23	1768.42
09-16 July -2018	6746.93	1740.28
17-23 July -2018	5062.65	1770.86
24-31 July -2018	5663.93	1705.99
Total	21796.74	

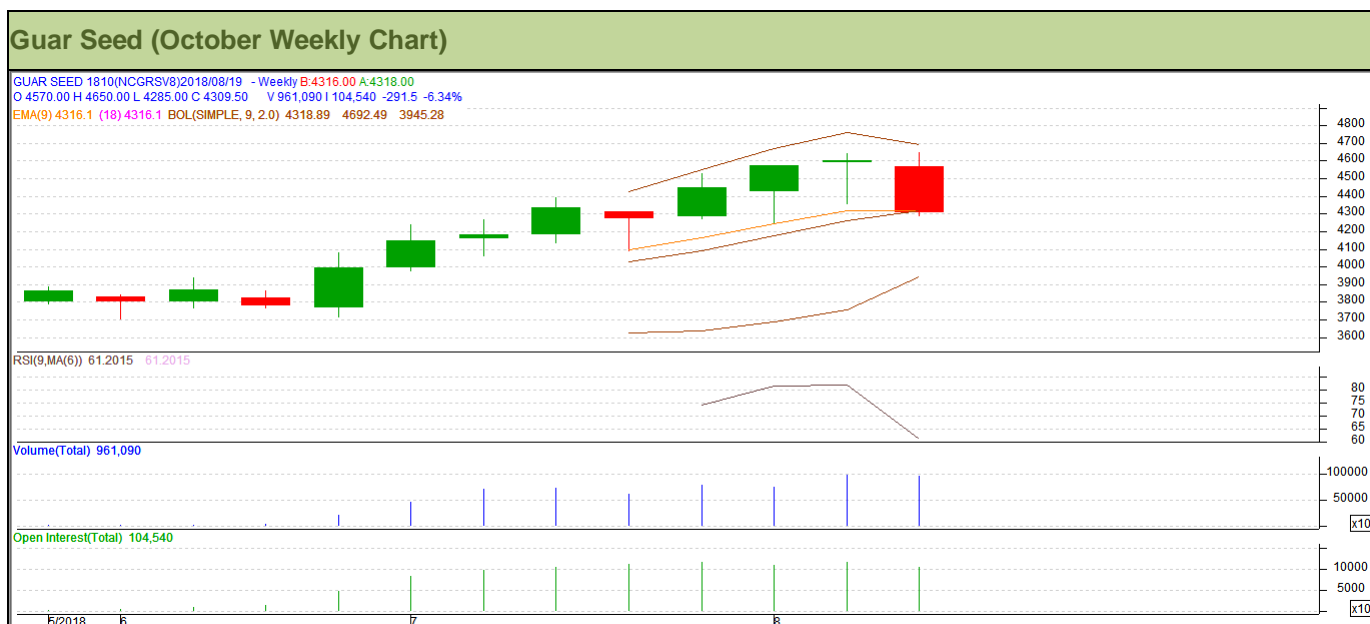
Source: Trade

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 liquidation.
- RSI is moving down in neutral region.
- Prices closed below 9 and 18 day EMAs.
- Last candlestick depicts bearishness in market.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	October	3800	3705	4309.5	4595	4680
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Sell	Below 4320	4105	3920	4449

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 liquidation.
- RSI is moving down in neutral region.
- Prices closed below 9 and 18 day EMAs.
- Last candlestick depicts bearishness in market.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	October	8440	8335	9201	9625	9740
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Sell	Below 9235	8890	8580	9442

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	18th to 24th August 2018	11th to 17th August 2018	Change
Churi	Jodhpur	1525	1500	25
Korma	Jodhpur	2332	2283	50
Churi	Sri-Ganganagar	1381	1373	8
Korma	Sri-Ganganagar	2178	2175	3

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	18th to 24th August 2018	11th to 17th August 2018	Change
Guargum Split		1371	1372	-1
Guargum Powder	200 Mesh 5000 CPS	1658	1659	-1
	200 Mesh 3500 CPS	1586	1587	-1
Guargum Meal	40%	301	301	Unch
	50%	432	445	-13

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			18th to 24th August 2018	11th to 17th August 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4383	4446	-63
		Jodhpur(Delivery)	4603	4668	-66
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4178	4240	-62
		Sri-Ganganagar (Delivery)	4328	4390	-62
		Rawla (Loose)	4210	4153	58
		Gharsana (Loose)	4145	4175	-30
		Raisinghnagar (Loose)	4190	4163	28
	Bikaner	Bikaner (Loose)	4150	4156	-6
		Bikaner (Delivery)	4358	4364	-6
		Nokha(Loose)	4225	4186	39
		Nokha (Delivery)	4436	4395	41
		Khajuwala (Loose)	4242	4234	8
		Khajuwala (Delivery)	4454	4446	8
		Lunkaransar (Loose)	4183	4220	-37
	Hanumangarh	Hanumangarh (Loose)	4198	4190	8
		Hanumangarh (Delivery)	4408	4400	8

		Nohar (Loose)	4247	4250	-3
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	4200	4210	-10
	Churu	Churu (Delivery)	4392	4410	-18
	Alwar	Alwar (Loose)	4117	4120	-3
Haryana	Hisar	Adampur (Loose)	4163	4262	-100
		Adampur (Delivery)	4371	4475	-104
	Bhiwani	Bhiwani (Delivery)	4360	4425	-65
		Siwani (Loose)	4279	4351	-72
	Sirsa	Sirsa (Loose)	4166	4215	-49
		Dhabwali (Loose)	4097	4139	-42
		Dhabwali (Delivery)	4302	4346	-44
		Ellanabad (Loose)	4110	4170	-60
	Fatehabad	Fatehabad (Loose)	4092	4170	-78
Gujarat	Banaskantha	Deesa (Loose)	4017	4025	-8
	Patan	Patan (Loose)	4033	4046	-14
	Rajkot	Rajkot (Loose)	4049	4101	-52
	Jamnagar	Dhrol (Loose)	3827	3752	75
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9458	9650	-192
	Alwar	Alwar	9483	9390	93
	Hanumangarh	Nohar	9520	9640	-120
Haryana	Bhiwani	Bhiwani	9680	9800	-120
	Sirsa	Sirsa	9450	9560	-110
		Dhabwali	9492	9490	2
		Ellanabad	9533	9620	-87
	Fatehabad	Fatehabad	9328	9493	-165

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			24-Aug-18	17-Aug-18	24-Jul-18	24-Aug-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4200	4500	4150	4000
		Jodhpur(Delivery)	4410	4725	4358	4200
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4040	4250	3900	3825
		Sri-Ganganagar (Delivery)	4190	4400	4050	3950
		Rawla (Loose)	4140	Closed	3850	3850
		Gharsana (Loose)	4050	Closed	3850	3760

		Raisinghnagar (Loose)	4050	Closed	3950	3800
	Bikaner	Bikaner (Loose)	4020	4150	3920	3900
		Bikaner (Delivery)	4221	4358	4116	4095
		Nokha(Loose)	4080	4200	3925	3825
		Nokha (Delivery)	4284	4410	4121	4016
		Khajuwala (Loose)	4100	4300	3925	3940
		Khajuwala (Delivery)	4305	4515	4121	4137
		Lunkaransar (Loose)	4050	4300	3900	3850
	Hanumangarh	Hanumangarh (Loose)	4020	4350	3850	3850
		Hanumangarh (Delivery)	4221	4568	4043	4043
		Nohar (Loose)	4070	4400	3900	3900
		Pilibanga (Loose)	NA	NA	NA	3600
	Nagaur	Nagaur (Loose)	4000	4300	3800	3750
	Churu	Churu (Delivery)	4250	4450	4200	4000
	Alwar	Alwar (Loose)	4000	4150	3900	3600
Haryana	Hisar	Adampur (Loose)	4000	4300	3940	3800
		Adampur (Delivery)	4200	4515	4137	3990
	Bhiwani	Bhiwani (Delivery)	4200	Closed	4100	3900
		Siwani (Loose)	4100	Closed	4050	3925
	Sirsa	Sirsa (Loose)	4070	4255	3975	3800
		Dhabwali (Loose)	3970	4100	3950	3700
		Dhabwali (Delivery)	4169	4305	4148	3885
		Ellanabad (Loose)	3950	4150	3900	3850
	Fatehabad	Fatehabad (Loose)	4000	4100	3900	NA
Gujarat	Banaskantha	Deesa (Loose)	NA	Closed	NA	3775
	Patan	Patan (Loose)	3925	NR	NA	3675
	Rajkot	Rajkot (Loose)	3900	NR	NA	NA
	Jamnagar	Dhrol (Loose)	3905	NA	NA	NA
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	3200
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9000	9750	9000	8500
	Alwar	Alwar	9000	9450	9000	8500
	Hanumangarh	Nohar	9100	9900	9000	8600
Haryana	Bhiwani	Bhiwani	9300	Closed	9200	8600
	Sirsa	Sirsa	9150	9600	8900	8500
		Dhabwali	9100	9500	8900	8600
		Ellanabad	9100	9800	8900	8600
	Fatehabad	Fatehabad	9040	9600	8900	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			18th to 24th August 2018	11th to 17th August 2018	
Rajasthan	Jodhpur	Jodhpur	1150	490	660
	Sri-Ganganagar	Sri-Ganganagar	1800	2200	-400
		Rawla	600	600	Unch
		Gharsana	630	350	280
		Raisinghnagar	1450	1000	450
	Bikaner	Bikaner	2000	1600	400
		Nokha	3400	4100	-700
		Khajuwala	2100	1650	450
		Lunkaransar	1070	900	170
	Hanumangarh	Hanumangarh	950	650	300
		Nohar	1650	1500	150
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	850	850	Unch
	Churu	Churu	5700	2000	3700
	Alwar	Alwar	2100	2300	-200
Haryana	Hisar	Adampur	4400	5600	-1200
	Bhiwani	Bhiwani	11000	28000	-17000
		Siwani	7300	5400	1900
	Sirsa	Sirsa	4700	4600	100
		Dhabwali	1450	2200	-750
		Ellanabad	640	290	350
	Fatehabad	Fatehabad	700	420	280
Gujarat	Banaskantha	Deesa	60	35	25
	Patan	Patan	249	204	45
	Rajkot	Rajkot	282	135	147
	Jamnagar	Dhrol	3	5	-2
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			67079	75579	56234

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