



Guar Weekly Research Report

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Executive Summary

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Domestic Guar Seed Market Summary

All India weekly average prices decreased by 2.25 percent to Rs. 3740.68 per quintal during the week ended 08th October 2018. Guar seed average price were ruling at Rs 3826.86 per quintal during 24-30 September 2018. As compared to prices in the week 01-08 October 2017, the prices are firm by 11.19 percent. Prices are expected to remain steady to weak in coming days.

Guar seed future November contract touched a low of Rs 4275.00 per quintal before closing at Rs 4292.00 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 4150.00-4200.00 per quintal. Arrivals of guar seed in small quantity have started in few districts in Rajasthan and pace is likely to increase in coming weeks.

As per millers, average recovery of guar gum from guar seed is coming around 29.00-29.50 kg in Barmer and 30.0 kg in Jodhpur. Quality of guar seed is expected to be better compared to last season leading to better recoveries.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 1052 as on 05th October 2018 down by 2 compared to 28th September 2018 and up by 116 compared to 06th October 2017. The total number of oil rigs was recorded at 2258 worldwide in September'18 compared to 2081 in the same month last year. Slick water is expensive compared to guar gum. However, U.S. is still importing slick water due to fear of unexpected surge in price of guar gum. Therefore, exports are being slightly affected.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (4600 quintals) compared to previous week arrivals of 4200 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (2100 quintals) compared to 1650 quintals in the previous week.

Previous Updates

As per trade sources, export of guar gum has decreased in the month of August by 11.12 percent compared to previous month. India exported around 23771 tonnes of guar gum in the month of August at an average FoB of \$ 1772.92 per tonne compared to 21797 tonnes in July at an average FoB of \$ 1745.68 per tonne.

As per trade sources, export of guar split has increased in the month of August. Exports in the month of August are up by around 11.56% compared to previous month. India exported around 6023 tonnes of guar split in the month of August at an average FoB of \$ 1465.90 per tonne. Of the total quantity, around 3080 tonnes and 2440 tonnes have been exported to China and United States respectively.

Recommendation:

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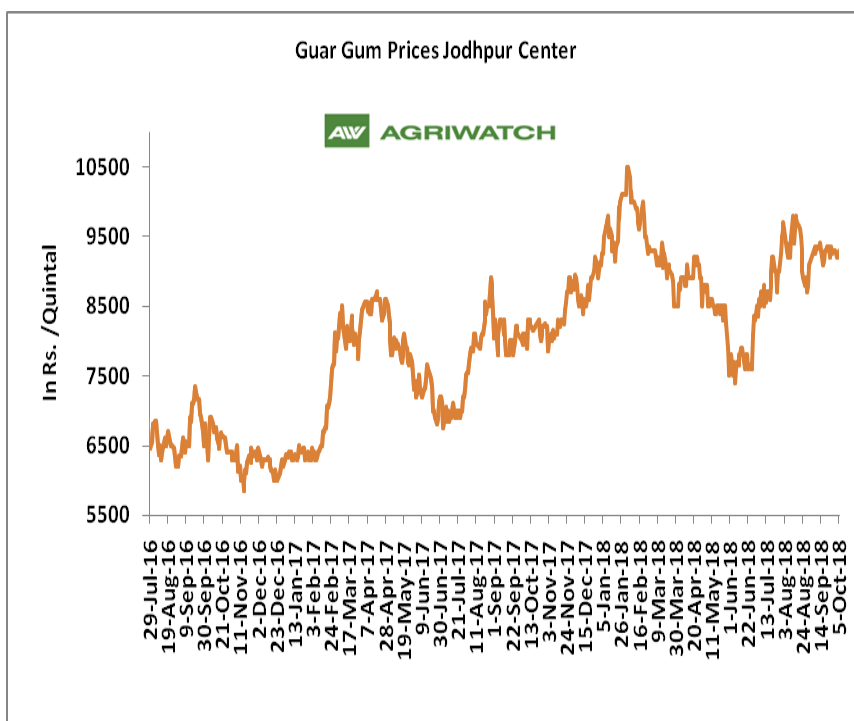
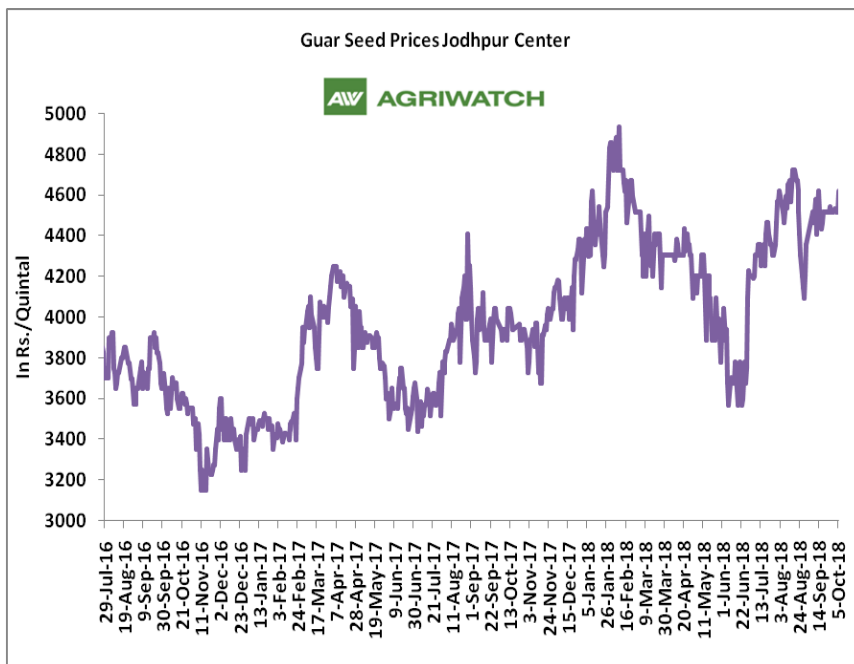
Weekly Call - : Market participants are advised to sell Guar seed at 4305 levels for a target of 4190 with a stop loss at 4374 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 05th October'18, Guar seed weekly average prices increased by Rs 19.747/- qtl during the week compared to previous week and settled at Rs 4539 per quintal.
- In addition, Guar gum weekly price decreased by Rs 40.00 per quintal and settled at Rs. 9260 per quintal. Weak demand for guar gum from domestic as well as overseas market kept prices at lower side in previous week.
- According to fourth advance estimate for 2017-18, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 205000 hectares, 140000 tonnes and 682 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 fourth 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 for 2016-17 issued by Rajasthan's Department of Agriculture for Guar seed the area, production and yield are 3530007 hectares, 1404819 tonnes and 398 kg/hectare.

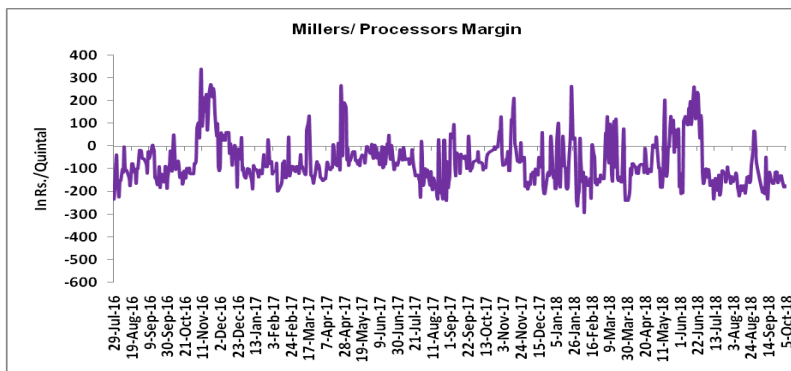


Millers/Processors Margin

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In the week ended 05th October'18, average crush margin is Rs. - 163.33/Quintal, compared to last week's - 135.75/Quintal. Therefore, crushing is not favorable for Millers/Processors.

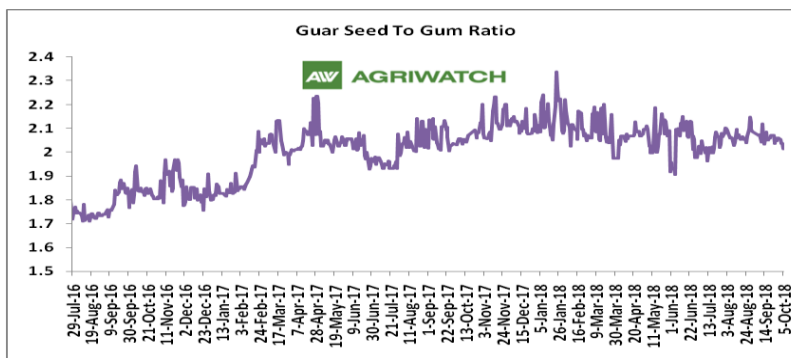
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 05th October'18 is 2.04, lower compared to last week's 2.06

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 August-2018	6310.21	1665.07
09-16 August -2018	6525.84	1787.45
17-23 August -2018	5336.59	1890.87
24-31 August -2018	5598.24	1770.99
Total	23770.88	

Source: Trade

Technical Analysis (Guar Seed)
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Commodity: Guar Seed
Contract: November
Exchange: NCDEX
Expiry: November 20, 2018

Technical Commentary:

- Fall in price and rise in open interest indicates short buildup.
- 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	November	4050	4005	4292	4480	4545
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	November	Sell	Below 4305	4190	4110	4374

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: November

Exchange: NCDEX
Expiry: November 20, 2018

Guar Gum (November Weekly Chart)



Technical Commentary:

- Fall in price and rise in open interest indicates short buildup.
- 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	November	8690	8605	9244	9520	9600
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	Sell	Below 9255	9000	8810	9408

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	29th Sept to 05th Oct	22nd to 28th Sept 2018	Change
Churi	Jodhpur	1665	1538	127
Korma	Jodhpur	2127	2288	-161
Churi	Sri-Ganganagar	1361	1369	-8
Korma	Sri-Ganganagar	2081	2119	-38

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	29th Sept to 05th Oct	22nd to 28th Sept 2018	Change
Guargum Split		1275	1281	-6
Guargum Powder	200 Mesh 5000 CPS	1549	1556	-7
	200 Mesh 3500 CPS	1481	1487	-7
Guargum Meal	40%	288	289	-1
	50%	425	427	-2

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			29th Sept to 05th Oct	22nd to 28th Sept 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4323	4304	19
		Jodhpur(Delivery)	4539	4519	20
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4110	4117	-7
		Sri-Ganganagar (Delivery)	4260	4267	-7
		Rawla (Loose)	4060	4095	-35
		Gharsana (Loose)	4056	4063	-7
		Raisinghnagar (Loose)	4126	4130	-4
	Bikaner	Bikaner (Loose)	4107	4093	14
		Bikaner (Delivery)	4312	4298	14
		Nokha(Loose)	4058	4068	-9
		Nokha (Delivery)	4261	4271	-10
		Khajuwala (Loose)	4070	4099	-29
		Khajuwala (Delivery)	4274	4304	-31
		Lunkaransar (Loose)	4100	4100	Unch
	Hanumangarh	Hanumangarh (Loose)	4053	4051	2
		Hanumangarh (Delivery)	4256	4254	2

		Nohar (Loose)	4105	4101	4
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	4010	4075	-65
	Churu	Churu (Delivery)	4254	4342	-88
	Alwar	Alwar (Loose)	4004	3992	12
Haryana	Hisar	Adampur (Loose)	4097	4062	35
		Adampur (Delivery)	4302	4265	37
	Bhiwani	Bhiwani (Delivery)	4275	4267	8
		Siwani (Loose)	4208	4210	-2
	Sirsa	Sirsa (Loose)	4112	4122	-10
		Dhabwali (Loose)	4062	4066	-4
		Dhabwali (Delivery)	4062	4068	-6
		Ellanabad (Loose)	4050	4080	-30
	Fatehabad	Fatehabad (Loose)	4015	4025	-10
Gujarat	Banaskantha	Deesa (Loose)	3988	4000	-13
	Patan	Patan (Loose)	3921	3963	-42
	Rajkot	Rajkot (Loose)	4000	4009	-9
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9260	9300	-40
	Alwar	Alwar	9290	9333	-43
	Hanumangarh	Nohar	9320	9360	-40
Haryana	Bhiwani	Bhiwani	9456	9337	119
	Sirsa	Sirsa	9240	9220	20
		Dhabwali	9180	9140	40
		Ellanabad	9225	9238	-13
	Fatehabad	Fatehabad	9190	9125	65

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			5-Oct-18	28-Sep-18	5-Sep-18	5-Oct-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4400	4300	Closed	3750
		Jodhpur(Delivery)	4620	4515	Closed	3938
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4100	4150	NA	3550
		Sri-Ganganagar (Delivery)	4250	4300	NA	3650
		Rawla (Loose)	4050	4060	NA	3500
		Gharsana (Loose)	4070	4060	NA	3460

		Raisinghnagar (Loose)	4130	4125	NA	3515
	Bikaner	Bikaner (Loose)	4075	4100	Closed	3600
		Bikaner (Delivery)	4279	4305	Closed	3780
		Nokha(Loose)	Closed	4050	Closed	3675
		Nokha (Delivery)	Closed	4253	Closed	3859
		Khajuwala (Loose)	4050	4100	Closed	3700
		Khajuwala (Delivery)	4253	4305	Closed	3885
		Lunkaransar (Loose)	4100	4100	Closed	3600
	Hanumangarh	Hanumangarh (Loose)	4030	4075	Closed	3460
		Hanumangarh (Delivery)	4232	4279	Closed	3633
		Nohar (Loose)	4080	4125	Closed	3525
		Pilibanga (Loose)	NA	NA	NA	3400
	Nagaur	Nagaur (Loose)	4000	4000	Closed	3400
	Churu	Churu (Delivery)	4200	4320	Closed	3600
	Alwar	Alwar (Loose)	4100	4020	Closed	3300
Haryana	Hisar	Adampur (Loose)	4125	4050	4115	3550
		Adampur (Delivery)	4331	4253	4321	3728
	Bhiwani	Bhiwani (Delivery)	4250	4250	4200	3650
		Siwani (Loose)	4200	4200	4215	3650
	Sirsa	Sirsa (Loose)	4050	4150	4150	3585
		Dhabwali (Loose)	4000	4100	4100	3500
		Dhabwali (Delivery)	4000	4100	4305	3675
		Ellanabad (Loose)	NR	4100	4150	3550
	Fatehabad	Fatehabad (Loose)	3975	4000	4150	3500
Gujarat	Banaskantha	Deesa (Loose)	NA	4000	NA	3575
	Patan	Patan (Loose)	3800	3955	NA	3335
	Rajkot	Rajkot (Loose)	4050	3975	NA	NA
	Jamnagar	Dhrol (Loose)	NA	NA	Closed	NA
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9300	9300	Closed	8100
	Alwar	Alwar	9200	9350	Closed	7900
	Hanumangarh	Nohar	9200	9400	Closed	8000
Haryana	Bhiwani	Bhiwani	9480	9250	9400	7950
	Sirsa	Sirsa	9200	9250	9400	8000
		Dhabwali	9150	9100	9350	8300
		Ellanabad	NR	9300	9350	8000
	Fatehabad	Fatehabad	9150	9100	9350	8200

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			29th Sept to 05th Oct	22nd to 28th Sept 2018	
Rajasthan	Jodhpur	Jodhpur	530	680	-150
	Sri-Ganganagar	Sri-Ganganagar	25500	7700	17800
		Rawla	370	620	-250
		Gharsana	440	800	-360
		Raisinghnagar	3600	3400	200
	Bikaner	Bikaner	2100	1650	450
		Nokha	1650	3000	-1350
		Khajuwala	1300	1100	200
		Lunkaransar	360	480	-120
	Hanumangarh	Hanumangarh	1850	1300	550
		Nohar	2850	1550	1300
		Pilibanga	NA	NA	Unch
	Nagaur	Nagaur	550	475	75
	Churu	Churu	3100	2700	400
	Alwar	Alwar	1000	1100	-100
Haryana	Hisar	Adampur	4600	4200	400
	Bhiwani	Bhiwani	4000	5200	-1200
		Siwani	4000	4300	-300
	Sirsa	Sirsa	23500	7500	16000
		Dhabwali	5900	4500	1400
		Ellanabad	750	570	180
	Fatehabad	Fatehabad	1430	400	1030
Gujarat	Banaskantha	Deesa	35	45	-10
	Patan	Patan	139	77	62
	Rajkot	Rajkot	1439	1042	397
	Jamnagar	Dhrol	NA	1	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	Unch
Total Arrivals/Above Markets			90993	54390	36603

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