

Guar Market Report March, 2018

Prices failed to hold onto the higher levels for Guar as it traded with high volatility. Expected pick up in export demand in coming weeks at these lower levels could support prices however as prices found some support near psychological INR 9,000/100kgs mark.

Medium term outlook looks firm however as Guar seed production is expected to lower versus last year while guar gum demand remains better than previous years and likely to remain better in coming months.

As per US data, the US oil and gas rig count has reached to 989 which are 5 rigs more than the previous week from 09th Mar to 16th Mar 2018. The government of India will announce higher MSP of Kharif pulses than the previous year. This will lead to higher sowing area of Kharif pulses and as a result, the cultivation area of Guar Seed is expected to reduce further—another bullish factor.

As per global organizations, USA will lead in oil production in the year 2018 hence usage of guar gum might remain higher this year. It may be noted that Guar gum is used as drilling chemical and gelling agent in the fracturing process. Strength in crude oil will keep export demand of guar gum quite stable. Consumption of drilling chemicals is increasing with rising crude oil prices. Market report says that guar gum export was 43% higher than last year until January. The February month's export data is awaited.

As per reports from APEDA, improved export demand of Guar Gum has been noted. This year there is export of Guar Gum around 405,625 MT, 42.75% increased compare to last year export 312,949 MT during the period between April – January 2017-18.

This year Guar seed production was lower than the previous year and as per estimates the production might be 70, 00,000-80, 00,000 bags (100 kgs) of guar seed. Now export of Guar gum has been higher than the previous year therefore the gap between demand and supply will increase versus last year and therefore we remain bullish in guar complex from long term perspective.

COMPARATIVE STATEMENT FOR EXPORT OF AGRI AND PROCESSED FOOD PRODUCTS												
April - January (2017-18) VIS-A-VIS PREVIOUS YEAR (Based on Provisional Data)												
PRODUCTS	April - January (2016-17)			Unit value		April - January (2017-18)			Unit value		% Change	
	QTY	VALUE		(In USD)		QTY	VALUE		(In USD)		Rs.	USD
	In MTs	Rs. Crores	USD Million	Per Tonnes)	In MTs	Rs. Crores	USD Million	Per Tonnes)			Rs.	USD
SCHEDULE PRODUCTS												
A. FLORICULTURE	18377	444	66	3601	18174	410	64	3506	-7.67	-3.70	0.43	0.43
B. FRUIT & VEGETABLE SEEDS	5174	394	59	11336	8044	521	81	10062	32.44	38.01	0.54	0.54
FLORICULTURE & SEEDS		838	125			932	145		11.17	15.90	0.97	0.97
A. FRESH FRUITS	581718	3227	480	826	455805	3029	471	1033	-6.15	-2.00	3.15	3.16
B. FRESH VEGETABLES	2871370	5014	746	260	1882035	4217	655	348	-15.90	-12.25	4.39	4.39
FRUITS & VEGETABLES		8241	1227			7246	1126		-12.08	-8.23	7.55	7.55
A. PULSES	104876	982	146	1396	108787	1005	156	1434	2.30	6.55	1.05	1.05
B. PROCESSED VEGETABLES	152704	1398	208	1363	162313	1413	219	1352	1.06	5.41	1.47	1.47
C. PROCESSED FRUITS & JUICES	433453	3197	476	1098	455252	3348	520	1142	4.71	9.29	3.49	3.49
PROCESSED FRUITS & VEGETABLE		5578	830			5766	895		3.37	7.83	6.01	6.01
A. BUFFALO MEAT	1077993	21321	3175	2945	1155598	22313	3462	2996	4.65	9.05	23.24	23.23
B. SHEEP/GOAT MEAT	18235	723	108	5903	19856	729	113	5697	0.71	5.08	0.76	0.76
C. ANIMAL CASINGS	154	13	2	12121	9208	247	38	4162	1876.37	1956.56	0.26	0.26
D. PROCESSED MEAT	97	3	0.4	4315	198	8	1	6188	179.34	192.78	0.01	0.01
E. OTHER MEAT	12	0.2	0.03	2579	919	15	2	2469	6966.37	7233.78	0.02	0.02
F. POULTRY PRODUCT		440	66			443	69		0.55	4.98	0.46	0.46
G. DAIRY PRODUCTS	69212	1341	200	2883	77808	1503	233	2999	12.07	16.96	1.57	1.57
LIVESTOCK PRODUCTS		23842	3550			25258	3919		5.94	10.40	26.31	26.30
A. GROUNDNUTS	579321	4382	650	1122	454239	2835	440	968	-35.29	-32.32	2.95	2.95
B. GUARGUM	312949	7305	343	1095	405625	3290	511	1260	42.75	49.15	3.43	3.43
D. CEREAL PREPARATIONS	285149	2990	445	1561	291532	2959	459	1576	-1.03	3.24	3.08	3.08
E. COCOA PRODUCTS	21536	924	138	6391	24177	907	141	5822	-1.88	2.25	0.94	0.94
F. MILLED PRODUCTS	214751	682	101	473	218767	714	111	507	4.75	9.23	0.74	0.74
G. ALCOHOLIC BEVERAGES	192033	1660	247	1287	198409	1727	268	1352	4.03	8.55	1.80	1.80
H. MISC. PROCESSED ITEMS		2518	375			3013	468		19.65	24.75	3.14	3.14
OTHER PROCESSED FOODS		15460	2299			15445	2398		-0.10	4.32	16.09	16.09
A. BASMATI RICE	3251261	17199	2559	787	3274260	21285	3307	1010	23.76	29.21	22.17	22.18
B. NON-BASMATI RICE	5247411	13238	1970	375	7017081	18607	2890	412	40.56	46.71	19.38	19.39
C. WHEAT	239308	400	60	249	192957	328	51	264	-18.12	-14.81	0.34	0.34
D. OTHER CEREALS	642767	1233	183	285	602851	1128	175	290	-8.47	-4.50	1.18	1.17
CEREALS		32070	4772			41348	6422		28.93	34.59	43.07	43.09
TOTAL		86029	12802			95994	14905		11.58	16.43	100.00	100.00

Source : DGCIS Principal commodities data April - January (2017-18) (Provisional data)

Nectar Lifesciences Releases New-Grade 45-50 Guar Gum for Shale Gas Hydraulic Fracturing

Used as a stabilizing, thickening and suspending agent in drilling fluids today, Guar Gum helps to balance the viscosity levels of the drilling mud. It therefore helps the drilling fluids to move the drill waste from the deepest holes while providing a streamlined operation with reduced friction.

Until now, oil and shale fracking companies have been relying on 35-40 or 40-45 viscosity Guar Gum. Our new product is a very fast and reliable hydration Guar that will be specially used in the stimulation of oil and gas wells with aqueous systems. Its top notch grade guarantees it will deliver the proponents more efficiently into the formations.

Nectar is known for its proprietary homogenous process for washing of Guar spilt, automating the process for hydration of the spilt today. Relying on optimized equipment that controls speed in order to acquire the desired quality, Nectar employs innovative technologies that reduce energy consumption along the way.

Additionally, the Nectar guar facility is food grade GMP certified and approved from the likes of INTEREK, BSI, and ALCUMUS, earning them a spot in India's top 300 organizations today.

We're proud to be a top choice for quality, conscious consumers looking for BRC and USFDA certification. For more information, visit: <http://www.nectar guar.com/>.

About Nectar:

Nectar Lifesciences is an Indian integrated pharmaceutical organisation with leadership in cephalosporin antibiotics Active pharmaceutical ingredients, finished dosage forms, diagnostic products, empty hard gelatine capsules and agricultural products such as menthol derivatives.

Nectar started its operations in 1997 and now Its annual revenue exceeds 300 million USD. About Nectar:

- India's top 300 organization with revenue over 300 million USD
- Dun & Bradstreet D-U-N-S' 86-237-2356
- 13 Manufacturing facilities spread over 400,000 sq m
- Exports to over 50 countries
- Certified Star Trading House by Government of India

Website: www.nectarguar.com

Contact guar@neclife.com