



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 decreased by 8.64 percent to Rs. 3671.61 per quintal during the week ended 31st August 2018. Guar seed average price were ruling at Rs 4018.96 per quintal during 16-23 August 2018. As compared to prices in the week 24-31 August 2017, the prices are weak by 6.02 percent. Prices are expected to remain steady to weak in coming days.

Guar seed future October contract touched a low of Rs 4074.00 per quintal before closing at Rs 4408.50 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 4000.00-4050.00 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.

Production is expected to be lower by around 8-9 percent compared to last year due to lower sowing. However higher stock position is likely to weigh on prices until fresh arrivals start in coming months. Guar seed opening stock is likely to be around 8.00-8.50 lakh metric tonne for MY 2018-19.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1048 as on 31st August 2018 up by 4 compared to 24th August 2018 and by 105 compared to 01st September 2017. The total number of oilrigs was recorded at 2251 worldwide in July'18 compared to 2110 in the same month last year. Demand for Indian guar gum is likely to remain good due to increase in number of oilrigs and expensive substitutes.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (3500 quintals) compared to previous week arrivals of 4400 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1750 quintals) compared to 2000 quintals in the previous week.

Previous Updates

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 Unites 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.

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

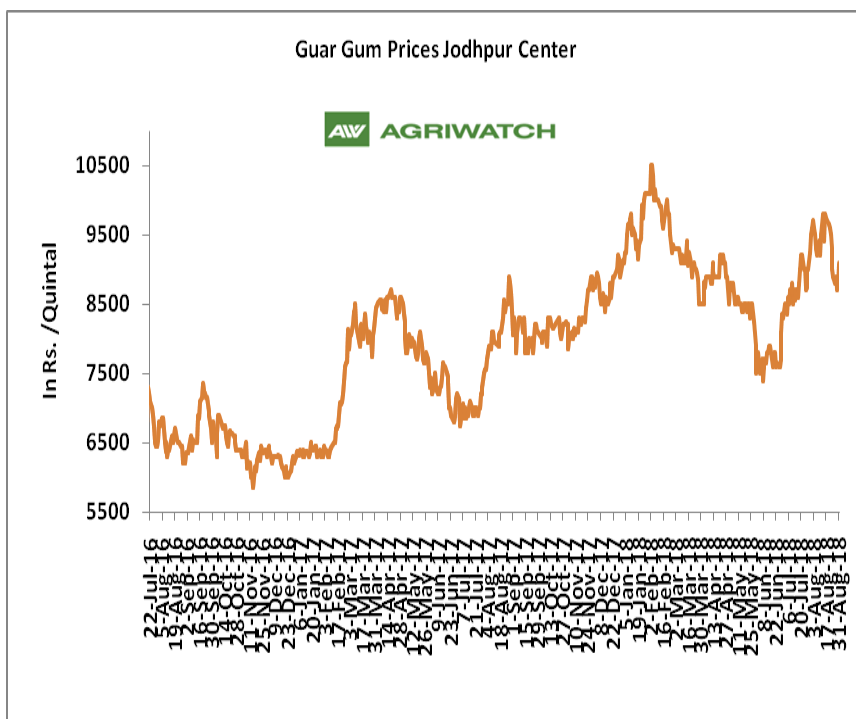
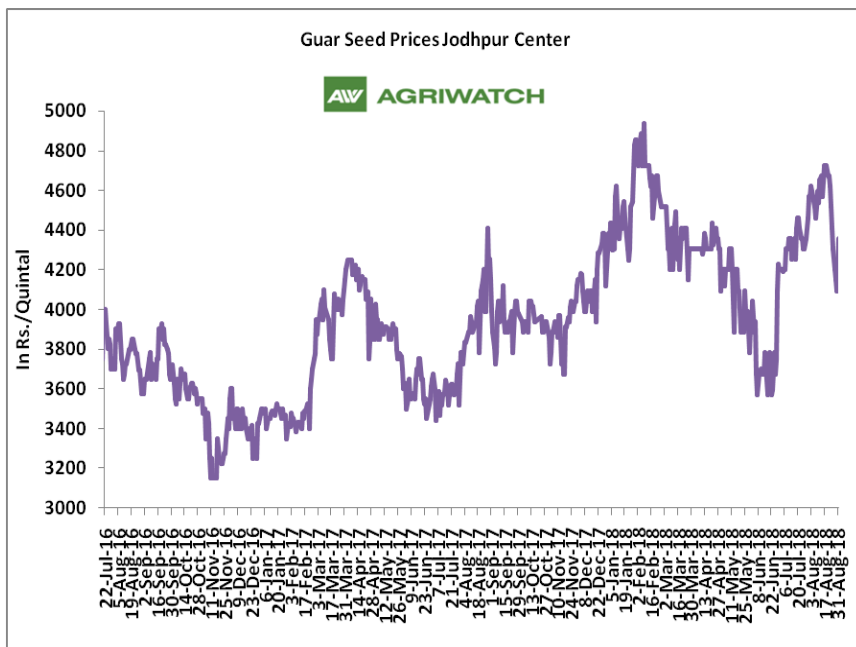
Weekly Call - : Market participants are advised to sell Guar seed at 4420 levels for a target of 4025 with a stop loss at 4546 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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

Domestic Front

- In the week ended 31st August'18, Guar seed weekly average prices decreased by Rs 385.00/- qtl during the week compared to previous week and settled at Rs 4218 per quintal.
- In addition, Guar gum weekly price decreased by Rs 591.67 per quintal and settled at Rs. 8867 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.

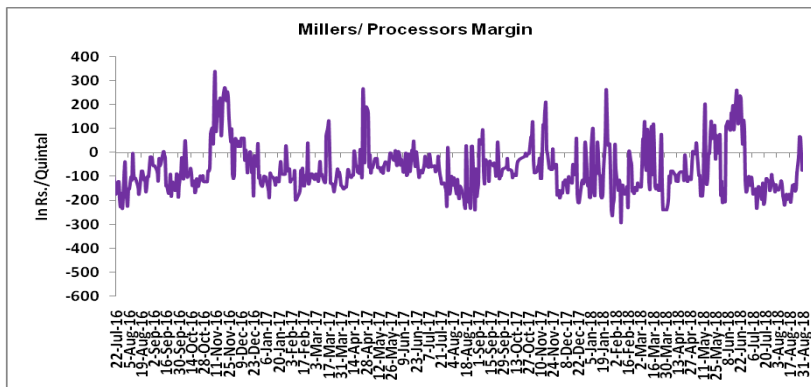


Millers/Processors Margin

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

In the week ended 31st August'18, average crush margin is Rs. -8.37/Quintal, compared to last week's -156.82/Quintal. Therefore, crushing is not favorable for Millers/Processors.

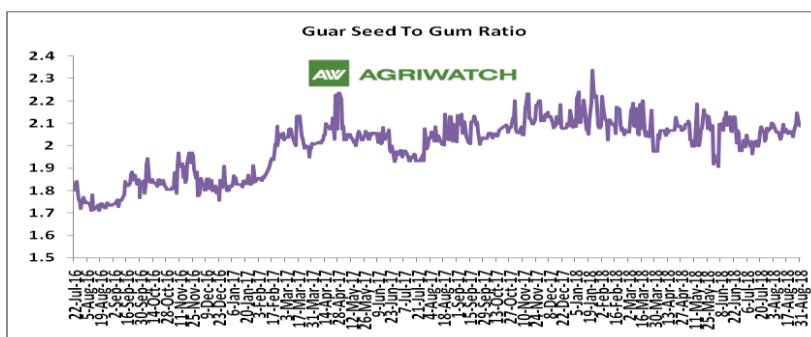
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 31st August'18 is 2.10, higher compared to last week's 2.05

Overall, buoyant demand of gum from overseas and good demand of seed from millers has increased the overall ratio.



Guar gum Weekly Export

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

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	

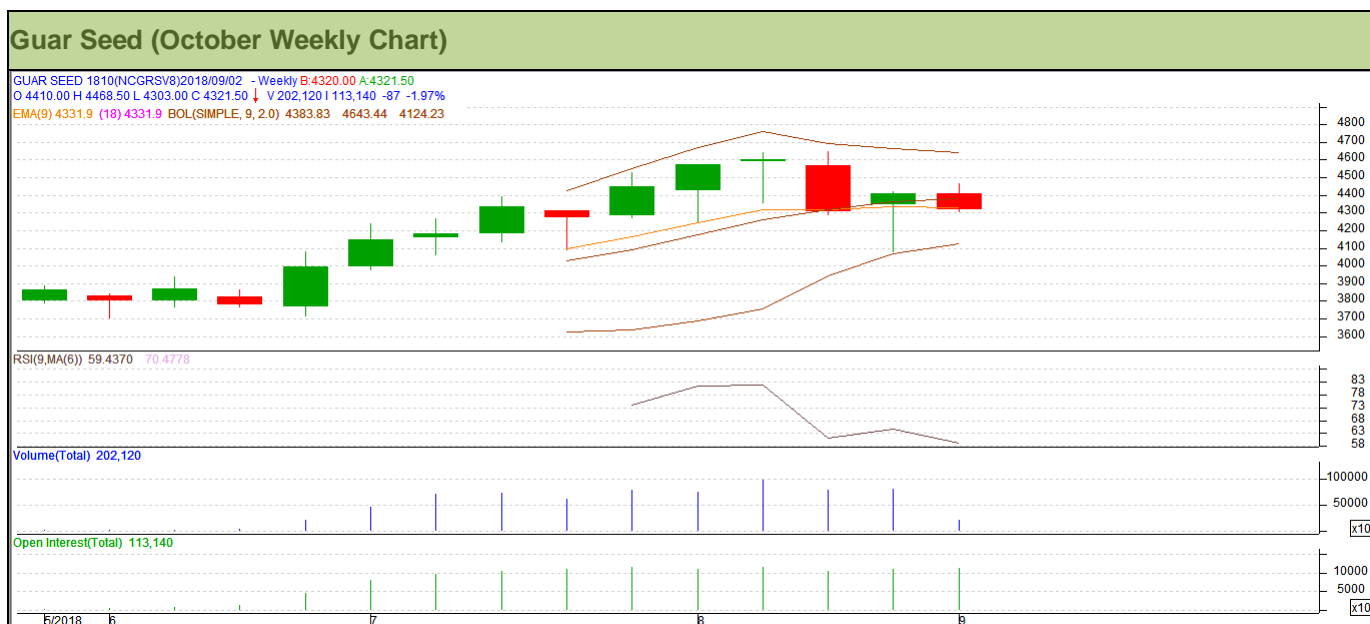
Source: Trade

Technical Analysis (Guar Seed)

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

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 down in neutral region.
- Prices closed above 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	3920	3835	4408.5	4695	4790
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Sell	Below 4420	4210	4025	4546

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 down in neutral region.
- Prices closed above 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	8760	8655	9855	9945	10060
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Sell	Below 9555	9210	8900	9762

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	25th to 31st August 2018	18th to 24th August 2018	Change
Churi	Jodhpur	1482	1525	-44
Korma	Jodhpur	2286	2332	-47
Churi	Sri-Ganganagar	1335	1381	-47
Korma	Sri-Ganganagar	2128	2178	-50

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	25th to 31st August 2018	18th to 24th August 2018	Change
Guargum Split		1312	1371	-59
Guargum Powder	200 Mesh 5000 CPS	1573	1658	-85
	200 Mesh 3500 CPS	1502	1586	-84
Guargum Meal	40%	299	301	-2
	50%	429	432	-3

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			25th to 31st August 2018	18th to 24th August 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4017	4383	-367
		Jodhpur(Delivery)	4218	4603	-385
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4022	4178	-157
		Sri-Ganganagar (Delivery)	4172	4328	-157
		Rawla (Loose)	4070	4210	-140
		Gharsana (Loose)	4048	4145	-97
		Raisinghnagar (Loose)	4038	4190	-152
	Bikaner	Bikaner (Loose)	4058	4150	-92
		Bikaner (Delivery)	4261	4358	-96
		Nokha(Loose)	4100	4225	-125
		Nokha (Delivery)	4305	4436	-131
		Khajuwala (Loose)	4057	4242	-185
		Khajuwala (Delivery)	4260	4454	-194
		Lunkaransar (Loose)	4117	4183	-67
	Hanumangarh	Hanumangarh (Loose)	4070	4198	-128
		Hanumangarh (Delivery)	4274	4408	-134

		Nohar (Loose)	4120	4247	-127
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	4100	4200	-100
	Churu	Churu (Delivery)	4292	4392	-100
	Alwar	Alwar (Loose)	4000	4117	-117
Haryana	Hisar	Adampur (Loose)	4054	4163	-108
		Adampur (Delivery)	4257	4371	-114
	Bhiwani	Bhiwani (Delivery)	4172	4360	-188
		Siwani (Loose)	4149	4279	-130
	Sirsa	Sirsa (Loose)	4050	4166	-116
		Dhabwali (Loose)	3958	4097	-138
		Dhabwali (Delivery)	4156	4302	-145
		Ellanabad (Loose)	3925	4110	-185
	Fatehabad	Fatehabad (Loose)	4092	4092	0
Gujarat	Banaskantha	Deesa (Loose)	3950	4017	-67
	Patan	Patan (Loose)	3883	4033	-149
	Rajkot	Rajkot (Loose)	3952	4049	-98
	Jamnagar	Dhrol (Loose)	3783	3827	-44
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8867	9458	-592
	Alwar	Alwar	9083	9483	-400
	Hanumangarh	Nohar	9192	9520	-328
Haryana	Bhiwani	Bhiwani	9075	9680	-605
	Sirsa	Sirsa	9008	9450	-442
		Dhabwali	8908	9492	-583
		Ellanabad	8967	9533	-567
	Fatehabad	Fatehabad	8997	9328	-331

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			31-Aug-18	24-Aug-18	31-Jul-18	31-Aug-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4150	4200	4350	3950
		Jodhpur(Delivery)	4358	4410	4568	4148
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4050	4040	4150	3850
		Sri-Ganganagar (Delivery)	4200	4190	4300	3900
		Rawla (Loose)	4100	4140	4100	3750
		Gharsana (Loose)	4100	4050	4145	3800

		Raisinghnagar (Loose)	4150	4050	4100	3800
	Bikaner	Bikaner (Loose)	4150	4020	4100	3800
		Bikaner (Delivery)	4358	4221	4305	3990
		Nokha(Loose)	Closed	4080	4175	3750
		Nokha (Delivery)	Closed	4284	4384	3938
		Khajuwala (Loose)	4150	4100	4150	3850
		Khajuwala (Delivery)	4358	4305	4358	4043
		Lunkaransar (Loose)	4200	4050	4150	3800
	Hanumangarh	Hanumangarh (Loose)	4150	4020	4100	3600
		Hanumangarh (Delivery)	4358	4221	4305	3780
		Nohar (Loose)	4200	4070	4150	3700
		Pilibanga (Loose)	NA	NA	NA	3700
	Nagaur	Nagaur (Loose)	4100	4000	4100	3750
	Churu	Churu (Delivery)	4400	4250	4500	3825
	Alwar	Alwar (Loose)	4100	4000	4000	3600
Haryana	Hisar	Adampur (Loose)	4125	4000	4150	3700
		Adampur (Delivery)	4331	4200	4358	3885
	Bhiwani	Bhiwani (Delivery)	4280	4200	4350	3800
		Siwani (Loose)	4260	4100	4275	3800
	Sirsa	Sirsa (Loose)	4180	4070	4130	3700
		Dhabwali (Loose)	4150	3970	4050	3600
		Dhabwali (Delivery)	4358	4169	4253	3780
		Ellanabad (Loose)	4050	3950	4050	3650
	Fatehabad	Fatehabad (Loose)	4250	4000	4100	4000
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	3880	3600
	Patan	Patan (Loose)	3900	3925	3955	3650
	Rajkot	Rajkot (Loose)	4000	3900	3925	3650
	Jamnagar	Dhrol (Loose)	Closed	3905	NA	NA
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9100	9000	9500	8400
	Alwar	Alwar	9300	9000	9400	8600
	Hanumangarh	Nohar	9300	9100	9500	8400
Haryana	Bhiwani	Bhiwani	9300	9300	9650	8450
	Sirsa	Sirsa	9350	9150	9550	8500
		Dhabwali	9300	9100	9400	8400
		Ellanabad	9250	9100	9500	8300
	Fatehabad	Fatehabad	9230	9040	9400	7800

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			25th to 31st August 2018	18th to 24th August 2018	
Rajasthan	Jodhpur	Jodhpur	321	1150	-829
	Sri-Ganganagar	Sri-Ganganagar	2553	1800	753
		Rawla	1400	600	800
		Gharsana	470	630	-160
		Raisinghnagar	1950	1450	500
	Bikaner	Bikaner	1750	2000	-250
		Nokha	500	3400	-2900
		Khajuwala	1050	2100	-1050
		Lunkaransar	700	1070	-370
	Hanumangarh	Hanumangarh	1500	950	550
		Nohar	1950	1650	300
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	950	850	100
	Churu	Churu	3600	5700	-2100
	Alwar	Alwar	1300	2100	-800
Haryana	Hisar	Adampur	3500	4400	-900
	Bhiwani	Bhiwani	2800	11000	-8200
		Siwani	5400	7300	-1900
	Sirsa	Sirsa	3300	4700	-1400
		Dhabwali	4100	1450	2650
		Ellanabad	295	640	-345
	Fatehabad	Fatehabad	1400	700	700
Gujarat	Banaskantha	Deesa	25	60	-35
	Patan	Patan	149	249	-100
	Rajkot	Rajkot	75	282	-207
	Jamnagar	Dhrol	2	3	-1
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			41040	56234	-15194

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