



# 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 6.07 percent to Rs. 3894.50 per quintal during the week ended 08th September 2018. Guar seed average price were ruling at Rs 3673.61 per quintal during 16-23 August 2018. As compared to prices in the week 01-08 September 2017, the prices are firm by 0.81 percent. Prices are expected to remain steady to weak in coming days.

Guar seed future October contract touched a low of Rs 4280.00 per quintal before closing at Rs 4314.50 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 3950.00-4000.00 per quintal. Export demand of guar gum is normal. Production for guar seed is lower this year.

As per millers, recovery of guar gum from guar seed is coming around 29.50-30.00 kg in Barmer and 30.0-30.50 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 increased to 1048 as on 07th September 2018 up by zero compared to 31st August 2018 and by 104 compared to 08th 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 oil rigs and expensive substitutes.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (4900 quintals) compared to previous week arrivals of 3500 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (300 quintals) compared to 1750 quintals in the previous week.

### Previous Updates

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. Furthermore, 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.

### Recommendation:

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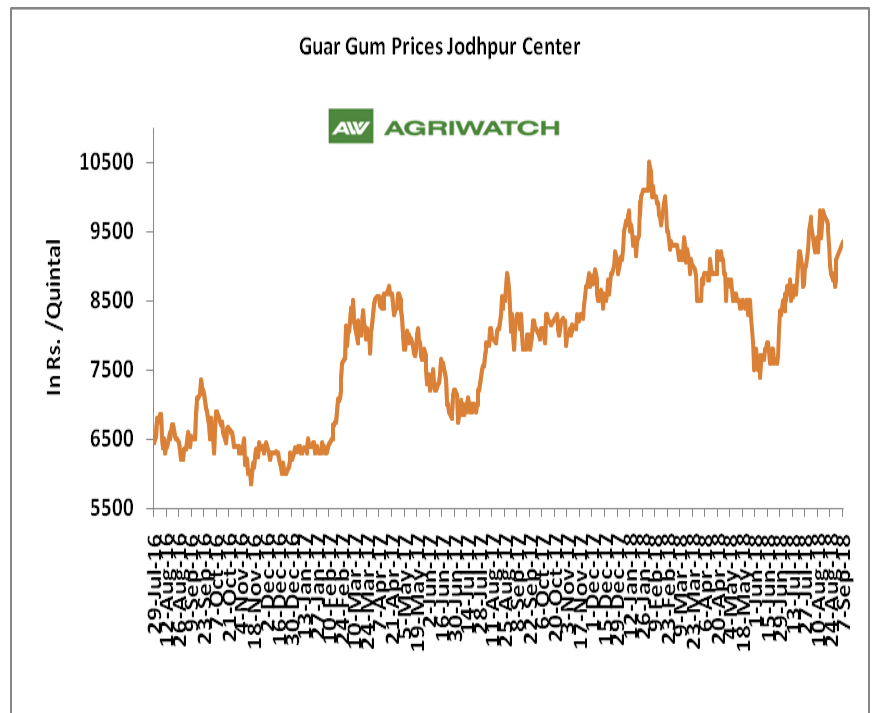
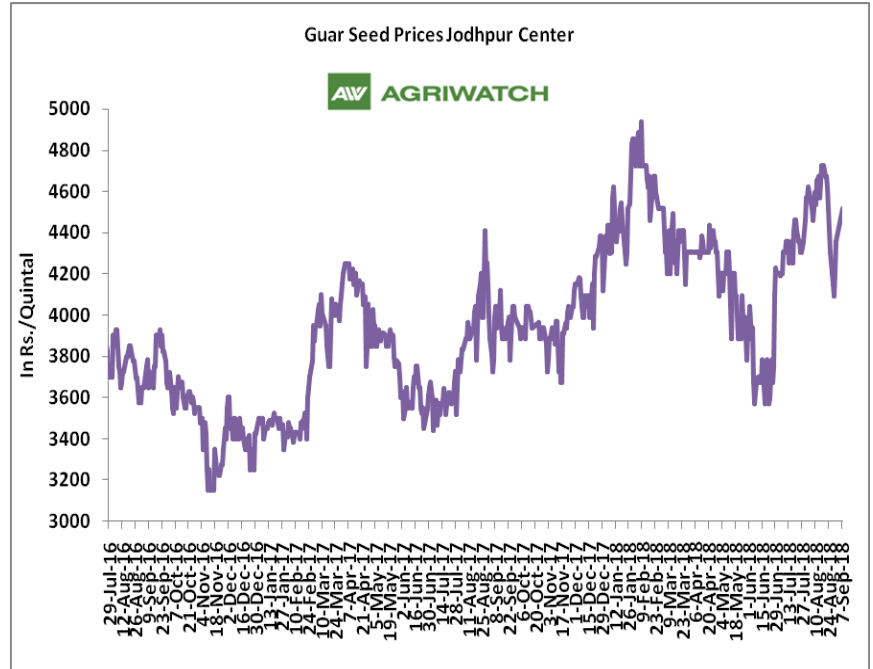
**Weekly Call - : Market participants are advised to sell Guar seed at 4365 levels for a target of 4200 with a stop loss at 4464 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 07<sup>th</sup> September'18, Guar seed weekly average prices increased by Rs 297.50/- qtl during the week compared to previous week and settled at Rs 4515 per quintal.
- In addition, Guar gum weekly price increased by Rs 483.33 per quintal and settled at Rs. 9350 per quintal. Firm demand for guar gum from domestic as well as overseas market kept prices at higher 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.

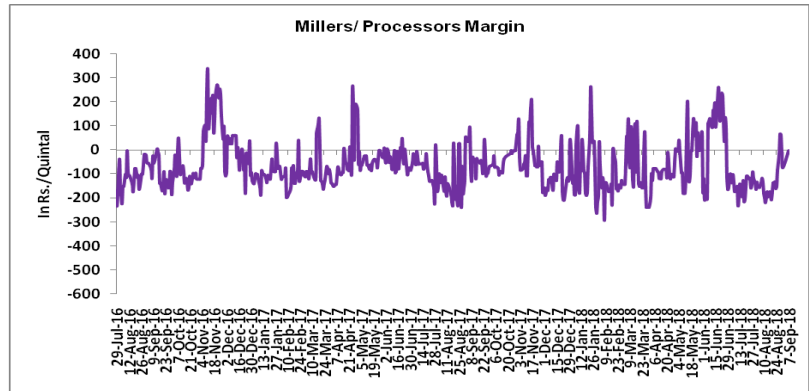


### Millers/Processors Margin

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In the week ended 07<sup>th</sup> September, average crush margin is Rs. -2.25/Quintal, compared to last week's -8.37/Quintal. Therefore, crushing is not favorable for Millers/Processors.

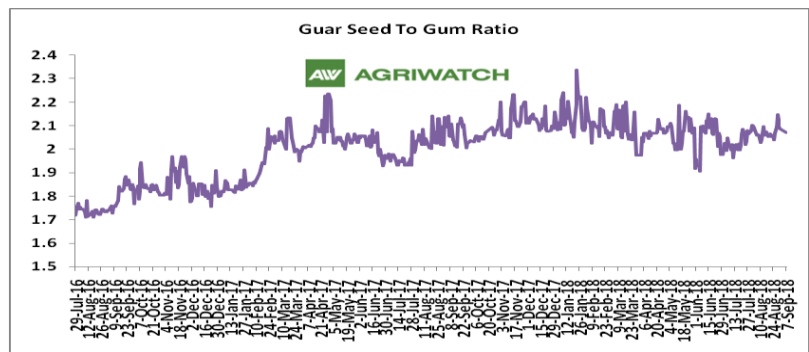
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 07<sup>th</sup> September'18 is 2.07, lower compared to last week's 2.10

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

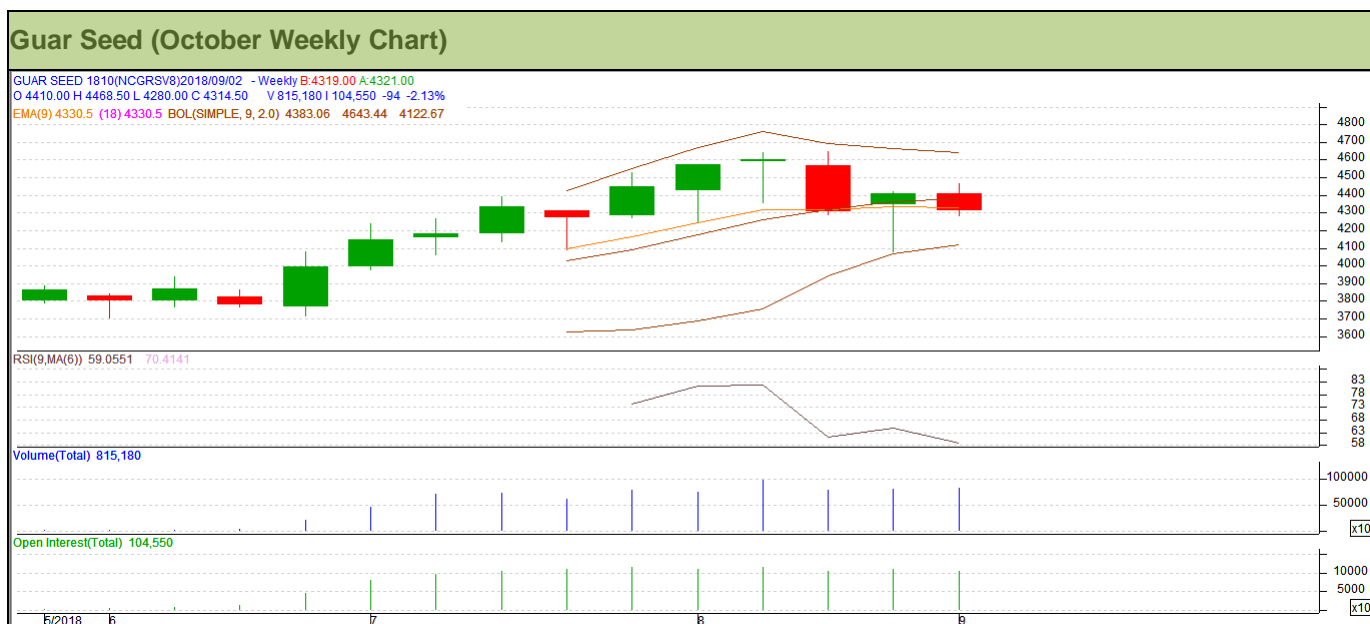


### Guar gum Weekly Export

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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:**

- Fall in price and open interest indicates long liquidation.
- 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	4000	3925	4314.5	4600	4690
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	<b>Sell</b>	Below 4365	4200	4095	4464

Technical Analysis (Guar Gum)
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**Commodity: Guar Gum**  
**Contract: October**
**Exchange: NCDEX**  
**Expiry: October 20, 2018**

**Technical Commentary:**

- Fall in price and open interest indicates long liquidation.
- 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	8810	8695	9348	9765	9870
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	<b>Sell</b>	Below 9450	9165	8940	9621

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	01st to 07th September 2018	25th to 31st August 2018	Change
Churi	Jodhpur	1500	1482	19
Korma	Jodhpur	2130	2286	-156
Churi	Sri-Ganganagar	1365	1335	31
Korma	Sri-Ganganagar	2115	2128	-13

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	01st to 07th September 2018	25th to 31st August 2018	Change
Guargum Split		1326	1312	13
Guargum Powder	200 Mesh 5000 CPS	1605	1573	32
	200 Mesh 3500 CPS	1535	1502	33
Guargum Meal	40%	294	299	-5
	50%	431	429	2

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			01st to 07th Sept 2018	25th to 31st Aug 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4300	4017	283
		Jodhpur(Delivery)	4515	4218	298
	Sri-Ganganagar	Sri-Ganganagar(Loose)	Closed	4022	-
		Sri-Ganganagar (Delivery)	Closed	4172	-
		Rawla (Loose)	Closed	4070	-
		Gharsana (Loose)	Closed	4048	-
		Raisinghnagar (Loose)	4050	4038	12
	Bikaner	Bikaner (Loose)	4100	4058	42
		Bikaner (Delivery)	4305	4261	44
		Nokha(Loose)	4100	4100	Unch
		Nokha (Delivery)	4305	4305	Unch
		Khajuwala (Loose)	4100	4057	43
		Khajuwala (Delivery)	4305	4260	46
		Lunkaransar (Loose)	4100	4117	-17
	Hanumangarh	Hanumangarh (Loose)	4050	4070	-20
		Hanumangarh (Delivery)	4253	4274	-21

		Nohar (Loose)	4100	4120	-20
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	4050	4100	-50
	Churu	Churu (Delivery)	4200	4292	-92
	Alwar	Alwar (Loose)	3950	4000	-50
Haryana	Hisar	Adampur (Loose)	4135	4054	81
		Adampur (Delivery)	4342	4257	85
	Bhiwani	Bhiwani (Delivery)	4290	4172	118
		Siwani (Loose)	4273	4149	124
	Sirsa	Sirsa (Loose)	4151	4050	101
		Dhabwali (Loose)	4101	3958	143
		Dhabwali (Delivery)	4306	4156	150
		Ellanabad (Loose)	4110	3925	185
	Fatehabad	Fatehabad (Loose)	4130	4092	38
Gujarat	Banaskantha	Deesa (Loose)	Closed	3950	-
	Patan	Patan (Loose)	3918	3883	34
	Rajkot	Rajkot (Loose)	Closed	3952	-
	Jamnagar	Dhrol (Loose)	Closed	3783	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9350	8867	483
	Alwar	Alwar	9000	9083	-83
	Hanumangarh	Nohar	9300	9192	108
Haryana	Bhiwani	Bhiwani	9540	9075	465
	Sirsa	Sirsa	9440	9008	432
		Dhabwali	9320	8908	412
		Ellanabad	9400	8967	433
	Fatehabad	Fatehabad	9300	8997	303

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			7-Sep-18	1-Sep-18	7-Aug-18	7-Sep-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4300	Closed	4250	3800
		Jodhpur (Delivery)	4515	Closed	4463	3990
	Sri-Ganganagar	Sri-Ganganagar (Loose)	Closed	Closed	3950	3550
		Sri-Ganganagar (Delivery)	Closed	Closed	4100	3700
		Rawla (Loose)	NR	Closed	4000	3550
		Gharsana (Loose)	Closed	Closed	3980	3450

		Raisinghnagar (Loose)	4050	Closed	4080	3540
	Bikaner	Bikaner (Loose)	4100	Closed	4010	3620
		Bikaner (Delivery)	4305	Closed	4211	3801
		Nokha(Loose)	4100	Closed	4040	3520
		Nokha (Delivery)	4305	Closed	4242	3696
		Khajuwala (Loose)	4100	Closed	4000	3505
		Khajuwala (Delivery)	4305	Closed	4200	3680
		Lunkaransar (Loose)	4100	Closed	4000	3550
		Hanumangarh	Hanumangarh (Loose)	4050	Closed	3950
	Hanumangarh (Delivery)		4253	Closed	4148	3659
	Nohar (Loose)		4100	Closed	4000	3600
	Pilibanga (Loose)		NA	NA	NA	3580
	Nagaur	Nagaur (Loose)	4000	Closed	NA	3700
	Churu	Churu (Delivery)	4200	Closed	NA	3900
Alwar	Alwar (Loose)	3950	Closed	3900	3500	
Haryana	Hisar	Adampur (Loose)	4100	4185	4090	3650
		Adampur (Delivery)	4305	4394	4295	3833
	Bhiwani	Bhiwani (Delivery)	4250	4300	4290	3700
		Siwani (Loose)	4225	4275	4180	3700
	Sirsa	Sirsa (Loose)	4125	4150	3970	3610
		Dhabwali (Loose)	4075	4100	3980	3550
		Dhabwali (Delivery)	4279	4305	4179	3728
		Ellanabad (Loose)	4100	4050	4000	3550
	Fatehabad	Fatehabad (Loose)	4100	4100	4080	NA
	Gujarat	Banaskantha	Deesa (Loose)	NA	Closed	3880
Patan		Patan (Loose)	3875	3960	4005	3590
Rajkot		Rajkot (Loose)	NR	NA	3990	3450
Jamnagar		Dhrol (Loose)	Closed	Closed	3770	NA
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9350	Closed	9200	8200
	Alwar	Alwar	9000	Closed	9200	8000
	Hanumangarh	Nohar	9300	Closed	9000	8270
Haryana	Bhiwani	Bhiwani	9600	9350	9400	8150
	Sirsa	Sirsa	9300	9500	9100	8100
		Dhabwali	9400	9200	9150	8100
		Ellanabad	9300	9400	9300	8050
		Fatehabad	Fatehabad	9200	9300	9130

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			01st to 07th September 2018	25th to 31st August 2018	
Rajasthan	Jodhpur	Jodhpur	50	321	-271
	Sri-Ganganagar	Sri-Ganganagar	Closed	2553	-2553
		Rawla	Closed	1400	-1400
		Gharsana	Closed	470	-470
		Raisinghnagar	500	1950	-1450
	Bikaner	Bikaner	300	1750	-1450
		Nokha	Closed	500	-500
		Khajuwala	300	1050	-750
		Lunkaransar	100	700	-600
	Hanumangarh	Hanumangarh	200	1500	-1300
		Nohar	400	1950	-1550
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	150	950	-800
	Churu	Churu	700	3600	-2900
	Alwar	Alwar	400	1300	-900
Haryana	Hisar	Adampur	4900	3500	1400
	Bhiwani	Bhiwani	7600	2800	4800
		Siwani	4200	5400	-1200
	Sirsa	Sirsa	5800	3300	2500
		Dhabwali	3300	4100	-800
		Ellanabad	845	295	550
	Fatehabad	Fatehabad	350	1400	-1050
Gujarat	Banaskantha	Deesa	Closed	25	-25
	Patan	Patan	29	149	-120
	Rajkot	Rajkot	Closed	75	-75
	Jamnagar	Dhrol	Closed	2	-2
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			30124	41040	-10916

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