



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 1.42 percent to Rs. 3830.32 per quintal during the week ended 23rd September 2018. Guar seed average price were ruling at Rs 3885.38 per quintal during 09-15 September 2018. As compared to prices in the week 16-23 September 2017, the prices are weak by 2.79 percent. Prices are expected to remain steady to weak in coming days.

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. Export demand is normal as of now.

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.

Guar seed future October contract touched a low of Rs 4156.00 per quintal before closing at Rs 4306.00 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 4080.00-4100.00 per quintal. Export demand of guar gum is normal. Production for guar seed is lower this year.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 1053 as on 21st September 2018 down by 2 compared to 14th September 2018 and up by 118 compared to 22nd September 2017. The total number of oil rigs was recorded at 2278 worldwide in August'18 compared to 2116 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 (14300 quintals) compared to previous week arrivals of 4700 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (1700 quintals) compared to 1250 quintals in the previous week.

Previous Updates

The wholesale price index of guar seed has increased from 92.6 in July 2018 to 98.6 in August 2018. The WPI for August 2018 is up by 19.23 compared to last year for the same month and by 19.40 compared to August 2016. WPI is expected to be weak in coming month.

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

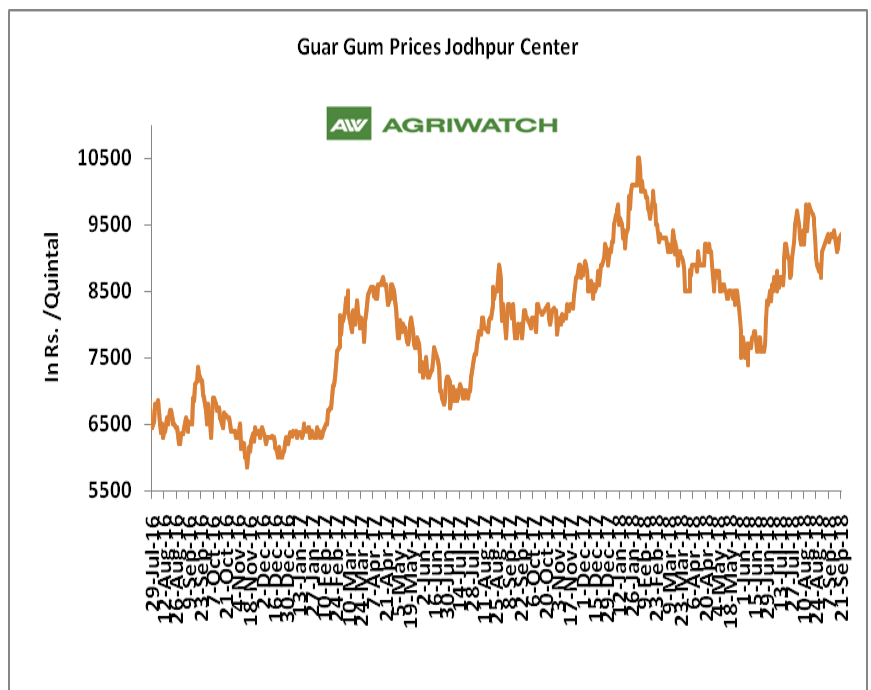
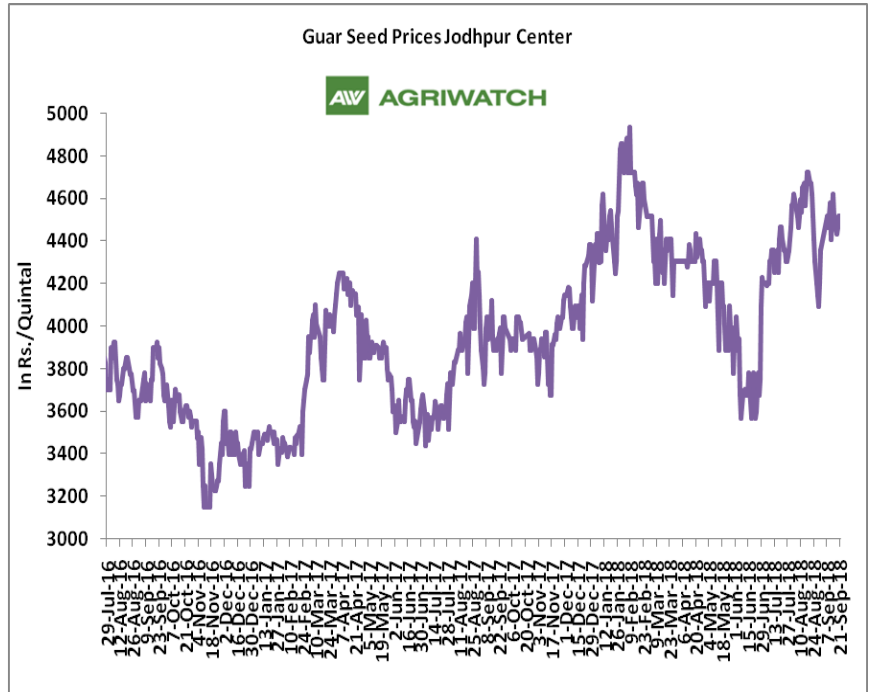
Weekly Call - : Market participants are advised to sell Guar seed at 4320 levels for a target of 4185 with a stop loss at 4401 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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

Domestic Front

- In the week ended 21st September'18, Guar seed weekly average prices decreased by Rs 36.75/- qtl during the week compared to previous week and settled at Rs 4484 per quintal.
- In addition, Guar gum weekly price decreased by Rs 79.17 per quintal and settled at Rs. 9250 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.

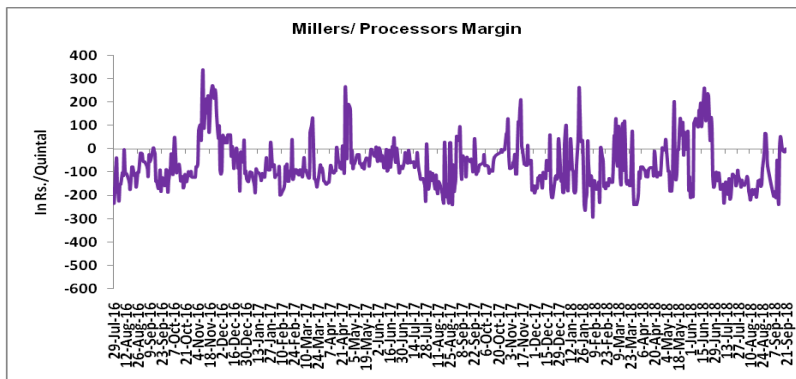


Millers/Processors Margin

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

In the week ended 21st September, average crush margin is Rs. 3.42/Quintal, compared to last week's -141.44/Quintal. Therefore, crushing is favorable for Millers/Processors.

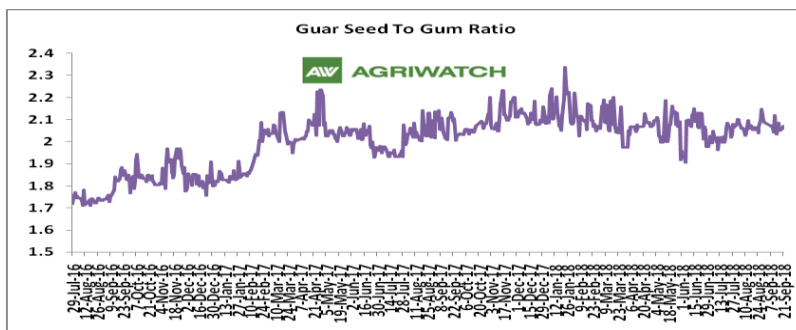
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 21st September'18 is 2.05, 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

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

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)

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

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 sideways 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	4015	3955	4306	4460	4505
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Sell	Below 4320	4185	4100	4401

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 open interest indicates long buildup.
- RSI is moving sideways 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	8620	8525	9302	9695	9790
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Sell	Below 9320	8995	8770	9515

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	15th to 21st September 2018	08th to 14th September 2018	Change
Churi	Jodhpur	2000	1583	417
Korma	Jodhpur	2008	2192	-183
Churi	Sri-Ganganagar	1800	1428	372
Korma	Sri-Ganganagar	2800	2217	583

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	15th to 21st September 2018	08th to 14th September 2018	Change
Guargum Split		1287	1294	-7
Guargum Powder	200 Mesh 5000 CPS	1564	1571	-7
	200 Mesh 3500 CPS	1495	1502	-7
Guargum Meal	40%	291	291	Unch
	50%	429	374	56

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			15th to 21st Sep 2018	08th to 14th Sep 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4271	4306	-35
		Jodhpur(Delivery)	4484	4521	-37
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4075	4110	-35
		Sri-Ganganagar (Delivery)	4225	4260	-35
		Rawla (Loose)	4030	4083	-53
		Gharsana (Loose)	4036	4020	16
		Raisinghnagar (Loose)	4045	4064	-19
	Bikaner	Bikaner (Loose)	4038	4113	-75
		Bikaner (Delivery)	4240	4319	-79
		Nokha(Loose)	4009	4068	-58
		Nokha (Delivery)	4210	4271	-61
		Khajuwala (Loose)	4085	4090	-5
		Khajuwala (Delivery)	4289	4295	-6
		Lunkaransar (Loose)	4108	4100	8
	Hanumangarh	Hanumangarh (Loose)	4050	4067	-17
		Hanumangarh (Delivery)	4253	4270	-18

		Nohar (Loose)	4108	4117	-9
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	4070	4070	Unch
	Churu	Churu (Delivery)	4233	4258	-25
	Alwar	Alwar (Loose)	3958	4000	-42
Haryana	Hisar	Adampur (Loose)	4053	4078	-26
		Adampur (Delivery)	4255	4282	-27
	Bhiwani	Bhiwani (Delivery)	4246	4278	-33
		Siwani (Loose)	4197	4243	-47
	Sirsa	Sirsa (Loose)	4082	4100	-18
		Dhabwali (Loose)	4032	4050	-18
		Dhabwali (Delivery)	4032	4050	-18
		Ellanabad (Loose)	4075	4102	-27
	Fatehabad	Fatehabad (Loose)	3975	3975	Unch
Gujarat	Banaskantha	Deesa (Loose)	4000	NA	-
	Patan	Patan (Loose)	3938	3833	106
	Rajkot	Rajkot (Loose)	3956	3950	6
	Jamnagar	Dhrol (Loose)	3980	3815	165
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9250	9329	-79
	Alwar	Alwar	9175	9300	-125
	Hanumangarh	Nohar	9317	9330	-13
Haryana	Bhiwani	Bhiwani	9392	9583	-192
	Sirsa	Sirsa	9233	9250	-17
		Dhabwali	9192	9200	-8
		Ellanabad	9250	9250	Unch
	Fatehabad	Fatehabad	9217	9500	-283

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			21-Sep-18	14-Sep-18	21-Aug-18	21-Sep-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4300	4300	4450	3775
		Jodhpur(Delivery)	4515	4515	4673	3964
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4050	4150	4260	3550
		Sri-Ganganagar (Delivery)	4200	4300	4410	3700
		Rawla (Loose)	4040	4070	4250	3535
		Gharsana (Loose)	4070	4020	4200	3500

		Raisinghnagar (Loose)	4150	4020	4250	3520
	Bikaner	Bikaner (Loose)	4020	4125	4250	3750
		Bikaner (Delivery)	4221	4331	4463	3938
		Nokha(Loose)	4000	4060	4270	3600
		Nokha (Delivery)	4200	4263	4484	3780
		Khajuwala (Loose)	4030	4140	4300	3600
		Khajuwala (Delivery)	4232	4347	4515	3780
		Lunkaransar (Loose)	4100	Closed	4250	3700
	Hanumangarh	Hanumangarh (Loose)	4090	4060	4250	3318
		Hanumangarh (Delivery)	4295	4263	4463	3484
		Nohar (Loose)	4140	4110	4300	3600
		Pilibanga (Loose)	NA	NA	NA	3380
	Nagaur	Nagaur (Loose)	Closed	4100	4250	3600
	Churu	Churu (Delivery)	4250	4250	4500	3600
	Alwar	Alwar (Loose)	3950	4000	4200	3300
Haryana	Hisar	Adampur (Loose)	4100	4050	4250	3550
		Adampur (Delivery)	4305	4253	4463	3728
	Bhiwani	Bhiwani (Delivery)	4300	4250	4450	3650
		Siwani (Loose)	4225	4250	4350	3725
	Sirsa	Sirsa (Loose)	4160	4070	4225	3600
		Dhabwali (Loose)	4110	4020	4175	3580
		Dhabwali (Delivery)	4110	4020	4384	3759
		Ellanabad (Loose)	4100	4100	4175	3550
	Fatehabad	Fatehabad (Loose)	4000	3950	4150	3525
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	4050	3650
	Patan	Patan (Loose)	4025	3750	4120	3425
	Rajkot	Rajkot (Loose)	4000	3950	4155	3500
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3265
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9350	9300	9600	7900
	Alwar	Alwar	9200	9300	9700	7700
	Hanumangarh	Nohar	9400	9300	9700	8000
Haryana	Bhiwani	Bhiwani	9500	9300	9800	7800
	Sirsa	Sirsa	9300	9200	9550	7800
		Dhabwali	9200	9150	9600	8000
		Ellanabad	9300	9200	9600	7900
	Fatehabad	Fatehabad	9200	9500	9500	7750

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			15th to 21st Sep 2018	08th to 14th Sep 2018	
Rajasthan	Jodhpur	Jodhpur	640	515	125
	Sri-Ganganagar	Sri-Ganganagar	3600	1500	2100
		Rawla	840	450	390
		Gharsana	710	120	590
		Raisinghnagar	1650	900	750
	Bikaner	Bikaner	1700	1250	450
		Nokha	1350	2950	-1600
		Khajuwala	950	1000	-50
		Lunkaransar	620	570	50
	Hanumangarh	Hanumangarh	2300	911	1389
		Nohar	2800	2411	389
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	500	500	Unch
	Churu	Churu	3600	4700	-1100
	Alwar	Alwar	1250	1400	-150
Haryana	Hisar	Adampur	14300	4700	9600
	Bhiwani	Bhiwani	13800	13500	300
		Siwani	4800	6100	-1300
	Sirsa	Sirsa	9700	7000	2700
		Dhabwali	9300	6350	2950
		Ellanabad	820	1010	-190
	Fatehabad	Fatehabad	1200	500	700
Gujarat	Banaskantha	Deesa	20	NA	-
	Patan	Patan	151	27	124
	Rajkot	Rajkot	1162	40	1122
	Jamnagar	Dhrol	12	5	7
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			77775	58409	19366

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2018 Indian Agribusiness Systems Ltd.