



# 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 0.09 percent to Rs. 3826.86 per quintal during the week ended 30th September 2018. Guar seed average price were ruling at Rs 3830.32 per quintal during 16-23 September 2018. As compared to prices in the week 24-30 September 2017, the prices are firm by 12.07 percent. Prices are expected to remain steady to weak in coming days.

Guar seed future October contract touched a low of Rs 4216 per quintal before closing at Rs 4310.00 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 4100.00-4150.00 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. Prices remained range bound in past week due to low export demand. 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 1054 as on 28<sup>th</sup> September 2018 up by 1 compared to 21<sup>st</sup> September 2018 and up by 114 compared to 29<sup>th</sup> September 2017. The total number of oilrigs 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 lower arrivals (4200 quintals) compared to previous week arrivals of 14300 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1650 quintals) compared to 1700 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 Unites States respectively.

**Recommendation:**

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

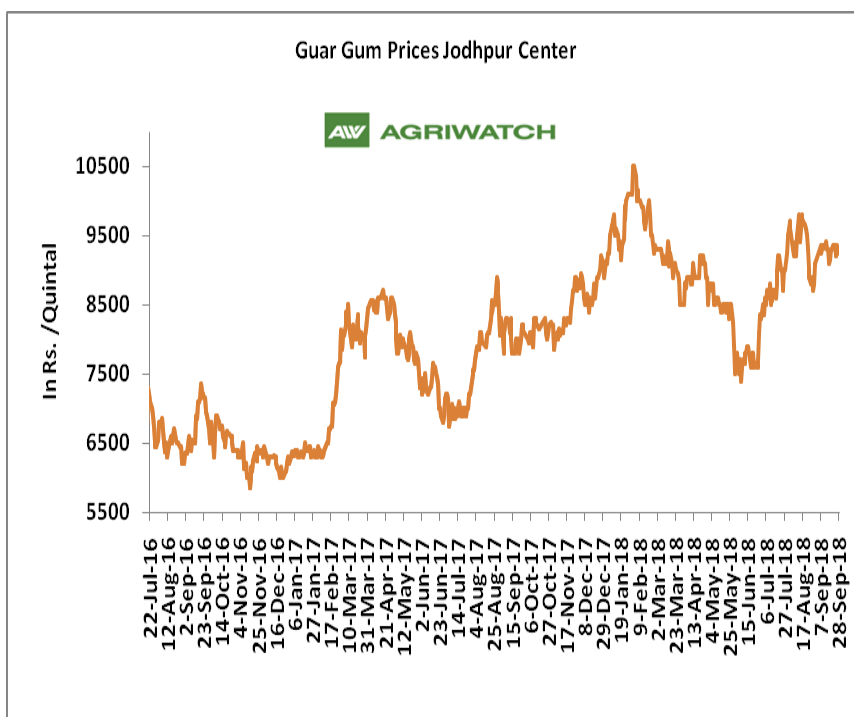
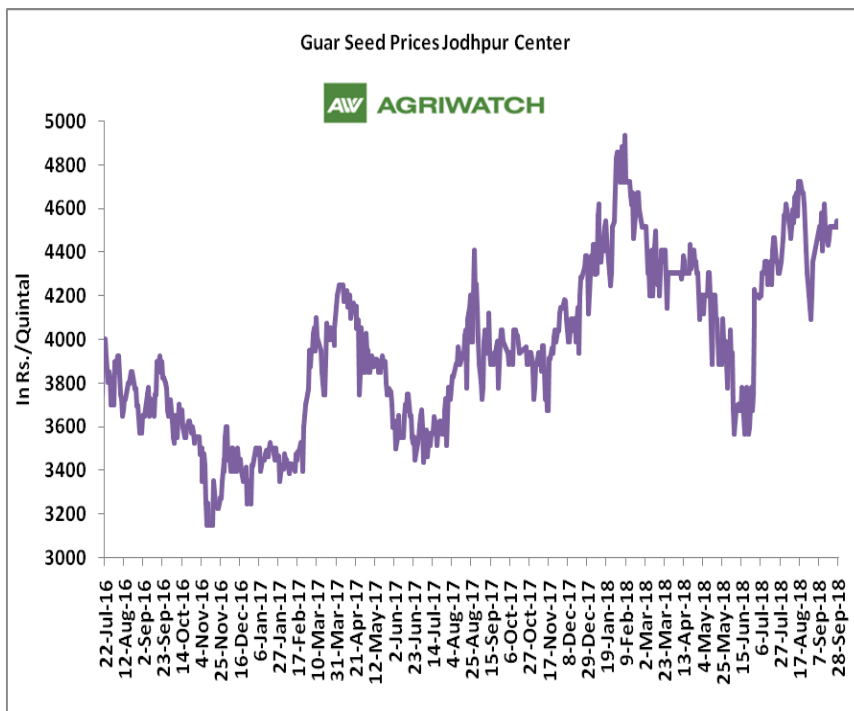
**Weekly Call - : Market participants are advised to sell Guar seed at 4330 levels for a target of 4195 with a stop loss at 4411 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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

Domestic Front

- In the week ended 28<sup>th</sup> September'18, Guar seed weekly average prices increased by Rs 35.00/- qtl during the week compared to previous week and settled at Rs 4519 per quintal.
- In addition, Guar gum weekly price increased by Rs 50.00 per quintal and settled at Rs. 9300 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.

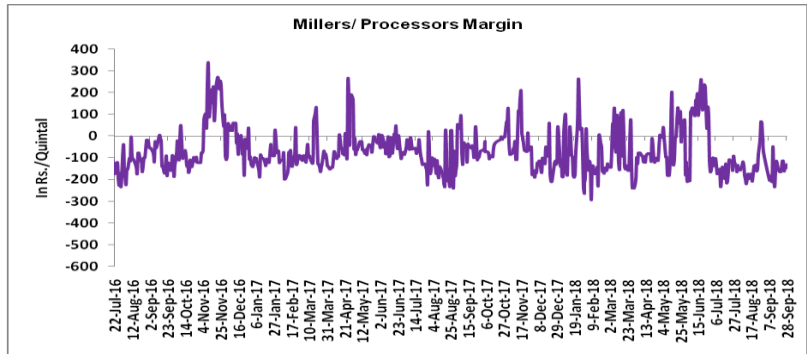


### Millers/Processors Margin

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

In the week ended 28<sup>th</sup> September, average crush margin is Rs. -135.75/Quintal, compared to last week's -149.58/Quintal. Therefore, crushing is not favorable for Millers/Processors.

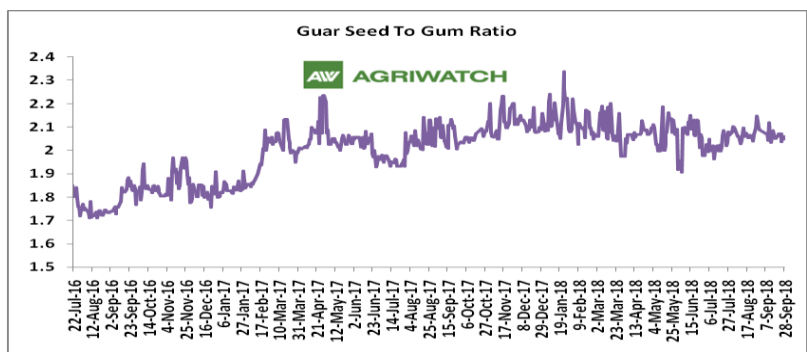
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 28<sup>th</sup> September'18 is 2.06, lower 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 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
<b>Total</b>	<b>23770.88</b>	

Source: Trade

Technical Analysis (Guar Seed)
[\(Back to Table of Contents\)](#)
**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 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	4025	3965	4310	4470	4515
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	<b>Sell</b>	Below 4330	4195	4110	4411

Technical Analysis (Guar Gum)
[\(Back to Table of Contents\)](#)
**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 sideways in neutral region.
- Prices closed between 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	8640	8545	9242	9655	9790
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	<b>Sell</b>	Below 9300	9015	8790	9471

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	22nd to 28th Sep 2018	15th to 21st Sep 2018	Change
Churi	Jodhpur	1538	1500	38
Korma	Jodhpur	2288	2250	38
Churi	Sri-Ganganagar	1369	1350	19
Korma	Sri-Ganganagar	2119	2100	19

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	22nd to 28th Sep 2018	15th to 21st Sep 2018	Change
Guargum Split		1281	1287	-6
Guargum Powder	200 Mesh 5000 CPS	1556	1564	-8
	200 Mesh 3500 CPS	1487	1495	-7
Guargum Meal	40%	289	291	-1
	50%	427	429	-2

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			22nd to 28th Sep 2018	15th to 21st Sep 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4304	4271	33
		Jodhpur(Delivery)	4519	4484	35
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4117	4075	42
		Sri-Ganganagar (Delivery)	4267	4225	42
		Rawla (Loose)	4095	4030	65
		Gharsana (Loose)	4063	4036	28
		Raisinghnagar (Loose)	4130	4045	85
	Bikaner	Bikaner (Loose)	4093	4038	55
		Bikaner (Delivery)	4298	4240	58
		Nokha(Loose)	4068	4009	58
		Nokha (Delivery)	4271	4210	61
		Khajuwala (Loose)	4099	4085	14
		Khajuwala (Delivery)	4304	4289	15
		Lunkaransar (Loose)	4100	4108	-8
	Hanumangarh	Hanumangarh (Loose)	4051	4050	1
		Hanumangarh (Delivery)	4254	4253	1

		Nohar (Loose)	4101	4108	-7
		Pilibanga (Loose)	NA	NA	-
	Nagaur	Nagaur (Loose)	4075	4070	5
	Churu	Churu (Delivery)	4342	4233	108
	Alwar	Alwar (Loose)	3992	3958	33
Haryana	Hisar	Adampur (Loose)	4062	4053	10
		Adampur (Delivery)	4265	4255	10
	Bhiwani	Bhiwani (Delivery)	4267	4246	21
		Siwani (Loose)	4210	4197	13
	Sirsa	Sirsa (Loose)	4122	4082	40
		Dhabwali (Loose)	4066	4032	34
		Dhabwali (Delivery)	4068	4032	36
		Ellanabad (Loose)	4080	4075	5
	Fatehabad	Fatehabad (Loose)	4025	3975	50
Gujarat	Banaskantha	Deesa (Loose)	4000	4000	Unch
	Patan	Patan (Loose)	3963	3938	25
	Rajkot	Rajkot (Loose)	4009	3956	53
	Jamnagar	Dhrol (Loose)	3820	3980	-160
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9300	9250	50
	Alwar	Alwar	9333	9175	158
	Hanumangarh	Nohar	9360	9317	43
Haryana	Bhiwani	Bhiwani	9337	9392	-55
	Sirsa	Sirsa	9220	9233	-13
		Dhabwali	9140	9192	-52
		Ellanabad	9238	9250	-13
	Fatehabad	Fatehabad	9125	9217	-92

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			28-Sep-18	21-Sep-18	28-Aug-18	28-Sep-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4300	4300	3950	3800
		Jodhpur(Delivery)	4515	4515	4148	3990
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4150	4050	4060	3550
		Sri-Ganganagar (Delivery)	4300	4200	4210	3700
		Rawla (Loose)	4060	4040	4100	3560
		Gharsana (Loose)	4060	4070	4080	3580



		Raisinghnagar (Loose)	4125	4150	4050	3625
	<b>Bikaner</b>	Bikaner (Loose)	4100	4020	4060	3700
		Bikaner (Delivery)	4305	4221	4263	3885
		Nokha(Loose)	4050	4000	Closed	3600
		Nokha (Delivery)	4253	4200	Closed	3780
		Khajuwala (Loose)	4100	4030	4080	NA
		Khajuwala (Delivery)	4305	4232	4284	NA
		Lunkaransar (Loose)	4100	4100	4150	3650
	<b>Hanumangarh</b>	Hanumangarh (Loose)	4075	4090	4100	3571
		Hanumangarh (Delivery)	4279	4295	4305	3750
		Nohar (Loose)	4125	4140	4150	3700
		Pilibanga (Loose)	NA	NA	NA	3510
	<b>Nagaur</b>	Nagaur (Loose)	4000	Closed	4200	3750
	<b>Churu</b>	Churu (Delivery)	4320	4250	4300	3700
	<b>Alwar</b>	Alwar (Loose)	4020	3950	4000	3400
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	4050	4100	4000	3525
		Adampur (Delivery)	4253	4305	4200	3701
	<b>Bhiwani</b>	Bhiwani (Delivery)	4250	4300	4100	3700
		Siwani (Loose)	4200	4225	4100	3700
	<b>Sirsa</b>	Sirsa (Loose)	4150	4160	4000	3625
		Dhabwali (Loose)	4100	4110	3900	3600
		Dhabwali (Delivery)	4100	4110	4095	3780
		Ellanabad (Loose)	4100	4100	3900	3525
	<b>Fatehabad</b>	Fatehabad (Loose)	4000	4000	4030	3500
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	4000	NA	3900	3675
	<b>Patan</b>	Patan (Loose)	3955	4025	3810	3525
	<b>Rajkot</b>	Rajkot (Loose)	3975	4000	3880	3485
	<b>Jamnagar</b>	Dhrol (Loose)	NR	NA	3780	NA
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	9300	9350	8900	8100
	<b>Alwar</b>	Alwar	9350	9200	9000	8100
	<b>Hanumangarh</b>	Nohar	9400	9400	9250	8150
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	9250	9500	9000	8200
	<b>Sirsa</b>	Sirsa	9250	9300	8900	8100
		Dhabwali	9100	9200	8800	8200
		Ellanabad	9300	9300	8800	7900
	<b>Fatehabad</b>	Fatehabad	9100	9200	8850	8000

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			22nd to 28th Sep 2018	15th to 21st Sep 2018	
Rajasthan	Jodhpur	Jodhpur	680	640	40
	Sri-Ganganagar	Sri-Ganganagar	7700	3600	4100
		Rawla	620	840	-220
		Gharsana	800	710	90
		Raisinghnagar	3400	1650	1750
	Bikaner	Bikaner	1650	1700	-50
		Nokha	3000	1350	1650
		Khajuwala	1100	950	150
		Lunkaransar	480	620	-140
	Hanumangarh	Hanumangarh	1300	2300	-1000
		Nohar	1550	2800	-1250
		Pilibanga	NA	NA	-
	Nagaur	Nagaur	475	500	-25
	Churu	Churu	2700	3600	-900
	Alwar	Alwar	1100	1250	-150
Haryana	Hisar	Adampur	4200	14300	-10100
	Bhiwani	Bhiwani	5200	13800	-8600
		Siwani	4300	4800	-500
	Sirsa	Sirsa	7500	9700	-2200
		Dhabwali	4500	9300	-4800
		Ellanabad	570	820	-250
	Fatehabad	Fatehabad	400	1200	-800
Gujarat	Banaskantha	Deesa	45	20	25
	Patan	Patan	77	151	-74
	Rajkot	Rajkot	1042	1162	-120
	Jamnagar	Dhrol	1	12	-11
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			54390	77775	-23385

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