



# Guar Weekly Research Report

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**Executive Summary**

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**Domestic Guar Seed Market Summary**

Guar seed future November contract touched a low of Rs 4593.50 per quintal before closing at Rs 4544.50 per quintal in last week. As per trade sources, guar is likely to be bullish due to Crop loss in West Rajasthan. Guar is likely to touch Rs 4750.00-4800.00 per quintal.

As per trade sources, export of guar gum has decreased in the month of September by 24.72 percent compared to previous month. India exported around 18406 tonnes of guar gum in the month of September at an average FoB of \$ 1765.31 per tonne compared to 23771 tonnes in August at an average FoB of \$ 1772.92 per tonne. Exports are expected to remain low in October-18 as well.

As per trade sources, export of guar split has decreased in the month of September. Exports in the month of September are down by around 28.62% compared to previous month. India exported around 4299 tonnes of guar split in the month of September at an average FoB of \$ 1446.82 per tonne. Of the total quantity, around 2660 tonnes and 1280 tonnes have been exported to China and United States respectively.

The wholesale price index of guar seed has decreased from 98.6 in August 2018 to 97.0 in September 2018. The WPI for September 2018 is up by 13.19 compared to last year for the same month and by 19.02 compared to September 2016. WPI is expected to stay weak in coming month.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 1067 as on 19<sup>th</sup> October 2018 up by 4 compared to 12<sup>th</sup> October 2018 and by 154 compared to 20<sup>th</sup> October 2017. The total number of oil rigs was recorded at 2258 worldwide in September'18 compared to 2081 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, Bikaner market reported higher arrivals (6900 quintals) compared to previous week arrivals of 5200 quintals.

**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.

**Recommendation:**

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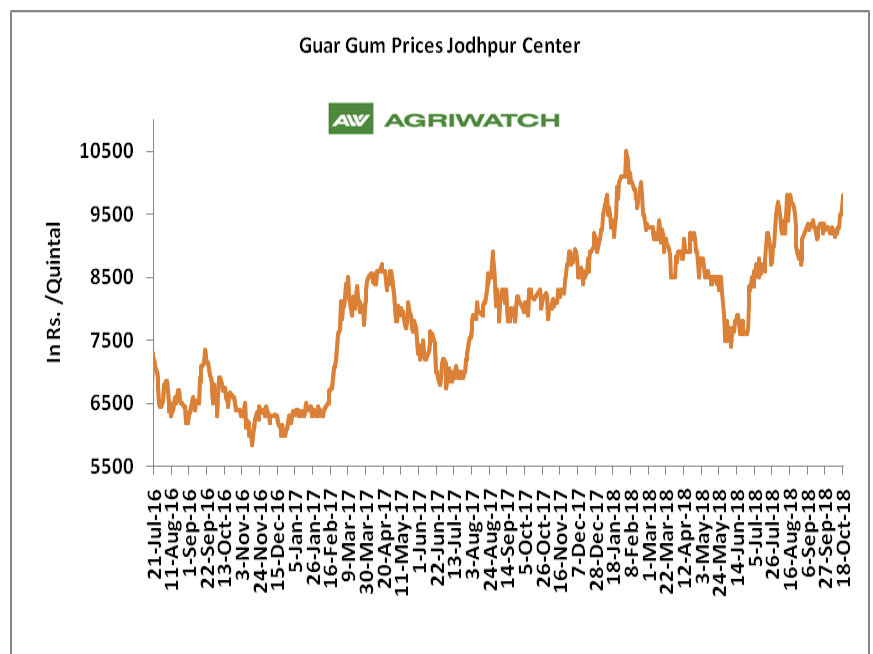
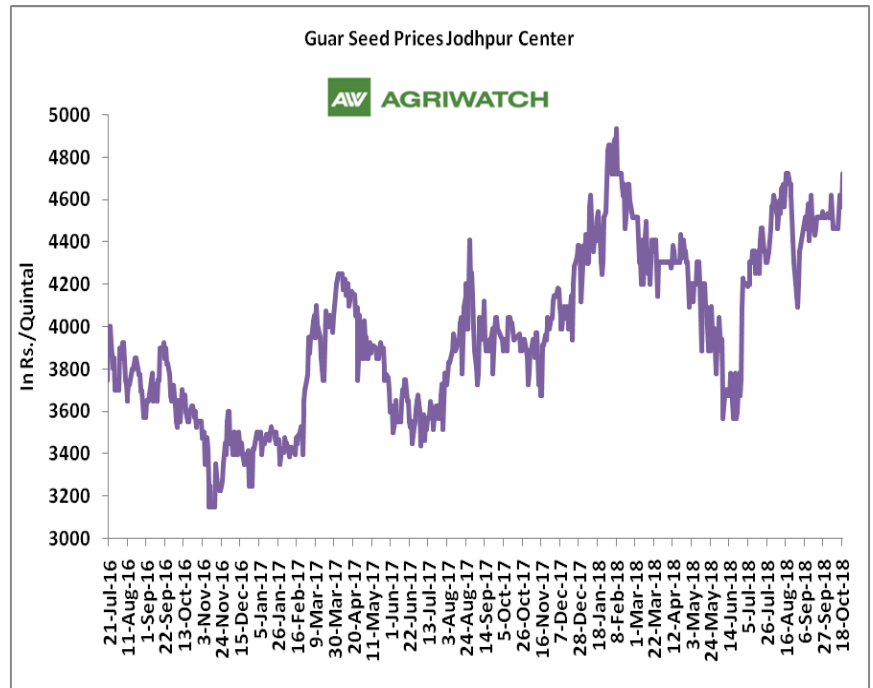
**Weekly Call - : Market participants are advised to buy Guar seed at 4520 levels for a target of 4795 with a stop loss at 4424 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 18<sup>th</sup> October'18, Guar seed weekly average prices increased by Rs 99.75/- qtl and settled at Rs 4489 per quintal.
- In addition, Guar gum weekly price increased by Rs 323.33 per quintal and settled at Rs. 9540 per quintal. Good 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.

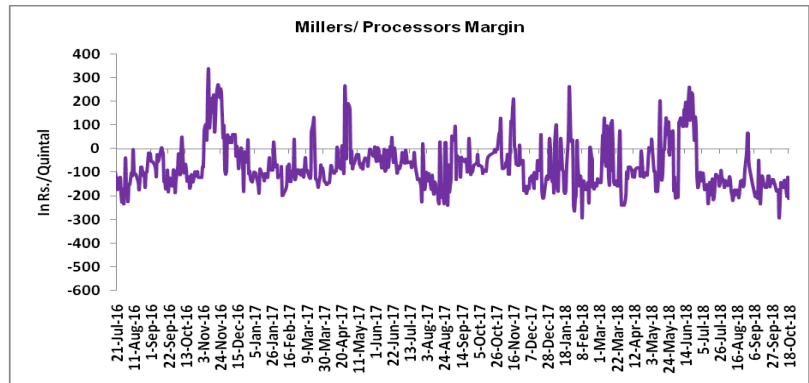


### Millers/Processors Margin

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In the week ended 18<sup>th</sup> October'18, average crush margin is Rs. -164.33/Quintal, compared to last week's -174.00/Quintal. Therefore, crushing is not favorable for Millers/Processors.

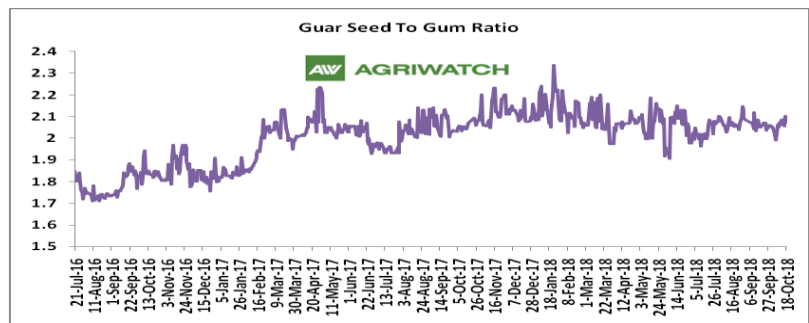
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 18<sup>th</sup> October'18 is 2.08, 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

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Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08 September-2018	4791.62	1805.97
09-16 September -2018	4837.02	1759.11
17-23 September -2018	4610.42	1777.01
24-30 September -2018	4167.39	1723.14
Total	18406.45	

Source: Trade

Technical Analysis (Guar Seed)

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Commodity: Guar Seed  
Contract: November

Exchange: NCDEX  
Expiry: November 20, 2018



**Technical Commentary:**

- Rise in price and open interest indicates long buildup.
- RSI is moving up in overbought region.
- Prices closed above 9 and 18 day EMAs.
- Last candlestick depicts bullishness in market.

**Strategy: Buy**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	November	4305	4225	4544.5	4890	4975
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	November	Buy	Above 4520	4680	4795	4424

Technical Analysis (Guar Gum)

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Commodity: Guar Gum  
Contract: November

Exchange: NCDEX  
Expiry: November 20, 2018



**Technical Commentary:**

- Rise in price and open interest indicates long buildup.
- RSI is moving up in overbought region.
- Prices closed above 9 and 18 day EMAs.
- Last candlestick depicts bullishness in market.

**Strategy: Buy**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	November	9410	9295	9806	10490	10585
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	Buy	Above 9780	10150	10375	9558

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	13th to 18th Oct	06th to 12th Oct	Change
Churi	Jodhpur	1500	1500	Unch
Korma	Jodhpur	2239	2222	17
Churi	Sri-Ganganagar	1305	1297	8
Korma	Sri-Ganganagar	2063	2066	-3

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	13th to 18th Oct	06th to 12th Oct	Change
Guargum Split		1278	1233	45
Guargum Powder	200 Mesh 5000 CPS	1549	1503	46
	200 Mesh 3500 CPS	1481	1436	46
Guargum Meal	40%	285	284	1
	50%	410	419	-9

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			13th to 18th Oct	06th to 12th Oct	
Rajasthan	Jodhpur	Jodhpur (Loose)	4370	4275	95
		Jodhpur(Delivery)	4589	4489	100
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4215	4063	152
		Sri-Ganganagar (Delivery)	4365	4248	117
		Rawla (Loose)	4166	4008	158
		Gharsana (Loose)	4214	4048	166
		Raisinghnagar (Loose)	4193	4062	131
	Bikaner	Bikaner (Loose)	4199	4057	142
		Bikaner (Delivery)	4409	4260	149
		Nokha(Loose)	4139	4033	106
		Nokha (Delivery)	4346	4235	111
		Khajuwala (Loose)	4170	4036	134
		Khajuwala (Delivery)	4379	4238	141
		Lunkaransar (Loose)	4170	4074	97
	Hanumangarh	Hanumangarh (Loose)	4190	4013	177
		Hanumangarh (Delivery)	4400	4214	186

		Nohar (Loose)	4182	4028	155
		Pilibanga (Loose)	4188	3977	211
	Nagaur	Nagaur (Loose)	4056	3985	71
	Churu	Churu (Delivery)	4325	4183	142
	Alwar	Alwar (Loose)	4050	3983	67
Haryana	Hisar	Adampur (Loose)	4030	3872	158
		Adampur (Delivery)	4232	4065	166
	Bhiwani	Bhiwani (Delivery)	4350	4216	134
		Siwani (Loose)	4342	4173	169
	Sirsa	Sirsa (Loose)	4060	3967	93
		Dhabwali (Loose)	4010	3917	93
		Dhabwali (Delivery)	4211	4113	98
		Ellanabad (Loose)	4080	3858	222
	Fatehabad	Fatehabad (Loose)	3870	3928	-58
Gujarat	Banaskantha	Deesa (Loose)	3928	3888	41
	Patan	Patan (Loose)	4064	3848	216
	Rajkot	Rajkot (Loose)	4028	3961	67
	Jamnagar	Dhrol (Loose)	3845	3753	93
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9540	9217	323
	Alwar	Alwar	9450	9167	283
	Hanumangarh	Nohar	9460	9258	202
Haryana	Bhiwani	Bhiwani	9463	9242	221
	Sirsa	Sirsa	9515	9133	382
		Dhabwali	9150	9008	142
		Ellanabad	9520	9167	353
	Fatehabad	Fatehabad	9460	9125	335

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			18-Oct-18	11-Oct-18	18-Sep-18	17-Oct-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4500	4250	4250	NA
		Jodhpur(Delivery)	4725	4463	4463	NA
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4370	4050	4050	3580
		Sri-Ganganagar (Delivery)	4520	4200	4200	3730
		Rawla (Loose)	4280	3960	4010	NA
		Gharsana (Loose)	4335	4060	4030	3615



		Raisinghnagar (Loose)	Closed	4100	4000	3650
	<b>Bikaner</b>	Bikaner (Loose)	4330	4070	4020	3675
		Bikaner (Delivery)	4547	4274	4221	3859
		Nokha(Loose)	4275	4025	4000	3840
		Nokha (Delivery)	4489	4226	4200	4032
		Khajuwala (Loose)	4320	4020	4050	3685
		Khajuwala (Delivery)	4536	4221	4253	3869
		Lunkaransar (Loose)	4300	4080	4050	3650
	<b>Hanumangarh</b>	Hanumangarh (Loose)	4300	4000	4000	NA
		Hanumangarh (Delivery)	4515	4200	4200	NA
		Nohar (Loose)	4300	4025	4100	3630
		Pilibanga (Loose)	4260	4000	NA	3620
	<b>Nagaur</b>	Nagaur (Loose)	Closed	3950	4000	3550
	<b>Churu</b>	Churu (Delivery)	4350	4150	4250	3700
	<b>Alwar</b>	Alwar (Loose)	4100	3900	4000	3400
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	4200	3850	4015	3650
		Adampur (Delivery)	4410	4043	4216	3833
	<b>Bhiwani</b>	Bhiwani (Delivery)	Closed	4225	4200	3750
		Siwani (Loose)	4400	4170	4175	3760
	<b>Sirsa</b>	Sirsa (Loose)	4150	3900	4000	3675
		Dhabwali (Loose)	4100	3850	3950	3650
		Dhabwali (Delivery)	4305	4043	4148	3833
		Ellanabad (Loose)	4250	3850	4125	3625
	<b>Fatehabad</b>	Fatehabad (Loose)	4050	3920	4000	3550
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	Closed	3900	NA	NA
	<b>Patan</b>	Patan (Loose)	Closed	3890	3925	NA
	<b>Rajkot</b>	Rajkot (Loose)	Closed	3895	3905	3450
	<b>Jamnagar</b>	Dhrol (Loose)	Closed	NA	NA	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	9800	9200	9150	NA
	<b>Alwar</b>	Alwar	9500	9100	9150	8300
	<b>Hanumangarh</b>	Nohar	9600	9250	9300	8200
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	Closed	9200	9250	8300
	<b>Sirsa</b>	Sirsa	9800	9250	9100	8300
		Dhabwali	9400	8900	9150	8250
		Ellanabad	9800	9150	9300	8300
	<b>Fatehabad</b>	Fatehabad	9650	9050	9150	8100

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			13th to 18th Oct	06th to 12th Oct	
Rajasthan	Jodhpur	Jodhpur	630	1230	-600
	Sri-Ganganagar	Sri-Ganganagar	23000	37000	-14000
		Rawla	550	850	-300
		Gharsana	1200	1260	-60
		Raisinghnagar	7500	12500	-5000
	Bikaner	Bikaner	6900	5200	1700
		Nokha	5800	1500	4300
		Khajuwala	1600	1150	450
		Lunkaransar	1400	900	500
	Hanumangarh	Hanumangarh	9400	7500	1900
		Nohar	4950	4900	50
		Pilibanga	3700	3000	700
	Nagaur	Nagaur	600	500	100
	Churu	Churu	3600	3600	Unch
	Alwar	Alwar	1600	1600	Unch
Haryana	Hisar	Adampur	20000	20000	Unch
	Bhiwani	Bhiwani	2900	1900	1000
		Siwani	2950	4200	-1250
	Sirsa	Sirsa	38000	66000	-28000
		Dhabwali	5900	5400	500
		Ellanabad	6200	5600	600
	Fatehabad	Fatehabad	6000	4500	1500
Gujarat	Banaskantha	Deesa	120	35	85
	Patan	Patan	137	122	15
	Rajkot	Rajkot	410	760	-350
	Jamnagar	Dhrol	14	10	4
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			155061	191217	-36156

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