



# 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 increased by 6.94 percent to Rs. 3986.05 per quintal during the week ended 23rd October 2018. Guar seed average price were ruling at Rs 3727.25 per quintal during 09-15 October 2018. As compared to prices in the week 16-23 October 2017, the prices are firm by 24.03 percent. Prices are expected to remain steady to weak in coming days.

As per millers, average recovery of guar gum from guar seed is coming around 28.50-29.00 kg in Barmer and 29.5 kg in Jodhpur. Recovery of guar gum has decreased slightly due to black guar.

Stockiest are actively buying guar as farmers are not holding onto their crop this year due to better prices. Last year average prices during the month of October'17 were Rs 3950-4000 per quintal whereas prices during October'18 are around Rs 4550-4600 per quintal.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 1068 as on 26th October 2018 up by 1 compared to 19th October 2018 and by 159 compared to 27th October 2017. The total number of oilrigs 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 (15500 quintals) compared to previous week arrivals of 6900 quintals.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (8900 quintals) compared to previous week arrivals of 20000 quintals.

**Previous Updates**

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. 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. India exported around 4299 tonnes of guar split in the month of September at an average FoB of \$ 1446.82 per tonne.

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

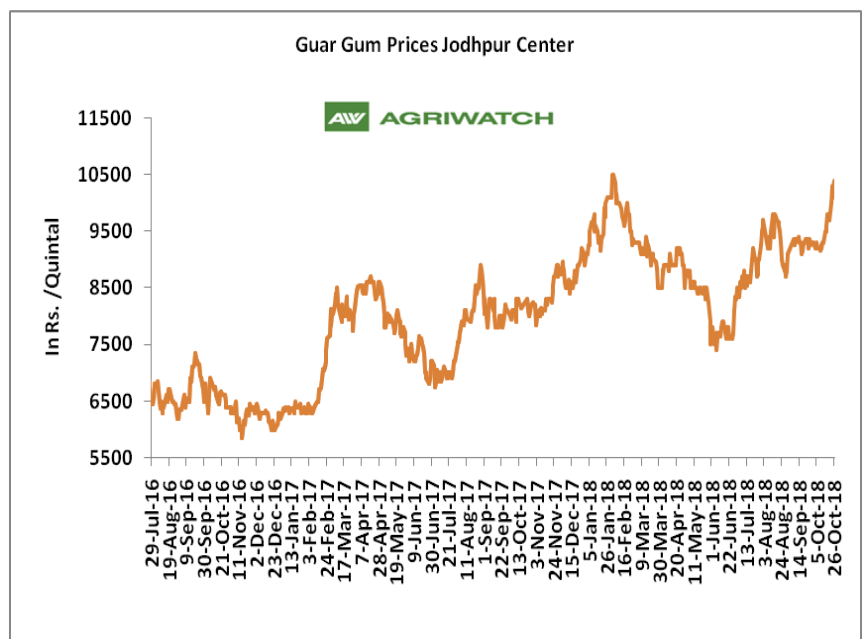
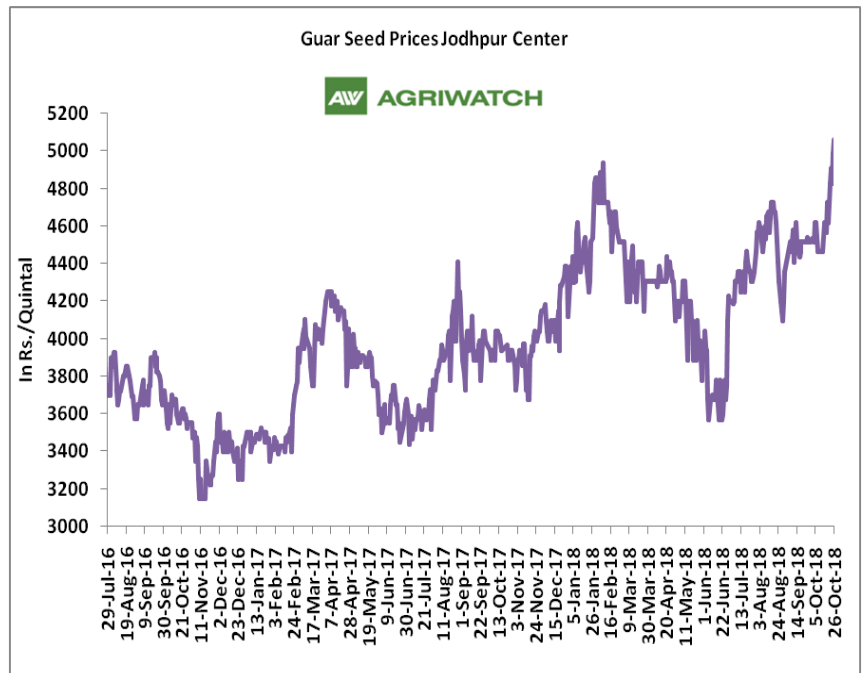
**Weekly Call - : Market participants are advised to sell Guar seed at 4760 levels for a target of 4610 with a stop loss at 4850 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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

Domestic Front

- In the week ended 26<sup>th</sup> October'18, Guar seed weekly average prices increased by Rs 284.38/- qtl and settled at Rs 4873 per quintal.
- In addition, Guar gum weekly price increased by Rs 593.33 per quintal and settled at Rs. 10133 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.

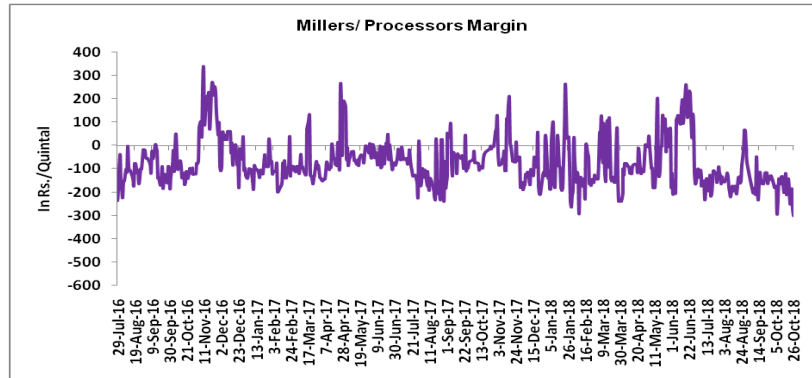


### Millers/Processors Margin

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

In the week ended 26<sup>th</sup> October'18, average crush margin is Rs. - 225.49/Quintal, compared to last week's - 164.33/Quintal. Therefore, crushing is not favorable for Millers/Processors.

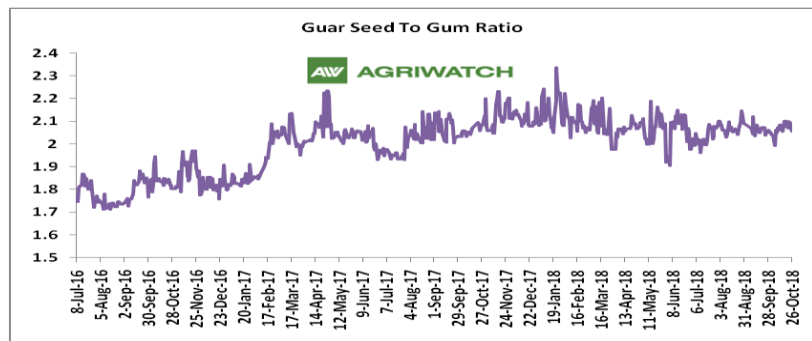
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 26<sup>th</sup> October'18 is 2.08, higher compared to last week's 2.079

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 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
<b>Total</b>	<b>18406.45</b>	

Source: Trade

Technical Analysis (Guar Seed)
[\(Back to Table of Contents\)](#)
**Commodity: Guar Seed**  
**Contract: November**
**Exchange: NCDEX**  
**Expiry: November 20, 2018**

**Technical Commentary:**

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

**Strategy: Sell**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	November	4410	4335	4713.5	4965	5050
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	November	<b>Sell</b>	Below 4760	4610	4515	4850

Technical Analysis (Guar Gum)

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

Commodity: Guar Gum  
Contract: November

Exchange: NCDEX  
Expiry: November 20, 2018



**Technical Commentary:**

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

**Strategy: Sell**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	November	9710	9605	10315	10745	10855
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	<b>Sell</b>	Below 10425	10110	9835	10614

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	20th to 26th Oct	13th to 18th Oct	Change
Churi	Jodhpur	1547	1500	47
Korma	Jodhpur	2256	2239	18
Churi	Sri-Ganganagar	1344	1305	39
Korma	Sri-Ganganagar	2076	2063	13

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	20th to 26th Oct	13th to 18th Oct	Change
Guargum Split		1356	1278	78
Guargum Powder	200 Mesh 5000 CPS	1617	1549	67
	200 Mesh 3500 CPS	1549	1481	67
Guargum Meal	40%	293	285	8
	50%	418	410	8

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			20th to 26th Oct	13th to 18th Oct	
Rajasthan	Jodhpur	Jodhpur (Loose)	4641	4370	271
		Jodhpur(Delivery)	4873	4589	284
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4503	4215	288
		Sri-Ganganagar (Delivery)	4653	4365	288
		Rawla (Loose)	4465	4166	299
		Gharsana (Loose)	4487	4214	273
		Raisinghnagar (Loose)	4513	4193	321
	Bikaner	Bikaner (Loose)	4519	4199	320
		Bikaner (Delivery)	4745	4409	336
		Nokha(Loose)	4443	4139	304
		Nokha (Delivery)	4665	4346	319
		Khajuwala (Loose)	4470	4170	300
		Khajuwala (Delivery)	4694	4379	315
		Lunkaransar (Loose)	4458	4170	288
	Hanumangarh	Hanumangarh (Loose)	4487	4190	297
		Hanumangarh (Delivery)	4711	4400	312

		Nohar (Loose)	4440	4182	258
		Pilibanga (Loose)	4530	4188	342
	Nagaur	Nagaur (Loose)	4304	4056	248
	Churu	Churu (Delivery)	4617	4325	292
	Alwar	Alwar (Loose)	4408	4050	358
Haryana	Hisar	Adampur (Loose)	4442	4030	412
		Adampur (Delivery)	4664	4232	432
	Bhiwani	Bhiwani (Delivery)	4550	4350	200
		Siwani (Loose)	4518	4342	176
	Sirsa	Sirsa (Loose)	4370	4060	310
		Dhabwali (Loose)	4320	4010	310
		Dhabwali (Delivery)	4536	4211	326
		Ellanabad (Loose)	4392	4080	312
	Fatehabad	Fatehabad (Loose)	4247	3870	377
Gujarat	Banaskantha	Deesa (Loose)	4442	3928	514
	Patan	Patan (Loose)	4423	4064	359
	Rajkot	Rajkot (Loose)	4423	4028	395
	Jamnagar	Dhrol (Loose)	4291	3845	446
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	10133	9540	593
	Alwar	Alwar	10133	9450	683
	Hanumangarh	Nohar	10125	9460	665
Haryana	Bhiwani	Bhiwani	10100	9463	638
	Sirsa	Sirsa	10108	9515	593
		Dhabwali	9700	9150	550
		Ellanabad	10225	9520	705
	Fatehabad	Fatehabad	10013	9460	553

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			26-Oct-18	18-Oct-18	26-Sep-18	26-Oct-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4820	4500	4325	3720
		Jodhpur(Delivery)	5061	4725	4541	3906
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4600	4370	4150	3580
		Sri-Ganganagar (Delivery)	4750	4520	4300	3730
		Rawla (Loose)	4580	4280	4120	3510
		Gharsana (Loose)	4600	4335	4050	3510



		Raisinghnagar (Loose)	4620	4200	4150	3500
	<b>Bikaner</b>	Bikaner (Loose)	4650	4330	4150	3580
		Bikaner (Delivery)	4883	4547	4358	3759
		Nokha(Loose)	4550	4275	4100	3560
		Nokha (Delivery)	4778	4489	4305	3738
		Khajuwala (Loose)	4580	4320	4100	3520
		Khajuwala (Delivery)	4809	4536	4305	3696
		Lunkaransar (Loose)	4550	4300	4100	3540
	<b>Hanumangarh</b>	Hanumangarh (Loose)	4570	4300	4050	3550
		Hanumangarh (Delivery)	4799	4515	4253	3728
		Nohar (Loose)	4550	4300	4100	3520
		Pilibanga (Loose)	4620	4260	NA	3500
	<b>Nagaur</b>	Nagaur (Loose)	4500	4125	4100	3450
	<b>Churu</b>	Churu (Delivery)	4650	4350	4380	3650
	<b>Alwar</b>	Alwar (Loose)	4500	4100	3980	3300
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	4600	4200	4060	3550
		Adampur (Delivery)	4830	4410	4263	3728
	<b>Bhiwani</b>	Bhiwani (Delivery)	4650	4350	4250	3600
		Siwani (Loose)	4630	4400	4200	3650
	<b>Sirsa</b>	Sirsa (Loose)	4505	4150	4100	3600
		Dhabwali (Loose)	4455	4100	4050	3570
		Dhabwali (Delivery)	4678	4305	4050	3749
		Ellanabad (Loose)	4550	4250	4100	3500
	<b>Fatehabad</b>	Fatehabad (Loose)	4380	4050	4050	3550
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	4510	4010	NA	3425
	<b>Patan</b>	Patan (Loose)	4560	4205	3985	3395
	<b>Rajkot</b>	Rajkot (Loose)	4605	4180	4035	3445
	<b>Jamnagar</b>	Dhrol (Loose)	4340	Closed	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	10400	9800	9350	8100
	<b>Alwar</b>	Alwar	10300	9500	9350	8300
	<b>Hanumangarh</b>	Nohar	10400	9600	9400	8100
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	10400	9500	9300	8000
	<b>Sirsa</b>	Sirsa	10300	9800	9200	8000
		Dhabwali	9900	9400	9200	8100
		Ellanabad	10450	9800	9250	8000
	<b>Fatehabad</b>	Fatehabad	10300	9650	9200	8200

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			20th to 26th Oct	13th to 18th Oct	
Rajasthan	Jodhpur	Jodhpur	440	630	-190
	Sri-Ganganagar	Sri-Ganganagar	26000	23000	3000
		Rawla	1500	550	950
		Gharsana	2700	1200	1500
		Raisinghnagar	10000	7500	2500
	Bikaner	Bikaner	15500	6900	8600
		Nokha	9300	5800	3500
		Khajuwala	2050	1600	450
		Lunkaransar	4000	1400	2600
	Hanumangarh	Hanumangarh	4800	9400	-4600
		Nohar	4550	4950	-400
		Pilibanga	3200	3700	-500
	Nagaur	Nagaur	2300	600	1700
	Churu	Churu	14000	3600	10400
	Alwar	Alwar	3500	1600	1900
Haryana	Hisar	Adampur	8900	20000	-11100
	Bhiwani	Bhiwani	4900	2900	2000
		Siwani	10000	2950	7050
	Sirsa	Sirsa	14000	38000	-24000
		Dhabwali	7000	5900	1100
		Ellanabad	4300	6200	-1900
	Fatehabad	Fatehabad	2400	6000	-3600
Gujarat	Banaskantha	Deesa	1110	120	990
	Patan	Patan	557	137	420
	Rajkot	Rajkot	1550	410	1140
	Jamnagar	Dhrol	31	14	17
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			158588	155061	3527

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