



# 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 5.71 percent to Rs. 4213.70 per quintal during the week ended 30th October 2018. Guar seed average price were ruling at Rs 3986.05 per quintal during 16-23 October 2018. As compared to prices in the week 24-30 October 2017, the prices are firm by 28.79 percent. Prices are expected to remain steady to weak in coming days.

Guar seed future November contract touched a low of Rs 4495.00 per quintal before closing at Rs 4645.50 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 4400-4450.00 per quintal.

Guar prices recovered sharply on 02<sup>nd</sup> November'18 after remaining weak for the whole week due to buying from millers. Millers bought in bulk to cover their requirement of running their mills for upcoming months. This is one of the main reasons for spot market prices being higher compared to futures during past days in last week.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 1067 as on 02 November 2018 down by 1 compared to 26th October 2018 and up by 169 compared to 03rd November 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 lower arrivals (11200 quintals) compared to previous week arrivals of 15500 quintals.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (5200 quintals) compared to previous week arrivals of 8900 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:**
[\(Back to Table of Contents\)](#)

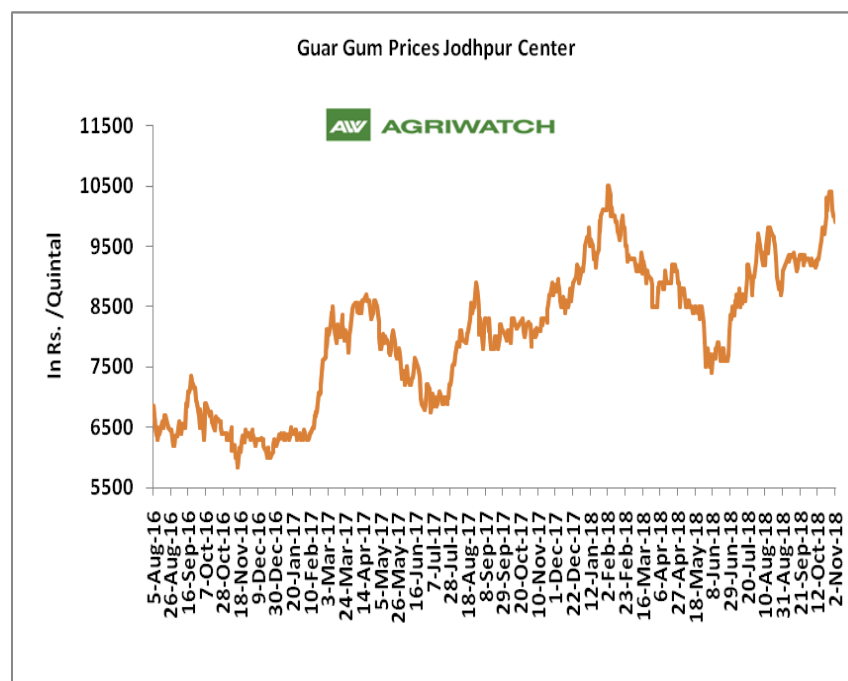
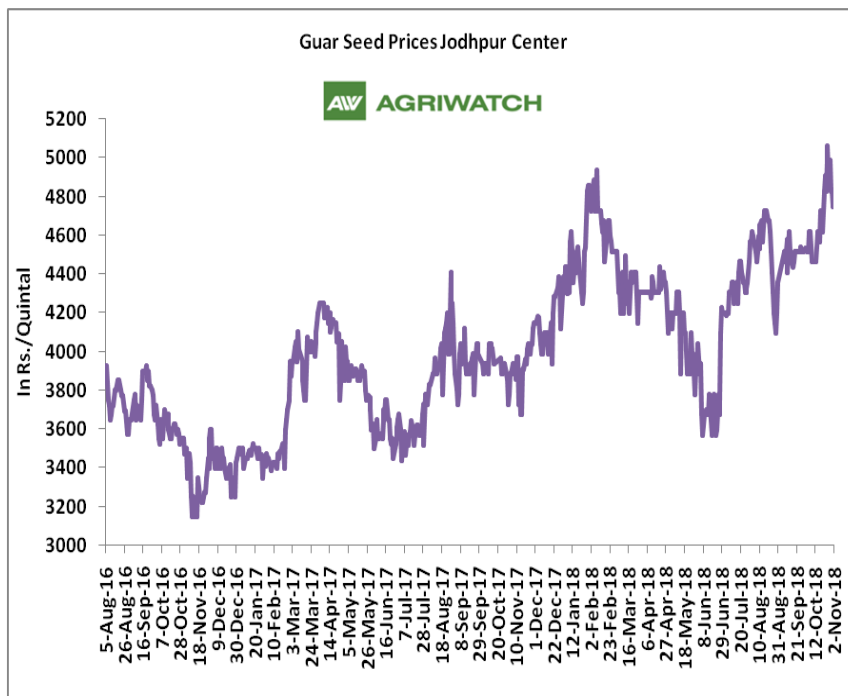
**Weekly Call - : Market participants are advised to sell Guar seed at 4750 levels for a target of 4600 with a stop loss at 4840 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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

Domestic Front

- In the week ended 02<sup>nd</sup> November'18, Guar seed weekly average prices decreased by Rs 21.00/- qtl and settled at Rs 4852 per quintal.
- In addition, Guar gum weekly price decreased by Rs 16.67 per quintal and settled at Rs. 10117 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

In the week ended 02<sup>nd</sup> November'18, average crush margin is Rs. - 181.29/Quintal, compared to last week's - 225.49/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 02<sup>nd</sup> November'18 is 2.09, higher compared to last week's 2.08

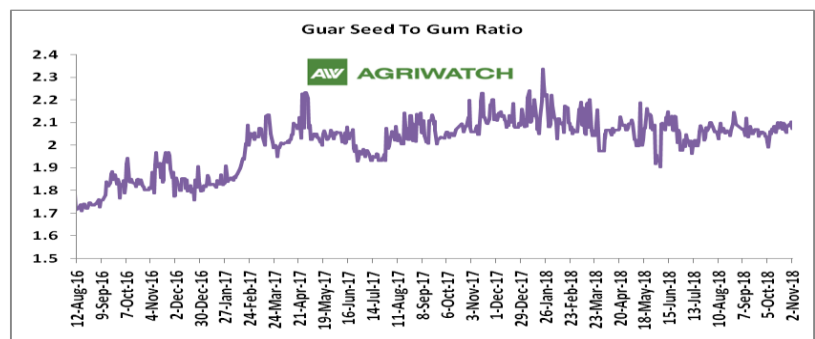
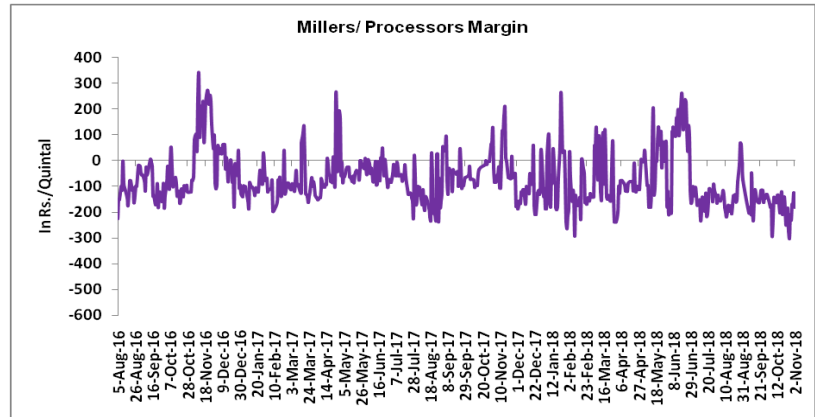
Overall, buoyant demand of gum from overseas and good demand of seed from millers has increased the overall ratio.

### Guar gum Weekly Export

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

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



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

Technical Analysis (Guar Seed)

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

Commodity: Guar Seed  
Contract: November

Exchange: NCDEX  
Expiry: November 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	November	4400	4325	4645.5	4955	5040
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	November	<b>Sell</b>	Below 4750	4600	4505	4840

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

**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	November	9565	9460	10180	10600	10710
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	<b>Sell</b>	Below 10280	9965	9690	10469

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	27th Oct to 02nd Nov	20th to 26th Oct	Change
Churi	Jodhpur	1573	1547	27
Korma	Jodhpur	2288	2256	32
Churi	Sri-Ganganagar	1413	1344	69
Korma	Sri-Ganganagar	2138	2076	63

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	27th Oct to 02nd Nov	20th to 26th Oct	Change
Guargum Split		1434	1356	79
Guargum Powder	200 Mesh 5000 CPS	1638	1617	22
	200 Mesh 3500 CPS	1570	1549	22
Guargum Meal	40%	304	293	11
	50%	422	418	4

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			27th Oct to 02nd Nov	20th to 26th Oct	
Rajasthan	Jodhpur	Jodhpur (Loose)	4621	4641	-20
		Jodhpur(Delivery)	4852	4873	-21
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4502	4503	-2
		Sri-Ganganagar (Delivery)	4652	4653	-2
		Rawla (Loose)	4441	4465	-24
		Gharsana (Loose)	4436	4487	-51
		Raisinghnagar (Loose)	4455	4513	-58
	Bikaner	Bikaner (Loose)	4465	4519	-54
		Bikaner (Delivery)	4688	4745	-57
		Nokha(Loose)	4398	4443	-45
		Nokha (Delivery)	4617	4665	-47
		Khajuwala (Loose)	4427	4470	-43
		Khajuwala (Delivery)	4648	4694	-46
		Lunkaransar (Loose)	4421	4458	-38
	Hanumangarh	Hanumangarh (Loose)	4458	4487	-28
		Hanumangarh (Delivery)	4681	4711	-30

		Nohar (Loose)	4432	4440	-8
		Pilibanga (Loose)	4495	4530	-35
	Nagaur	Nagaur (Loose)	4342	4304	38
	Churu	Churu (Delivery)	4570	4617	-47
	Alwar	Alwar (Loose)	4367	4408	-42
Haryana	Hisar	Adampur (Loose)	4355	4442	-87
		Adampur (Delivery)	4573	4664	-91
	Bhiwani	Bhiwani (Delivery)	4529	4550	-21
		Siwani (Loose)	4549	4518	31
	Sirsa	Sirsa (Loose)	4371	4370	1
		Dhabwali (Loose)	4321	4320	1
		Dhabwali (Delivery)	4537	4536	1
		Ellanabad (Loose)	4450	4392	58
	Fatehabad	Fatehabad (Loose)	4238	4247	-9
Gujarat	Banaskantha	Deesa (Loose)	4428	4442	-14
	Patan	Patan (Loose)	4542	4423	120
	Rajkot	Rajkot (Loose)	4524	4423	101
	Jamnagar	Dhrol (Loose)	4357	4291	65
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	10133	10133	Unch
	Alwar	Alwar	10125	10133	-8
	Hanumangarh	Nohar	10183	10125	58
Haryana	Bhiwani	Bhiwani	9901	10100	-199
	Sirsa	Sirsa	10125	10108	17
		Dhabwali	9542	9700	-158
		Ellanabad	10242	10225	17
	Fatehabad	Fatehabad	10075	10013	61

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			2-Nov-18	23-Oct-18	3-Oct-18	2-Nov-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4550	4675	4300	3600
		Jodhpur(Delivery)	4778	4909	4515	3780
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4450	4550	4100	3400
		Sri-Ganganagar (Delivery)	4600	4700	4250	3550
		Rawla (Loose)	4350	4520	4050	3415
		Gharsana (Loose)	4410	4500	4010	3420



		Raisinghnagar (Loose)	4300	4550	4080	3425
	<b>Bikaner</b>	Bikaner (Loose)	4400	4570	4100	3530
		Bikaner (Delivery)	4620	4799	4305	3707
		Nokha(Loose)	4250	4520	4025	3440
		Nokha (Delivery)	4463	4746	4226	3612
		Khajuwala (Loose)	4350	4470	4000	3400
		Khajuwala (Delivery)	4568	4694	4200	3570
		Lunkaransar (Loose)	4400	4550	4100	3500
	<b>Hanumangarh</b>	Hanumangarh (Loose)	4450	4520	4020	3475
		Hanumangarh (Delivery)	4673	4746	4221	3649
		Nohar (Loose)	4440	4450	4080	3500
		Pilibanga (Loose)	NA	4600	NA	3400
	<b>Nagaur</b>	Nagaur (Loose)	4200	4350	4000	3400
	<b>Churu</b>	Churu (Delivery)	4450	4700	4200	3450
	<b>Alwar</b>	Alwar (Loose)	4200	4500	3900	3300
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	4300	4450	4080	3500
		Adampur (Delivery)	4515	4673	4284	3675
	<b>Bhiwani</b>	Bhiwani (Delivery)	4450	4550	4225	3580
		Siwani (Loose)	4525	4500	4200	3550
	<b>Sirsa</b>	Sirsa (Loose)	4300	4400	4100	3500
		Dhabwali (Loose)	4250	4350	4050	3475
		Dhabwali (Delivery)	4463	4568	4050	3649
		Ellanabad (Loose)	4400	4400	4050	3425
	<b>Fatehabad</b>	Fatehabad (Loose)	4200	4300	4050	3475
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	4275	4500	NA	3400
	<b>Patan</b>	Patan (Loose)	4500	4425	3990	3310
	<b>Rajkot</b>	Rajkot (Loose)	Closed	4450	3960	NA
	<b>Jamnagar</b>	Dhrol (Loose)	Closed	4305	NA	3355
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	9900	10300	9200	7850
	<b>Alwar</b>	Alwar	10000	10200	9200	7850
	<b>Hanumangarh</b>	Nohar	10200	10100	9300	8100
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	9850	10200	9200	7900
	<b>Sirsa</b>	Sirsa	10000	10100	9200	7900
		Dhabwali	9400	9700	9150	7900
		Ellanabad	10200	10200	9200	7900
	<b>Fatehabad</b>	Fatehabad	9790	9970	9200	7900

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			27th Oct to 02nd Nov	20th to 26th Oct	
Rajasthan	Jodhpur	Jodhpur	300	440	-140
	Sri-Ganganagar	Sri-Ganganagar	23000	26000	-3000
		Rawla	4900	1500	3400
		Gharsana	3100	2700	400
		Raisinghnagar	7000	10000	-3000
	Bikaner	Bikaner	11200	15500	-4300
		Nokha	11800	9300	2500
		Khajuwala	5200	2050	3150
		Lunkaransar	3500	4000	-500
	Hanumangarh	Hanumangarh	2050	4800	-2750
		Nohar	3700	4550	-850
		Pilibanga	2000	3200	-1200
	Nagaur	Nagaur	2000	2300	-300
	Churu	Churu	9600	14000	-4400
	Alwar	Alwar	1650	3500	-1850
Haryana	Hisar	Adampur	5200	8900	-3700
	Bhiwani	Bhiwani	5050	4900	150
		Siwani	15500	10000	5500
	Sirsa	Sirsa	3900	14000	-10100
		Dhabwali	2700	7000	-4300
		Ellanabad	2750	4300	-1550
	Fatehabad	Fatehabad	1400	2400	-1000
Gujarat	Banaskantha	Deesa	2200	1110	1090
	Patan	Patan	802	557	245
	Rajkot	Rajkot	1100	1550	-450
	Jamnagar	Dhrol	14	31	-17
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			131616	158588	-26972

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