



Guar Weekly Research Report

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Executive Summary

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Domestic Guar Seed Market Summary

All India weekly average prices increased by 3.81 percent to Rs. 4352.88 per quintal during the week ended 15th November 2018. Guar seed average price were ruling at Rs 4193.19 per quintal during 01-08 November 2018. As compared to prices in the week 09-15 November 2017, the prices are firm by 32.00 percent. Prices are expected to remain steady to weak in coming days.

Guar seed future December contract touched a low of Rs 4616.00 per quintal before closing at Rs 4648.50 per quintal in last week. As per trade sources, guar is likely to be bearish in coming weeks and touch Rs 4400-4450.00 per quintal.

As per millers, average recovery of guar gum from guar seed is coming around 29.00-29.50 kg. Recovery is slightly lower this year due to black guar.

The wholesale price index of guar seed has increased from 97.0 in September 2018 to 100.3 in October 2018. The WPI for October 2018 is up by 17.72 compared to last year for the same month and by 27.45 compared to October 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 increased to 1082 as on 16th November 2018 up by 1 compared to 09th November 2018 and up by 167 compared to 17th November 2017. The total number of oil rigs was recorded at 2271 worldwide in October'18 compared to 2077 in the same month last year. Slick water is slightly 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 (15000 quintals) compared to previous week arrivals of 4500 quintals.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (6150 quintals) compared to previous week arrivals of 4000 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:

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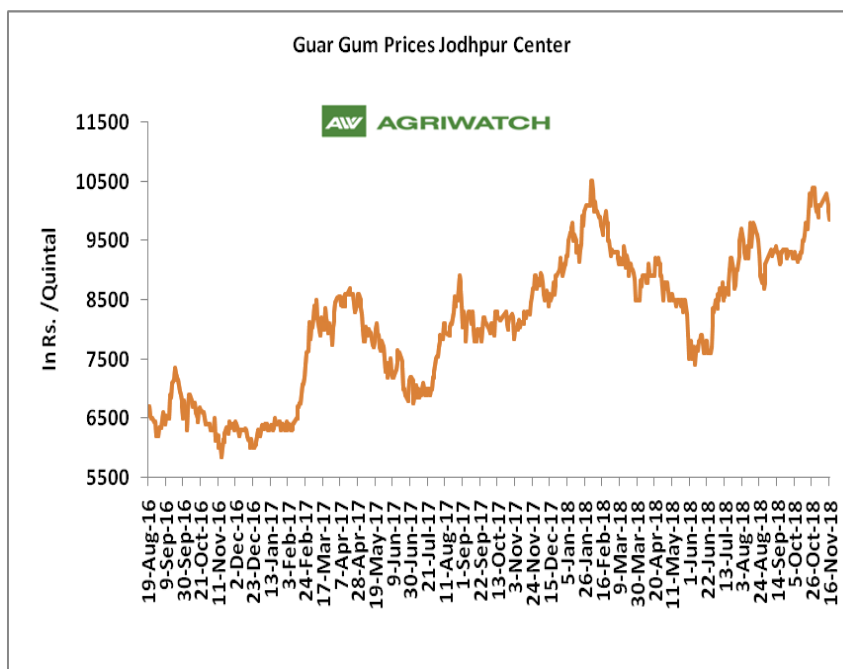
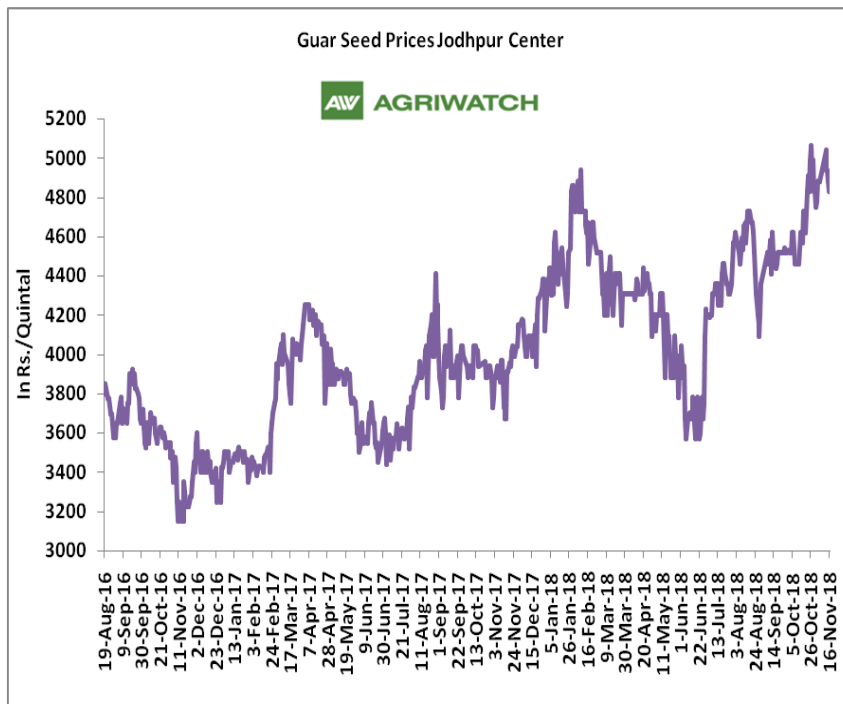
Weekly Call - : Market participants are advised to sell Guar seed at 4645 levels for a target of 4430 with a stop loss at 4723 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 16th November'18, Guar seed weekly average prices increased by Rs 42.00/- qtl and settled at Rs 4925 per quintal.
- In addition, Guar gum weekly price decreased by Rs 10.00 per quintal and settled at Rs. 10090 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.

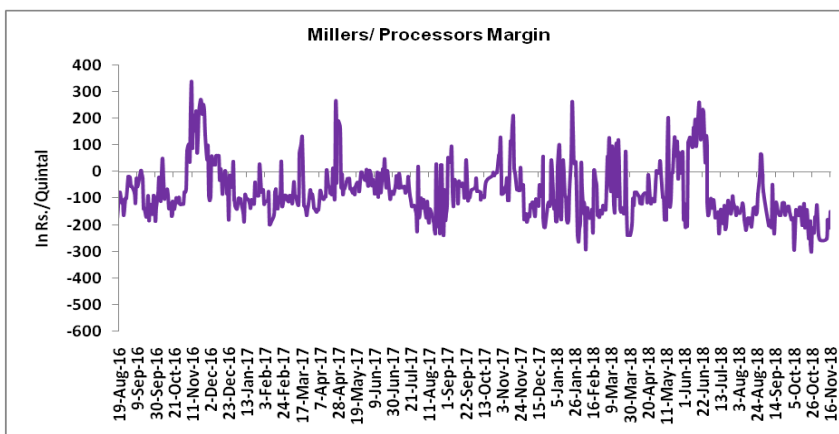


Millers/Processors Margin

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In the week ended 16th November'18, average crush margin is Rs. -197.01/Quintal, compared to last week's -248.62/Quintal. Therefore, crushing is not favorable for Millers/Processors.

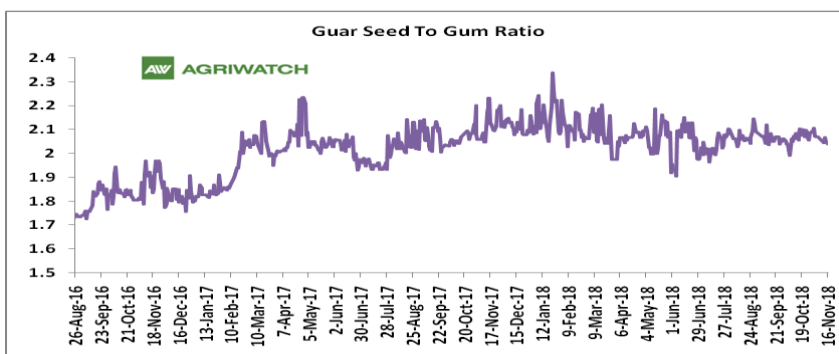
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 16th November'18 is 2.05, higher compared to last week's 2.07

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: December

Exchange: NCDEX
Expiry: December 20, 2018



Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- RSI is moving in neutral 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	December	4325	4240	4648.5	4835	4895
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	December	Sell	Below 4645	4515	4430	4723

Technical Analysis (Guar Gum)
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Commodity: Guar Gum
Contract: December
Exchange: NCDEX
Expiry: December 20, 2018

Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- RSI is moving in neutral region.
- Prices closed between 9 and 18 day EMAs.
- Last candlestick depicts bullishness in market.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	December	8980	8900	9660	10000	10115
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	December	Sell	Below 9650	9300	9095	9860

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	10th to 16th Nov	03rd to 09th Nov	Change
Churi	Jodhpur	1763	1608	154
Korma	Jodhpur	2173	2155	18
Churi	Sri-Ganganagar	1606	1463	143
Korma	Sri-Ganganagar	2228	2156	72

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	10th to 16th Nov	03rd to 09th Nov	Change
Guargum Split		1389	1388	2
Guargum Powder	200 Mesh 5000 CPS	1666	1662	3
	200 Mesh 3500 CPS	1597	1594	3
Guargum Meal	40%	320	316	4
	50%	440	426	14

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			10th to 16th Nov	03rd to 09th Nov	
Rajasthan	Jodhpur	Jodhpur (Loose)	4683	4650	33
		Jodhpur(Delivery)	4918	4883	35
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4545	4539	6
		Sri-Ganganagar (Delivery)	4695	4689	6
		Rawla (Loose)	4465	4470	-5
		Gharsana (Loose)	4450	4476	-26
		Raisinghnagar (Loose)	4497	4508	-11
	Bikaner	Bikaner (Loose)	4510	4535	-25
		Bikaner (Delivery)	4736	4762	-26
		Nokha(Loose)	4458	4445	13
		Nokha (Delivery)	4680	4667	13
		Khajuwala (Loose)	4477	4450	27
		Khajuwala (Delivery)	4701	4673	28
		Lunkaransar (Loose)	4475	4460	15
	Hanumangarh	Hanumangarh (Loose)	4509	4500	9
		Hanumangarh (Delivery)	4735	4725	10
		Nohar (Loose)	4508	4462	46

		Pilibanga (Loose)	4565	NA	-
	Nagaur	Nagaur (Loose)	4367	4310	57
	Churu	Churu (Delivery)	4629	4483	146
	Alwar	Alwar (Loose)	4379	4233	146
Haryana	Hisar	Adampur (Loose)	4438	4410	28
		Adampur (Delivery)	4660	4631	30
	Bhiwani	Bhiwani (Delivery)	4625	4575	50
		Siwani (Loose)	4571	4570	1
	Sirsa	Sirsa (Loose)	4495	4448	47
		Dhabwali (Loose)	4457	4398	58
		Dhabwali (Delivery)	4680	4618	61
		Ellanabad (Loose)	4450	4513	-63
	Fatehabad	Fatehabad (Loose)	4328	4300	28
Gujarat	Banaskantha	Deesa (Loose)	4506	4400	106
	Patan	Patan (Loose)	4610	4565	45
	Rajkot	Rajkot (Loose)	4533	NA	-
	Jamnagar	Dhrol (Loose)	4418	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	10092	10100	-8
	Alwar	Alwar	10042	10067	-25
	Hanumangarh	Nohar	10125	10233	-108
Haryana	Bhiwani	Bhiwani	10133	10140	-7
	Sirsa	Sirsa	10300	10130	170
		Dhabwali	9575	9590	-15
		Ellanabad	10092	10325	-233
	Fatehabad	Fatehabad	9930	9998	-68

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			16-Nov-18	8-Nov-18	16-Oct-18	16-Nov-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4600	4650	4350	3500
		Jodhpur(Delivery)	4830	4883	4568	3675
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4500	4550	4210	3530
		Sri-Ganganagar (Delivery)	4650	4700	4360	3680
		Rawla (Loose)	4400	4450	4170	3525
		Gharsana (Loose)	4400	4425	4190	3520

		Raisinghnagar (Loose)	4420	4525	4230	3550
	Bikaner	Bikaner (Loose)	4400	4550	4200	3560
		Bikaner (Delivery)	4620	4778	4410	3738
		Nokha(Loose)	4300	4420	4160	3520
		Nokha (Delivery)	4515	4641	4368	3696
		Khajuwala (Loose)	4410	4350	4180	3580
		Khajuwala (Delivery)	4631	4568	4389	3759
		Lunkaransar (Loose)	4450	4400	4150	3500
	Hanumangarh	Hanumangarh (Loose)	4460	4503	4150	3560
		Hanumangarh (Delivery)	4683	4728	4358	3738
		Nohar (Loose)	4400	4425	4200	3600
		Pilibanga (Loose)	4500	4430	4200	3540
	Nagaur	Nagaur (Loose)	4400	4300	4000	NA
	Churu	Churu (Delivery)	4550	4450	4300	NA
	Alwar	Alwar (Loose)	4300	4200	4000	3550
Haryana	Hisar	Adampur (Loose)	4300	4370	4025	3575
		Adampur (Delivery)	4515	4589	4226	3754
	Bhiwani	Bhiwani (Delivery)	4600	4550	4400	3725
		Siwani (Loose)	4525	4500	4300	3675
	Sirsa	Sirsa (Loose)	NA	4385	4050	3625
		Dhabwali (Loose)	4500	4335	4000	3600
		Dhabwali (Delivery)	4725	4552	4200	3780
		Ellanabad (Loose)	4400	4600	4050	3600
	Fatehabad	Fatehabad (Loose)	4300	4250	3800	NA
Gujarat	Banaskantha	Deesa (Loose)	4600	4400	4010	3450
	Patan	Patan (Loose)	4760	4565	4100	3525
	Rajkot	Rajkot (Loose)	4475	4520	4055	3455
	Jamnagar	Dhrol (Loose)	4350	4410	3850	NA
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9850	10100	9500	8200
	Alwar	Alwar	9800	10000	9400	8350
	Hanumangarh	Nohar	10000	10150	9500	8300
Haryana	Bhiwani	Bhiwani	10000	9950	9600	8250
	Sirsa	Sirsa	NA	10000	9500	8200
		Dhabwali	9600	9500	9100	8250
		Ellanabad	9800	10300	9500	8300
	Fatehabad	Fatehabad	9790	9942	9450	NA

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			10th to 16th Nov	03rd to 09th Nov	
Rajasthan	Jodhpur	Jodhpur	400	90	310
	Sri-Ganganagar	Sri-Ganganagar	17200	4800	12400
		Rawla	9600	4000	5600
		Gharsana	10000	2500	7500
		Raisinghnagar	9700	4500	5200
	Bikaner	Bikaner	15000	4500	10500
		Nokha	13000	5200	7800
		Khajuwala	10100	4300	5800
		Lunkaransar	6200	3700	2500
	Hanumangarh	Hanumangarh	1250	200	1050
		Nohar	5000	1300	3700
		Pilibanga	2390	NA	-
	Nagaur	Nagaur	2600	850	1750
	Churu	Churu	5800	3500	2300
	Alwar	Alwar	2900	1400	1500
Haryana	Hisar	Adampur	6150	4000	2150
	Bhiwani	Bhiwani	2400	1150	1250
		Siwani	12800	11500	1300
	Sirsa	Sirsa	2000	3600	-1600
		Dhabwali	2600	1800	800
		Ellanabad	2250	1900	350
	Fatehabad	Fatehabad	1150	900	250
Gujarat	Banaskantha	Deesa	1794	300	1494
	Patan	Patan	742	135	607
	Rajkot	Rajkot	1343	NA	-
	Jamnagar	Dhrol	49	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			144418	66125	78293

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