



Guar Weekly Research Report

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Executive Summary[\(Back to Table of Contents\)](#)**Domestic Guar Seed Market Summary**

All India weekly average prices increased by 0.95 percent to Rs. 4007.82 per quintal during the week ended 15th December 2018. Guar seed average price were ruling at Rs 3970.27 per quintal during 01-08 December 2018. As compared to prices in the week 09-15 December 2017, the prices are firm by 12.91 percent. Prices are expected to remain steady to weak in coming days.

Guar prices were slightly firm during last week and closed at Rs 4417 per quintal. Although OPEC agreed on production cuts but oil traders do not think it will be enough to stabilize oil markets in 2019. Guar traders believe is likely to be bearish with small technical recoveries in coming weeks and touch Rs 4200.00-4250.00 per quintal.

The wholesale price index of guar seed has increased from 100.3 in October 2018 to 108.4 in November 2018. The WPI for November 2018 is up by 28.28 compared to last year for the same month and by 45.50 compared to November 2016. WPI is expected to stay firm in December'18 as well.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 1071 as on 14th December 2018 down by 4 compared to 07th December 2018 and up by 141 compared to 15th December 2017. The total number of oilrigs was recorded at 2266 worldwide in November'18 compared to 2057 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 (7402 quintals) compared to previous week arrivals of 3800 quintals.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (4800 quintals) compared to previous week arrivals of 4100 quintals.

Previous Updates

As per trade sources, export of guar gum has decreased in the month of October by 3.00 percent compared to previous month. India exported around 17854 tonnes of guar gum at an average FoB of \$ 1853.62 per tonne in the month of October.

The wholesale price index of guar seed has increased from 97.0 in September 2018 to 100.3 in October 2018.

As per trade sources, export of guar split has increased in the month of October. Exports in the month of October are up by around 31.19% compared to previous month. India exported around 5640 tonnes of guar split in the month of October at an average FoB of \$ 1375.10 per tonne.

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

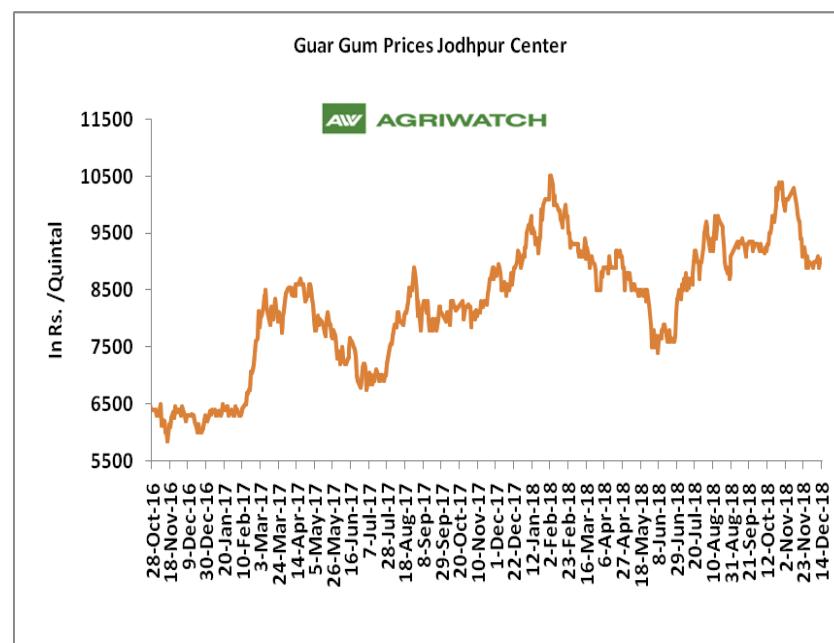
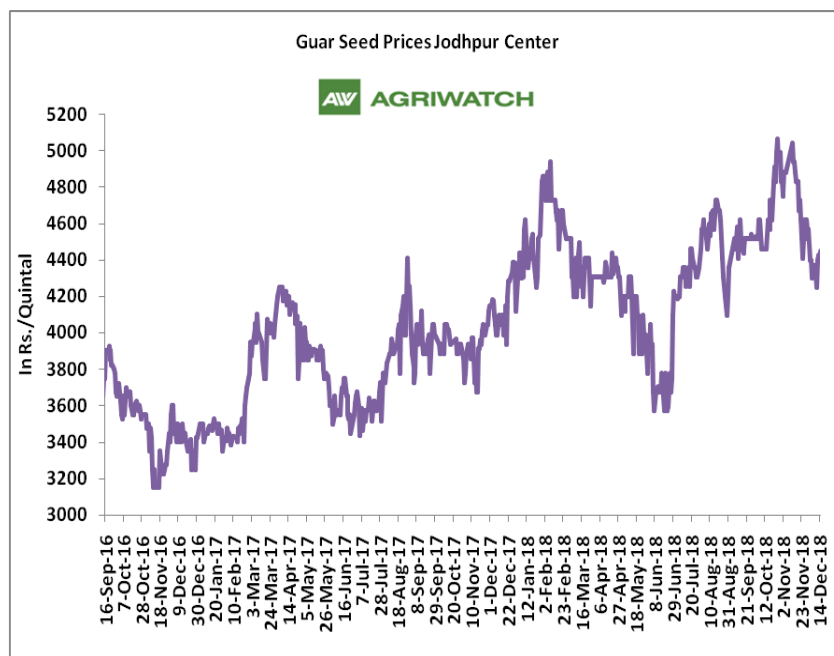
Weekly Call - : Market participants are advised to sell Guar seed at 4460 levels for a target of 4255 with a stop loss at 4583 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 14th December'18, Guar seed weekly average prices increased by Rs 14.50/- qtl and settled at Rs 4383 per quintal.
- In addition, Guar gum weekly price increased by Rs 38.33 per quintal and settled at Rs. 9008 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.

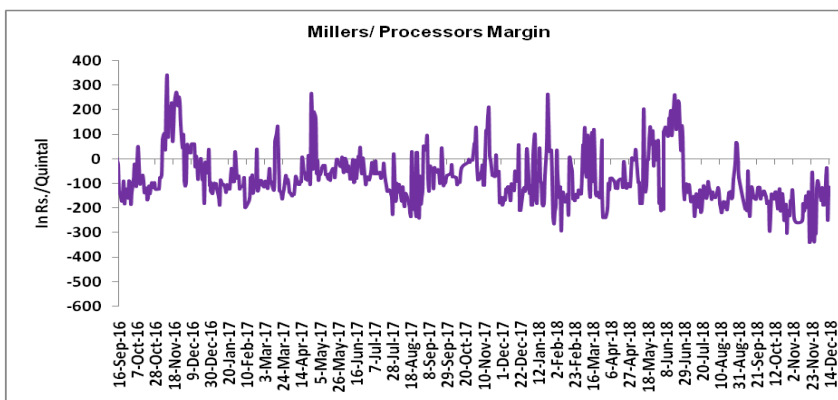


Millers/Processors Margin

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In the week ended 14th December'18, average crush margin is Rs. -142.58/Quintal, compared to last week's -162.95/Quintal. Therefore, crushing is not favorable for Millers/Processors.

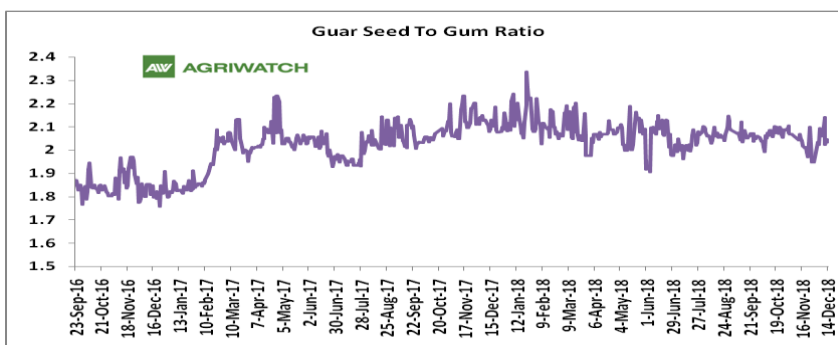
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 14th December'18 is 2.06, 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 October-2018	4838.02	1813.26
09-16 October -2018	5676.96	1962.34
17-23 October -2018	3841.31	1750.45
24-31 October -2018	3497.54	1711.65
Total	17853.83	

Source: Trade

Technical Analysis (Guar Seed)

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Commodity: Guar Seed
Contract: January

Exchange: NCDEX
Expiry: January 18, 2019



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- RSI is moving 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	January	4050	3995	4417	4695	4790
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	January	Sell	Below 4460	4255	4150	4583

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: January

Exchange: NCDEX
Expiry: January 20, 2018



Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- RSI is moving in oversold 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 Gum	NCDEX	January	8100	8000	8865	9355	9470
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Sell	Below 8960	8545	8230	9202

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	8th Dec to 14th Dec 2018	1st Dec to 7th Dec 2018	Change
Churi	Jodhpur	1800	1825	-25
Korma	Jodhpur	2294	2225	69
Churi	Sri-Ganganagar	1604	1651	-47
Korma	Sri-Ganganagar	2288	2259	29

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	8th Dec to 14th Dec 2018	1st Dec to 7th Dec 2018	Change
Guargum Split		1262	1258	4
Guargum Powder	200 Mesh 5000 CPS	1542	1542	1
	200 Mesh 3500 CPS	1472	1471	2
Guargum Meal	40%	337	334	3
	50%	449	455	-6

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			8th to 14th Dec 2018	1st to 7th Dec 2018	
Guar Seed	Jodhpur	Jodhpur (Loose)	4385	4334	51
		Jodhpur(Delivery)	4604	4551	54
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4208	4194	14
		Sri-Ganganagar (Delivery)	4358	4344	14
		Rawla (Loose)	4182	4152	30
		Gharsana (Loose)	4180	4162	18
		Raisinghnagar (Loose)	4213	4178	35
	Bikaner	Bikaner (Loose)	4236	4191	45
		Bikaner (Delivery)	4448	4401	47
		Nokha(Loose)	4153	4111	42
		Nokha (Delivery)	4361	4317	44
		Khajuwala (Loose)	4198	4174	24
		Khajuwala (Delivery)	4408	4383	26
		Lunkaransar (Loose)	4217	4160	57
	Hanumangarh	Hanumangarh (Loose)	4180	4109	71
		Hanumangarh (Delivery)	4389	4314	75
		Nohar (Loose)	4225	4219	6

		Pilibanga (Loose)	4200	4153	48
	Nagaur	Nagaur (Loose)	4035	4055	-20
	Churu	Churu (Delivery)	4417	4350	67
	Alwar	Alwar (Loose)	4167	4080	87
Haryana	Hisar	Adampur (Loose)	4233	4221	13
		Adampur (Delivery)	4445	4432	13
	Bhiwani	Bhiwani (Delivery)	4400	4378	22
		Siwani (Loose)	4361	4321	40
	Sirsa	Sirsa (Loose)	4221	4226	-5
		Dhabwali (Loose)	4179	4141	38
		Dhabwali (Delivery)	4353	4348	5
		Ellanabad (Loose)	4167	4163	4
	Fatehabad	Fatehabad (Loose)	4050	4095	-45
Gujarat	Banaskantha	Deesa (Loose)	4178	4188	-10
	Patan	Patan (Loose)	4303	4256	48
	Rajkot	Rajkot (Loose)	4245	4248	-3
	Jamnagar	Dhrol (Loose)	4062	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9010	8970	40
	Alwar	Alwar	8983	9040	-57
	Hanumangarh	Nohar	9000	9075	-75
Haryana	Bhiwani	Bhiwani	9260	9332	-72
	Sirsa	Sirsa	8925	8833	92
		Dhabwali	8875	8783	92
		Ellanabad	8875	8892	-17
	Fatehabad	Fatehabad	8855	8770	85

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			14-Dec-18	7-Dec-18	14-Nov-18	14-Dec-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4450	Closed	4700	3900
		Jodhpur(Delivery)	4673	Closed	4935	4095
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4200	4250	4500	3800
		Sri-Ganganagar (Delivery)	4350	4400	4650	3950
		Rawla (Loose)	4200	4150	4420	3700
		Gharsana (Loose)	4220	4140	4400	3720

		Raisinghnagar (Loose)	4225	4200	4450	3750
	Bikaner	Bikaner (Loose)	4250	4200	4460	3750
		Bikaner (Delivery)	4463	4410	4683	3938
		Nokha(Loose)	4240	4110	4470	3775
		Nokha (Delivery)	4452	4316	4694	3964
		Khajuwala (Loose)	4220	4180	4470	3650
		Khajuwala (Delivery)	4431	4389	4694	3833
		Lunkaransar (Loose)	4225	4150	4450	3700
	Hanumangarh	Hanumangarh (Loose)	4200	4100	4500	3770
		Hanumangarh (Delivery)	4410	4305	4725	3959
		Nohar (Loose)	4200	Closed	4475	3800
		Pilibanga (Loose)	NR	Closed	4540	3700
	Nagaur	Nagaur (Loose)	4000	Closed	4400	3660
	Churu	Churu (Delivery)	4450	4350	4700	3800
	Alwar	Alwar (Loose)	4200	4050	4450	3700
Haryana	Hisar	Adampur (Loose)	4250	4200	4380	3750
		Adampur (Delivery)	4463	4410	4599	3938
	Bhiwani	Bhiwani (Delivery)	4375	4400	4550	3920
		Siwani (Loose)	4370	4350	4500	3875
	Sirsa	Sirsa (Loose)	4250	4200	4500	3760
		Dhabwali (Loose)	4200	4100	4400	3750
		Dhabwali (Delivery)	4200	4305	4620	3938
		Ellanabad (Loose)	4200	4150	4400	3800
	Fatehabad	Fatehabad (Loose)	4050	4150	4300	3620
Gujarat	Banaskantha	Deesa (Loose)	4130	Closed	4500	NA
	Patan	Patan (Loose)	4310	4220	4625	NA
	Rajkot	Rajkot (Loose)	4260	4230	4555	3695
	Jamnagar	Dhrol (Loose)	4000	NA	4450	NA
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	3500
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9050	Closed	10100	8600
	Alwar	Alwar	9000	9000	10050	8700
	Hanumangarh	Nohar	9000	Closed	10000	8600
Haryana	Bhiwani	Bhiwani	9150	9300	10000	8800
	Sirsa	Sirsa	9000	8800	10500	8650
		Dhabwali	8900	8800	9500	8550
		Ellanabad	8950	8850	10100	8600
	Fatehabad	Fatehabad	8900	8740	9830	8600

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			8th to 14th Dec 2018	1st to 7th Dec 2018	
Rajasthan	Jodhpur	Jodhpur	81	163	-82
	Sri-Ganganagar	Sri-Ganganagar	3200	5000	-1800
		Rawla	2050	3800	-1750
		Gharsana	2350	2750	-400
		Raisinghnagar	3500	3200	300
	Bikaner	Bikaner	7402	3800	3602
		Nokha	2450	2000	450
		Khajuwala	6300	5900	400
		Lunkaransar	2200	1200	1000
	Hanumangarh	Hanumangarh	575	860	-285
		Nohar	3000	2400	600
		Pilibanga	180	505	-325
	Nagaur	Nagaur	800	1050	-250
	Churu	Churu	3400	2700	700
	Alwar	Alwar	1800	1100	700
Haryana	Hisar	Adampur	4800	4100	700
	Bhiwani	Bhiwani	1200	1800	-600
		Siwani	7700	8400	-700
	Sirsa	Sirsa	8600	7600	1000
		Dhabwali	1620	1190	430
		Ellanabad	2600	2500	100
	Fatehabad	Fatehabad	900	1350	-450
Gujarat	Banaskantha	Deesa	585	593	-8
	Patan	Patan	344	590	-246
	Rajkot	Rajkot	440	825	-385
	Jamnagar	Dhrol	25	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			68102	65376	2726

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