



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 decreased by 1.07 percent to Rs. 3965.10 per quintal during the week ended 23rd December 2018. Guar seed average price were ruling at Rs 4007.82 per quintal during 09-15 December 2018. As compared to prices in the week 16-23 December 2017, the prices are firm by 12.53 percent. Prices are expected to remain steady to weak in coming days.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1080 as on 21st December 2018 up by 9 compared to 14th December 2018 and up by 149 compared to 22nd 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 per trade sources, export of guar gum has decreased in the month of November by 19.43 percent compared to previous month. India exported around 14386 tonnes of guar gum at an average FoB of \$ 1751.46 per tonne in the month of October compared to 17854 tonnes in October at an average FoB of \$ 1853.62 per tonne. Exports are expected to recover low in December-18 as well.

As per trade sources, export of guar split has increased in the month of November. Exports in the month of November are up by around 17.02% compared to previous month. India exported around 5640 tonnes of guar split in the month of October at an average FoB of \$ 1475.23 per tonne. Of the total quantity, around 4800 tonnes and 1419 tonnes have been exported to China and Unites States respectively.

Guar prices were weak by Rs 109 per quintal during last week and closed at Rs 4308 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 that guar is likely to be bearish with small technical recoveries in coming weeks and touch Rs 4050.00-4100.00 per quintal.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (7700 quintals) compared to previous week arrivals of 7402 quintals.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (5300 quintals) compared to previous week arrivals of 4800 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.

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

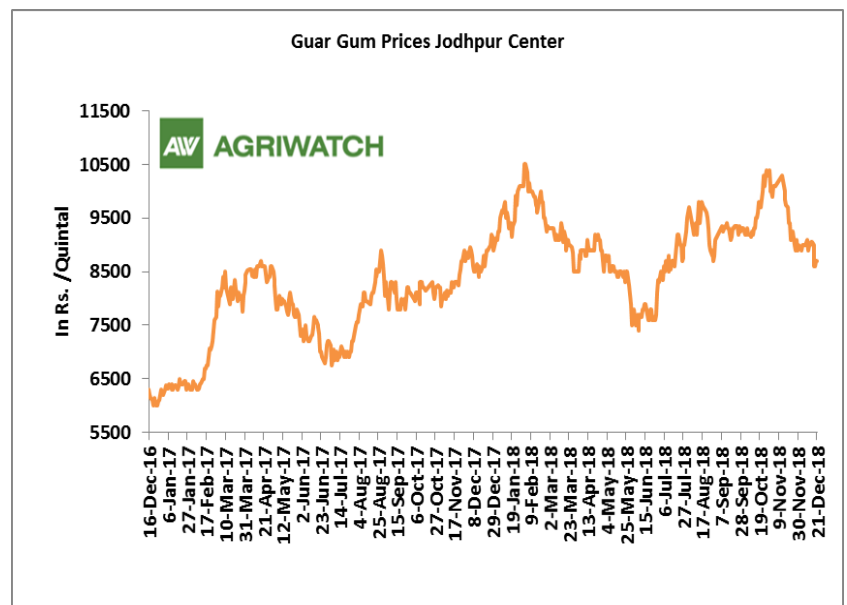
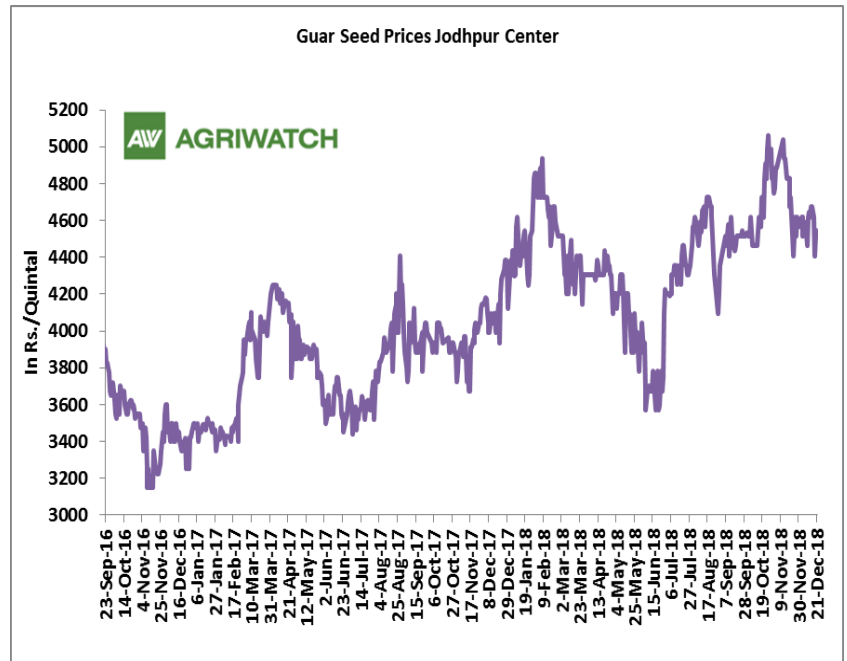
Weekly Call - : Market participants are advised to sell Guar seed at 4325 levels for a target of 4120 with a stop loss at 4448 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 21st December'18, Guar seed weekly average prices decreased by Rs 51.75/- qtl and settled at Rs 4550 per quintal.
- In addition, Guar gum weekly price decreased by Rs 233.33 per quintal and settled at Rs. 8775 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.

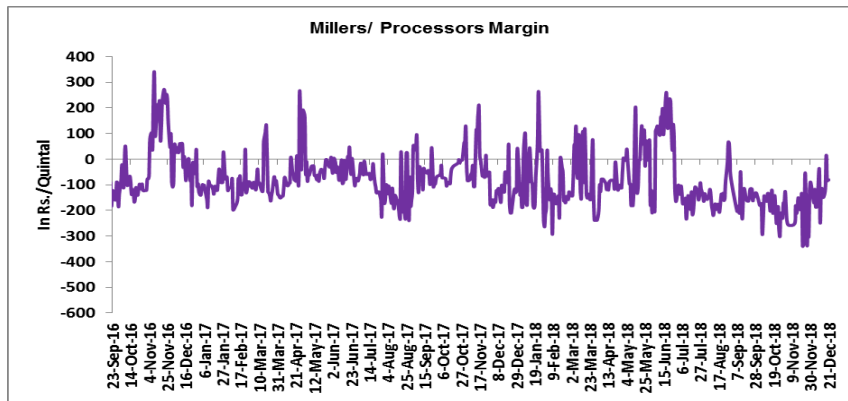


Millers/Processors Margin

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In the week ended 21st December'18, average crush margin is Rs. - 81.84/Quintal, compared to last week's -142.58/Quintal. Therefore, crushing is not favorable for Millers/Processors.

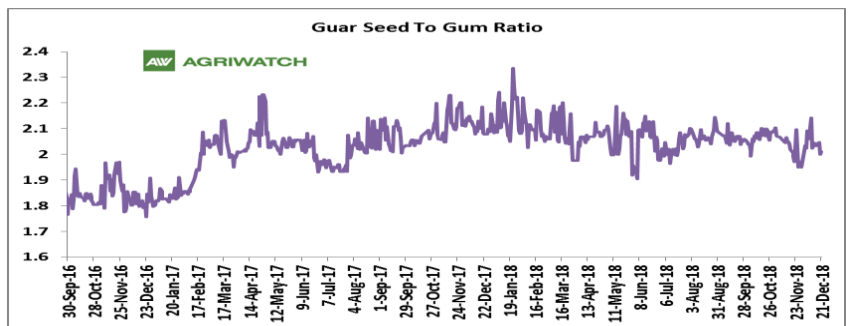
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 21st December'18 is 2.02, higher compared to last week's 2.06

Weak overseas demand of gum and good demand of seed from millers has decreased the overall ratio.



Guar gum Weekly Export

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Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08 November-2018	2291.01	1642.88
09-15 November -2018	2780.08	1781.80
16-22 November -2018	3930.78	1811.58
23-30 November -2018	5383.72	1751.22
Total	14385.59	

Source: Trade

Technical Analysis (Guar Seed)

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Commodity: Guar Seed
Contract: January

Exchange: NCDEX
Expiry: January 18, 2019



Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- RSI is moving down 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	3900	3815	4308	4560	4645
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	January	Sell	Below 4325	4120	4005	4448

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	7880	7795	8594	9120	9315
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Sell	Below 8620	8205	8000	8869

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	15th to 21st Dec 2018	8th to 14th Dec 2018	Change
Churi	Jodhpur	1842	1800	42
Korma	Jodhpur	2475	2294	181
Churi	Sri-Ganganagar	1681	1604	78
Korma	Sri-Ganganagar	2196	2288	-92

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	15th to 21st Dec 2018	8th to 14th Dec 2018	Change
Guargum Split		1251	1262	-11
Guargum Powder	200 Mesh 5000 CPS	1533	1542	-9
	200 Mesh 3500 CPS	1463	1472	-9
Guargum Meal	40%	339	337	2
	50%	461	449	12

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			15th to 21st Dec 2018	8th to 14th Dec 2018	
Guar Seed	Jodhpur	Jodhpur (Loose)	4335	4385	-50
		Jodhpur(Delivery)	4552	4604	-53
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4151	4208	-58
		Sri-Ganganagar (Delivery)	4301	4358	-58
		Rawla (Loose)	4112	4182	-70
		Gharsana (Loose)	4118	4180	-62
		Raisinghnagar (Loose)	4118	4213	-95
	Bikaner	Bikaner (Loose)	4178	4236	-58
		Bikaner (Delivery)	4387	4448	-61
		Nokha(Loose)	4170	4153	17
		Nokha (Delivery)	4379	4361	18
		Khajuwala (Loose)	4142	4198	-57
		Khajuwala (Delivery)	4349	4408	-60
		Lunkaransar (Loose)	4146	4217	-71
	Hanumangarh	Hanumangarh (Loose)	4130	4180	-50
		Hanumangarh (Delivery)	4337	4389	-53
		Nohar (Loose)	4171	4225	-54

		Pilibanga (Loose)	4177	4200	-23
	Nagaur	Nagaur (Loose)	4021	4035	-14
	Churu	Churu (Delivery)	4283	4417	-133
	Alwar	Alwar (Loose)	4028	4167	-138
Haryana	Hisar	Adampur (Loose)	4179	4233	-54
		Adampur (Delivery)	4388	4445	-57
	Bhiwani	Bhiwani (Delivery)	4346	4400	-54
		Siwani (Loose)	4289	4361	-72
	Sirsa	Sirsa (Loose)	4171	4221	-50
		Dhabwali (Loose)	4105	4179	-74
		Dhabwali (Delivery)	4310	4353	-43
		Ellanabad (Loose)	4129	4167	-38
	Fatehabad	Fatehabad (Loose)	4017	4050	-33
Gujarat	Banaskantha	Deesa (Loose)	4153	4178	-26
	Patan	Patan (Loose)	4239	4303	-64
	Rajkot	Rajkot (Loose)	4124	4245	-121
	Jamnagar	Dhrol (Loose)	4003	4062	-58
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8790	9010	-220
	Alwar	Alwar	8758	8983	-225
	Hanumangarh	Nohar	8833	9000	-167
Haryana	Bhiwani	Bhiwani	9058	9260	-202
	Sirsa	Sirsa	8758	8925	-167
		Dhabwali	8700	8875	-175
		Ellanabad	8717	8875	-158
	Fatehabad	Fatehabad	8650	8855	-205

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			21-Dec-18	14-Dec-18	21-Nov-18	21-Dec-17
Rajasthan	Jodhpur	Jodhpur (Loose)	Closed	4450	4500	4000
		Jodhpur(Delivery)	Closed	4673	4725	4200
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4150	4200	4250	3750
		Sri-Ganganagar (Delivery)	4300	4350	4400	3900
		Rawla (Loose)	4080	4200	4240	3740
		Gharsana (Loose)	4100	4220	4260	3745

		Raisinghnagar (Loose)	4075	4225	4300	3800
	Bikaner	Bikaner (Loose)	4150	4250	4280	3850
		Bikaner (Delivery)	4358	4463	4494	4043
		Nokha(Loose)	4150	4240	4280	3850
		Nokha (Delivery)	4358	4452	4494	4043
		Khajuwala (Loose)	4120	4220	4290	3850
		Khajuwala (Delivery)	4326	4431	4505	4043
		Lunkaransar (Loose)	4125	4225	4250	3800
	Hanumangarh	Hanumangarh (Loose)	4100	4200	4350	3750
		Hanumangarh (Delivery)	4305	4410	4568	3938
		Nohar (Loose)	4200	4200	4200	3850
		Pilibanga (Loose)	4060	4260	4400	3850
	Nagaur	Nagaur (Loose)	4025	4000	4300	3700
	Churu	Churu (Delivery)	4270	4450	4350	3850
	Alwar	Alwar (Loose)	4000	4200	4200	3650
Haryana	Hisar	Adampur (Loose)	4200	4250	4300	3840
		Adampur (Delivery)	4410	4463	4515	4032
	Bhiwani	Bhiwani (Delivery)	4325	4375	4425	3950
		Siwani (Loose)	4300	4370	4310	3910
	Sirsa	Sirsa (Loose)	4140	4250	4500	3825
		Dhabwali (Loose)	4070	4200	4260	3800
		Dhabwali (Delivery)	4274	4410	4473	3990
		Ellanabad (Loose)	4100	4200	4250	3800
	Fatehabad	Fatehabad (Loose)	4000	4050	4200	3750
Gujarat	Banaskantha	Deesa (Loose)	4090	4130	4430	3700
	Patan	Patan (Loose)	4125	4310	4490	3720
	Rajkot	Rajkot (Loose)	4065	4260	4410	3755
	Jamnagar	Dhrol (Loose)	NA	4000	4320	NA
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	3650
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	Closed	9050	9400	8750
	Alwar	Alwar	8650	9000	9400	8600
	Hanumangarh	Nohar	8800	9000	9600	8700
Haryana	Bhiwani	Bhiwani	9050	9150	9700	8650
	Sirsa	Sirsa	8800	9000	10500	8750
		Dhabwali	8700	8900	8800	8600
		Ellanabad	8650	8950	9250	8700
	Fatehabad	Fatehabad	8500	8900	9170	8700

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			15th to 21st Dec 2018	8th to 14th Dec 2018	
Rajasthan	Jodhpur	Jodhpur	123	81	42
	Sri-Ganganagar	Sri-Ganganagar	5900	3200	2700
		Rawla	3550	2050	1500
		Gharsana	3400	2350	1050
		Raisinghnagar	4600	3500	1100
	Bikaner	Bikaner	7700	7402	298
		Nokha	4200	2450	1750
		Khajuwala	8200	6300	1900
		Lunkaransar	3650	2200	1450
	Hanumangarh	Hanumangarh	1850	575	1275
		Nohar	7100	3000	4100
		Pilibanga	1635	180	1455
	Nagaur	Nagaur	1250	800	450
	Churu	Churu	3800	3400	400
	Alwar	Alwar	2750	1800	950
Haryana	Hisar	Adampur	5300	4800	500
	Bhiwani	Bhiwani	2550	1200	1350
		Siwani	7900	7700	200
	Sirsa	Sirsa	13000	8600	4400
		Dhabwali	2100	1620	480
		Ellanabad	3800	2600	1200
	Fatehabad	Fatehabad	900	900	Unch
Gujarat	Banaskantha	Deesa	721	585	136
	Patan	Patan	431	344	87
	Rajkot	Rajkot	385	440	-55
	Jamnagar	Dhrol	8	25	-17
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			96803	68102	28701

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