



Guar Weekly Research Report

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Executive Summary

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Domestic Guar Seed Market Summary

All India weekly average prices decreased by 1.93 percent to Rs. 3888.73 per quintal during the week ended 31st December 2018. Guar seed average price were ruling at Rs 3965.10 per quintal during 16-23 December 2018. As compared to prices in the week 24-31 December 2017, the prices are firm by 5.56 percent. Prices are expected to remain steady to firm in coming days.

Guar prices were weak by Rs 58.50 per quintal during last week and closed at Rs 4249.50 per quintal. Guar prices are expected to remain bullish in short to medium term due to fall in arrivals and increase in export demand compared to previous months. Guar traders believe that guar is likely to be bullish with small technical corrections in coming weeks and touch Rs 4350.00-4400.00 per quintal.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1083 as on 28th December 2018 up by 3 compared to 21st December 2018 and by 154 compared to 29th 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 millers, average recovery of guar gum from guar seed is coming around 29.00-29.50 kg in Barmer and 30.00 kg in Jodhpur. Export demand for guar gum is expected to increase during December-18. As of now guar gum prices in Jodhpur are hovering around Rs 8400 per quintal.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (7402 quintals) compared to previous week arrivals of 4600 quintals.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (4800 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 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.

Recommendation:

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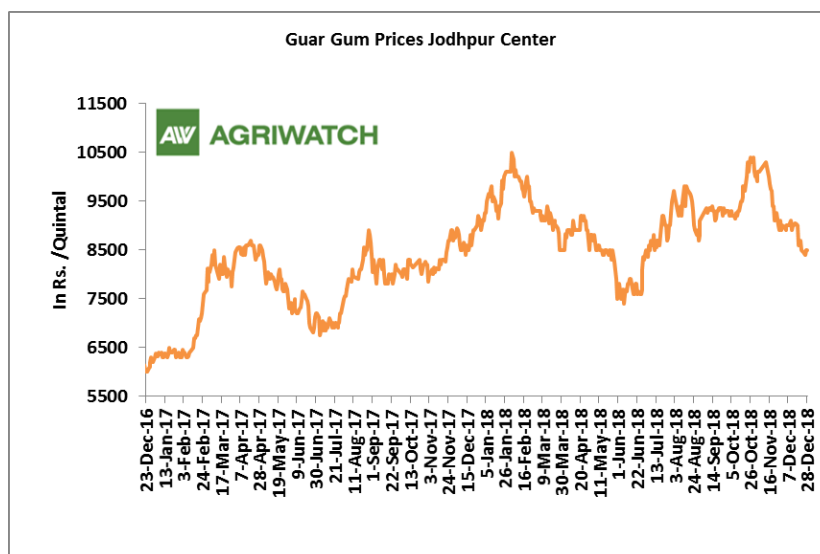
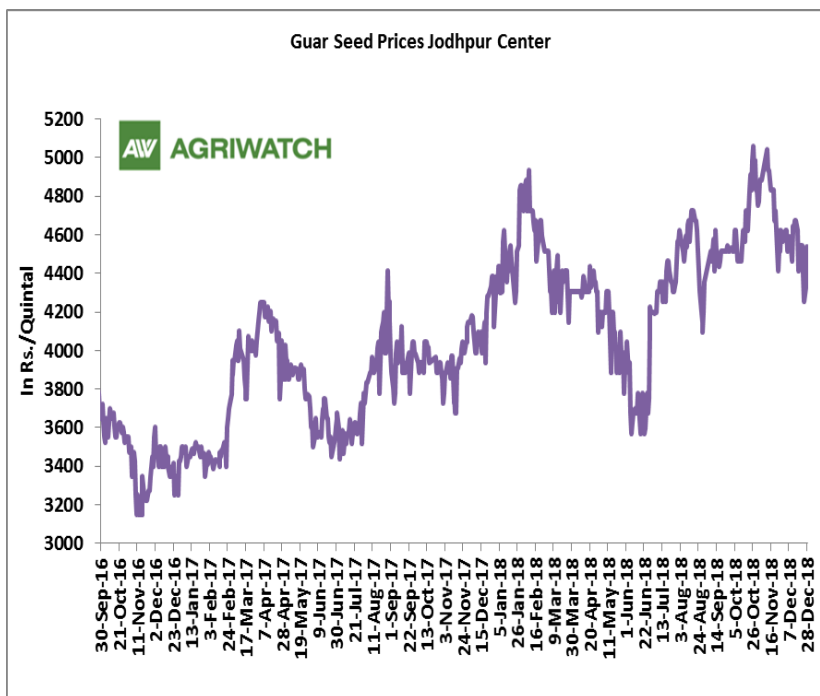
Weekly Call - : Market participants are advised to buy Guar seed at 4220 levels for a target of 4350 with a stop loss at 4142 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 29th December'18, Guar seed weekly average prices decreased by Rs 115.86/- qtl and settled at Rs 4434 per quintal.
- In addition, Guar gum weekly price decreased by Rs 305.00 per quintal and settled at Rs. 8470 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.

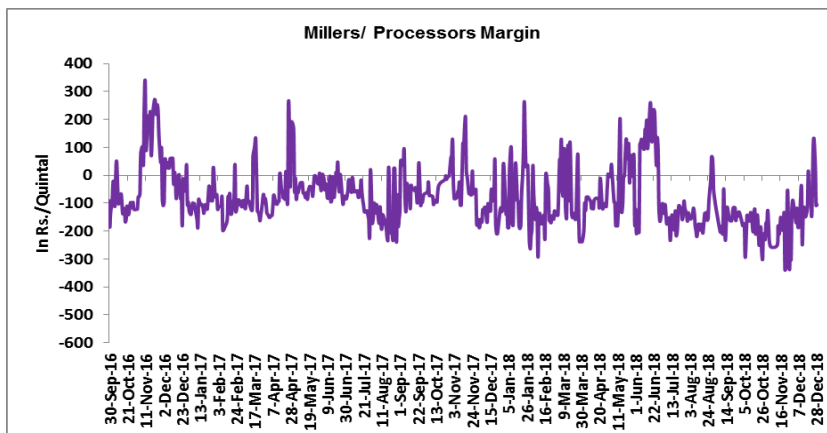


Millers/Processors Margin

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In the week ended 28th December'18, average crush margin is Rs. -37.42/Quintal, compared to last week's -81.84/Quintal. Therefore, crushing is not favorable for Millers/Processors.

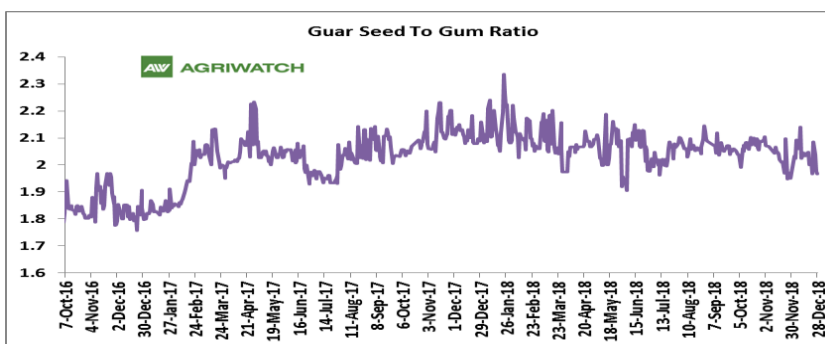
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 28th December'18 is 2.01, lower compared to last week's 2.02

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: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	January	4100	3995	4249.50	4580	4650
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	January	Buy	Above 4220	4350	4465	4142

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: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	January	7890	7700	8323	9030	9225
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Buy	Above 8300	8625	8810	8105

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	22nd to 28th Dec 2018	15th to 21st Dec 2018	Change
Churi	Jodhpur	1845	1800	45
Korma	Jodhpur	2546	2294	252
Churi	Sri-Ganganagar	1688	1604	84
Korma	Sri-Ganganagar	2350	2288	62

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	22nd to 28th Dec 2018	15th to 21st Dec 2018	Change
Guargum Split		1226	1262	-36
Guargum Powder	200 Mesh 5000 CPS	1512	1542	-31
	200 Mesh 3500 CPS	1440	1472	-32
Guargum Meal	40%	342	337	6
	50%	479	449	30

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			22nd to 28th Dec 2018	15th to 21st Dec 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4198	4385	-188
		Jodhpur(Delivery)	4407	4604	-197
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4065	4208	-143
		Sri-Ganganagar (Delivery)	4215	4358	-143
		Rawla (Loose)	4060	4182	-122
		Gharsana (Loose)	4056	4180	-124
		Raisinghnagar (Loose)	4056	4213	-157
	Bikaner	Bikaner (Loose)	4092	4236	-144
		Bikaner (Delivery)	4297	4448	-151
		Nokha(Loose)	4088	4153	-65
		Nokha (Delivery)	4292	4361	-69
		Khajuwala (Loose)	4052	4198	-146
		Khajuwala (Delivery)	4255	4408	-154
		Lunkaransar (Loose)	4100	4217	-117
	Hanumangarh	Hanumangarh (Loose)	4052	4180	-128
		Hanumangarh (Delivery)	4255	4389	-134
		Nohar (Loose)	4140	4225	-85

		Pilibanga (Loose)	4040	4200	-160
	Nagaur	Nagaur (Loose)	3990	4035	-45
	Churu	Churu (Delivery)	4252	4417	-165
	Alwar	Alwar (Loose)	4000	4167	-167
Haryana	Hisar	Adampur (Loose)	4138	4233	-95
		Adampur (Delivery)	4345	4445	-100
	Bhiwani	Bhiwani (Delivery)	4250	4400	-150
		Siwani (Loose)	4260	4361	-101
	Sirsa	Sirsa (Loose)	4109	4221	-112
		Dhabwali (Loose)	4050	4179	-129
		Dhabwali (Delivery)	4253	4353	-101
		Ellanabad (Loose)	4081	4167	-86
	Fatehabad	Fatehabad (Loose)	4010	4050	-40
Gujarat	Banaskantha	Deesa (Loose)	4074	4178	-104
	Patan	Patan (Loose)	4156	4303	-147
	Rajkot	Rajkot (Loose)	4059	4245	-186
	Jamnagar	Dhrol (Loose)	3625	4062	-437
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8463	9010	-548
	Alwar	Alwar	8500	8983	-483
	Hanumangarh	Nohar	8600	9000	-400
Haryana	Bhiwani	Bhiwani	8510	9260	-750
	Sirsa	Sirsa	8560	8925	-365
		Dhabwali	8420	8875	-455
		Ellanabad	8500	8875	-375
	Fatehabad	Fatehabad	8320	8855	-535

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			28-Dec-18	21-Dec-18	28-Nov-18	28-Dec-17
Rajasthan	Jodhpur	Jodhpur (Loose)	4320	Closed	4400	4175
		Jodhpur(Delivery)	4536	Closed	4620	4384
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4050	4150	4200	3950
		Sri-Ganganagar (Delivery)	4200	4300	4350	4100
		Rawla (Loose)	4070	4080	4170	4000
		Gharsana (Loose)	4080	4100	4160	3965

		Raisinghnagar (Loose)	4080	4075	4150	4020
	Bikaner	Bikaner (Loose)	4100	4150	4190	4000
		Bikaner (Delivery)	4305	4358	4400	4200
		Nokha(Loose)	4070	4150	4080	4000
		Nokha (Delivery)	4274	4358	4284	4200
		Khajuwala (Loose)	4090	4120	4200	4050
		Khajuwala (Delivery)	4295	4326	4410	4253
		Lunkaransar (Loose)	4100	4125	4200	3950
	Hanumangarh	Hanumangarh (Loose)	4060	4100	4150	4025
		Hanumangarh (Delivery)	4263	4305	4358	4226
		Nohar (Loose)	4150	4200	4200	4000
		Pilibanga (Loose)	3990	4060	4230	4000
	Nagaur	Nagaur (Loose)	4000	4025	4025	3900
	Churu	Churu (Delivery)	4350	4270	4250	4100
	Alwar	Alwar (Loose)	4100	4000	4050	3850
Haryana	Hisar	Adampur (Loose)	4100	4200	4225	4000
		Adampur (Delivery)	4305	4410	4436	4200
	Bhiwani	Bhiwani (Delivery)	4250	4325	4250	4100
		Siwani (Loose)	4350	4300	4280	4120
	Sirsa	Sirsa (Loose)	4100	4140	4225	4050
		Dhabwali (Loose)	4000	4070	4150	4015
		Dhabwali (Delivery)	4200	4274	4358	4216
		Ellanabad (Loose)	4100	4100	4200	4025
	Fatehabad	Fatehabad (Loose)	4000	4000	4100	4000
Gujarat	Banaskantha	Deesa (Loose)	4045	4090	4170	3840
	Patan	Patan (Loose)	4165	4125	4205	3925
	Rajkot	Rajkot (Loose)	4060	4065	4335	3975
	Jamnagar	Dhrol (Loose)	NA	NA	NA	NA
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8500	Closed	9100	9150
	Alwar	Alwar	8600	8650	8900	9100
	Hanumangarh	Nohar	8500	8800	9250	9200
Haryana	Bhiwani	Bhiwani	8300	9050	9150	9000
	Sirsa	Sirsa	8550	8800	8800	9150
		Dhabwali	8300	8700	8650	9300
		Ellanabad	8400	8650	8900	9050
	Fatehabad	Fatehabad	8300	8500	8800	9000

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			22nd to 28th Dec 2018	15th to 21st Dec 2018	
Rajasthan	Jodhpur	Jodhpur	122	81	41
	Sri-Ganganagar	Sri-Ganganagar	3400	3200	200
		Rawla	2650	2050	600
		Gharsana	1650	2350	-700
		Raisinghnagar	4600	3500	1100
	Bikaner	Bikaner	4600	7402	-2802
		Nokha	3600	2450	1150
		Khajuwala	5700	6300	-600
		Lunkaransar	1675	2200	-525
	Hanumangarh	Hanumangarh	520	575	-55
		Nohar	5800	3000	2800
		Pilibanga	775	180	595
	Nagaur	Nagaur	800	800	Unch
	Churu	Churu	4800	3400	1400
	Alwar	Alwar	950	1800	-850
Haryana	Hisar	Adampur	4000	4800	-800
	Bhiwani	Bhiwani	1650	1200	450
		Siwani	5700	7700	-2000
	Sirsa	Sirsa	6800	8600	-1800
		Dhabwali	1000	1620	-620
		Ellanabad	1700	2600	-900
	Fatehabad	Fatehabad	1000	900	100
Gujarat	Banaskantha	Deesa	463	585	-122
	Patan	Patan	230	344	-114
	Rajkot	Rajkot	415	440	-25
	Jamnagar	Dhrol	6	25	-19
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			64606	68102	-3496

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