



Guar Weekly Research Report

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

As per latest update by DGCIS, India has exported around 330978 metric tonnes of guar gum in April-November (2018-19) compared to 322055 metric tonnes in April- November (2017-18). In terms of value, exports have increased by around 10.22 percent. Total crop availability is around 19.52 lakh tonnes compared to 24.24 lakh tonnes last year. Carryover stocks have also decreased due to higher exports compared to last year.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1075 as on 04th January 2019 down by 8 compared to 28th December 2018 and up by 151 compared to 05th January 2018. 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, millers are offering gum powder 200mesh/6000CPS for GCC countries at USD 1540-1575 CFR basis. Guar gum in Jodhpur is hovering around Rs 8600-8700 per quintal. Prices are expected to trade steady to slightly firm in near future due better export demand and lower arrivals. Traders are advised to buy on correction.

Guar seed future February contract touched a low of Rs 4280.00 per quintal before closing at Rs 4382.50 per quintal in the previous week. As per trade sources, guar is likely to be bullish with small technical corrections in coming weeks and touch Rs 4500.00-4550.00 per quintal. Export demand is expected to recover in coming weeks.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (4000 quintals) compared to previous week arrivals of 4800 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (3300 quintals) compared to previous week arrivals of 4600 quintals.

Previous Updates

As per trade sources, 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.

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

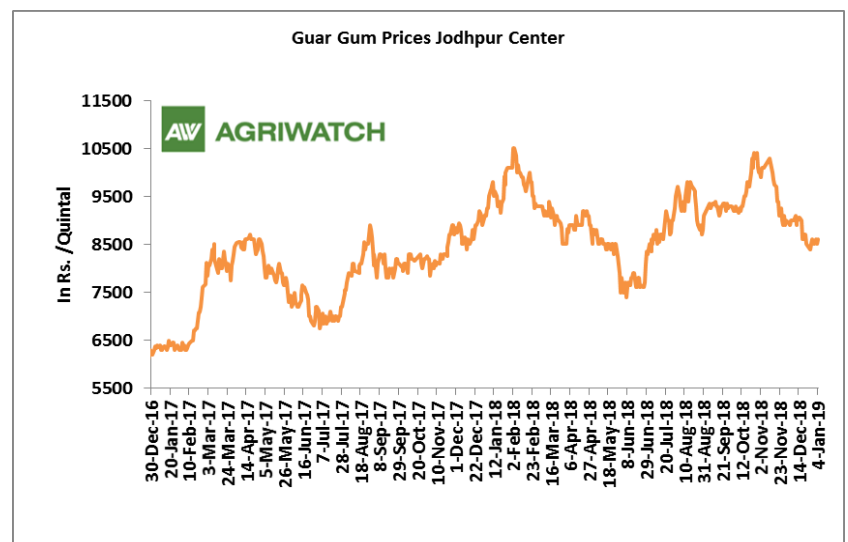
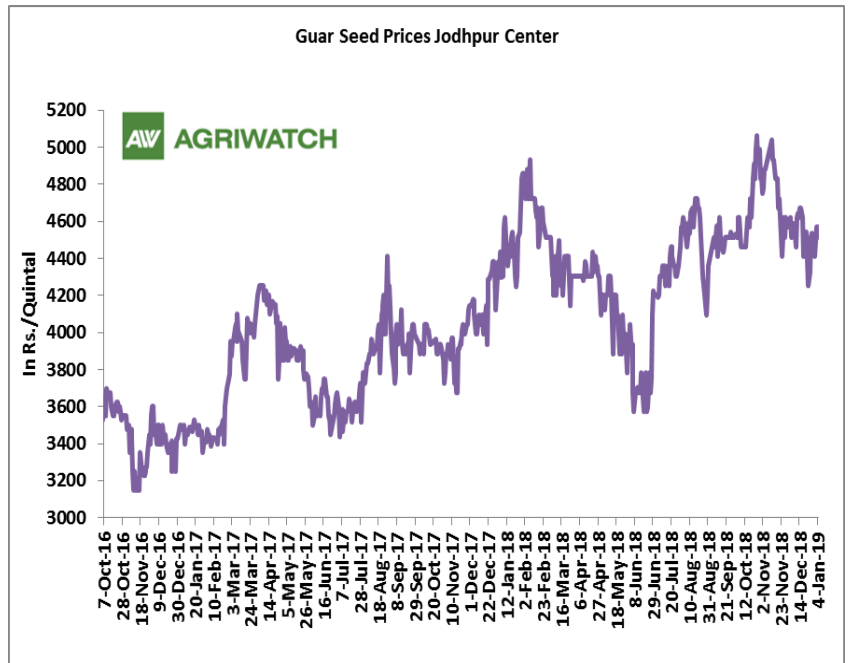
Weekly Call - : Market participants are advised to buy Guar seed at 4375 levels for a target of 4490 with a stop loss at 4306 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 04th January'19, Guar seed weekly average prices increased by Rs 70.40/- qtl and settled at Rs 4505 per quintal.
- In addition, Guar gum weekly price decreased by Rs 90.00 per quintal and settled at Rs. 8560 per quintal. Good demand for guar gum from domestic as well as overseas market kept prices at higher side in previous week.
- According to first advance estimate for 2018-19, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 160000 hectares, 123000 tonnes and 767 kg/hectare respectively. As per final 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.
- 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.

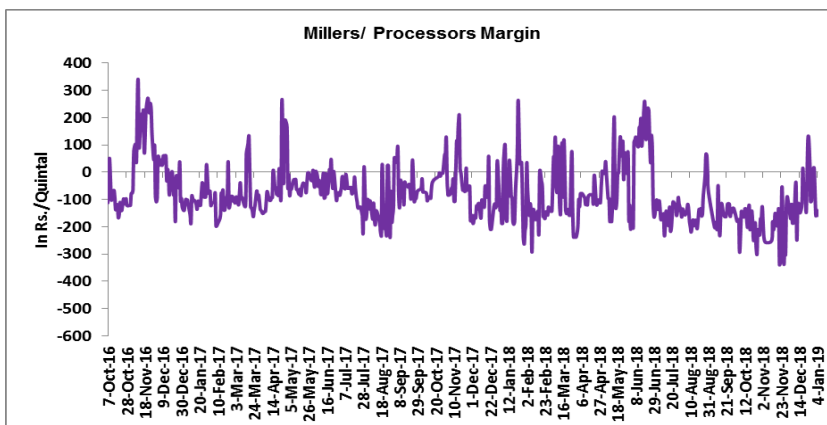


Millers/Processors Margin

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In the week ended 04th January'19, average crush margin is Rs. -88.92/Quintal, compared to last week's -37.42/Quintal. Therefore, crushing is not favorable for Millers/Processors.

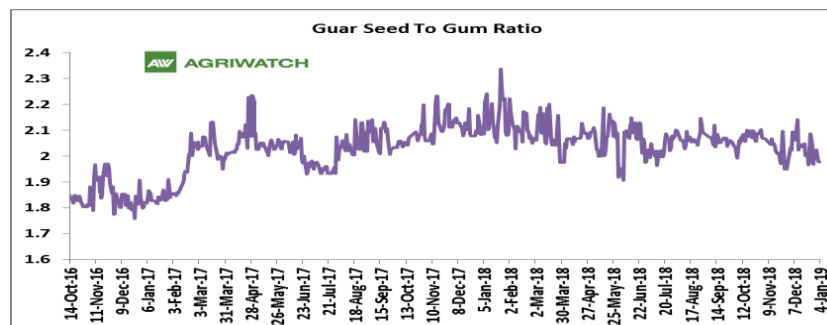
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 04th January'19 is 2.00, lower compared to last week's 2.01

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: February

Exchange: NCDEX
Expiry: February 19, 2019



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- RSI is moving up 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	February	4200	4115	4382.5	4685	4775
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	February	Buy	Above 4375	4490	4570	4306

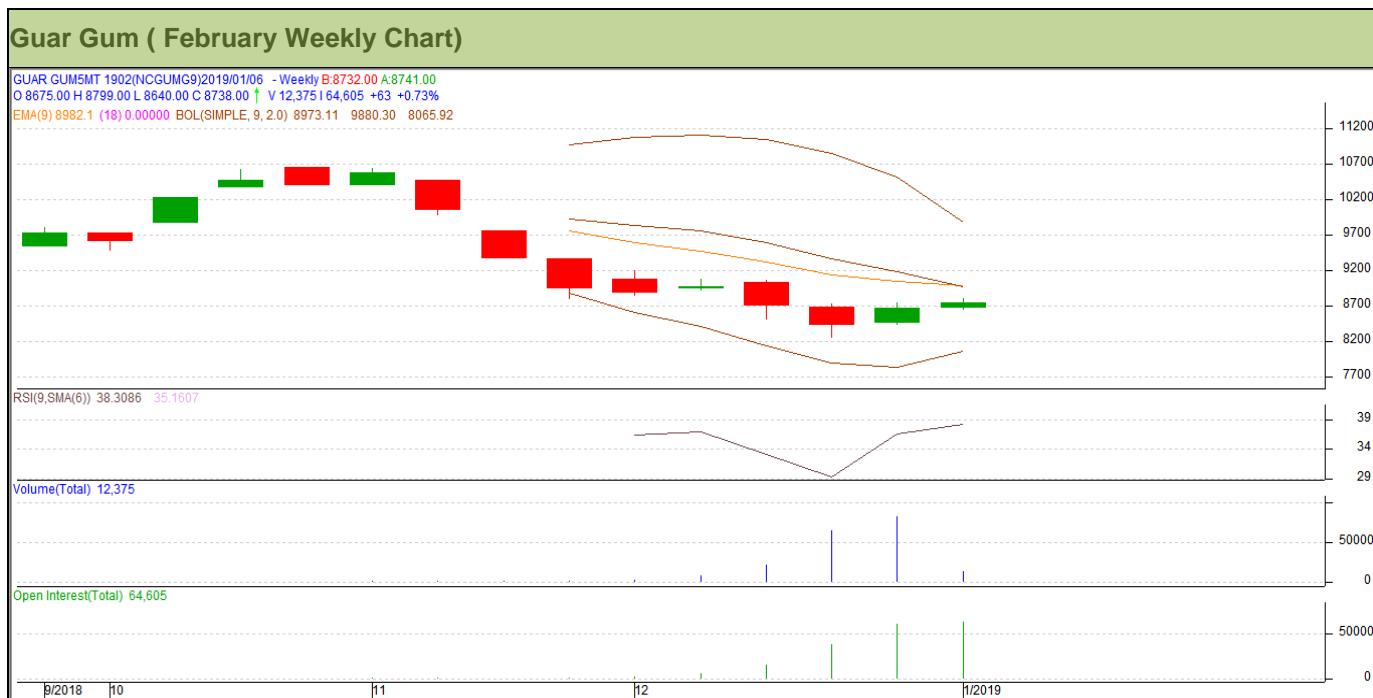


Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: February

Exchange: NCDEX
Expiry: February 18, 2018



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- RSI is moving up 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 Gum	NCDEX	January	8200	8015	8675	9320	9490
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Buy	Above 8640	8910	9115	8478

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	29th Dec 2018 to 04th Jan 2019	22nd to 28th Dec 2018	Change
Churi	Jodhpur	1800	1845	-45
Korma	Jodhpur	2573	2546	27
Churi	Sri-Ganganagar	1628	1688	-60
Korma	Sri-Ganganagar	2378	2350	28

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	29th Dec 2018 to 04th Jan 2019	22nd to 28th Dec 2018	Change
Guargum Split		1244	1226	17
Guargum Powder	200 Mesh 5000 CPS	1530	1512	18
	200 Mesh 3500 CPS	1458	1440	18
Guargum Meal	40%	343	342	1
	50%	472	479	-7

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			29th Dec 2018 to 04th Jan 2019	22nd to 28th Dec 2018	
Rajasthan	Jodhpur	Jodhpur (Loose)	4290	4198	93
		Jodhpur(Delivery)	4505	4407	97
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4104	4065	39
		Sri-Ganganagar (Delivery)	4254	4215	39
		Rawla (Loose)	4091	4060	31
		Gharsana (Loose)	4088	4056	32
		Raisinghnagar (Loose)	4110	4056	54
	Bikaner	Bikaner (Loose)	4097	4092	5
		Bikaner (Delivery)	4302	4297	5
		Nokha(Loose)	4071	4088	-17
		Nokha (Delivery)	4275	4292	-18
		Khajuwala (Loose)	4098	4052	46
		Khajuwala (Delivery)	4303	4255	48
		Lunkaransar (Loose)	4120	4100	20
	Hanumangarh	Hanumangarh (Loose)	4040	4052	-12
		Hanumangarh (Delivery)	4242	4255	-13

		Nohar (Loose)	4130	4140	-10
		Pilibanga (Loose)	4031	4040	-9
	Nagaur	Nagaur (Loose)	4050	3990	60
	Churu	Churu (Delivery)	4350	4252	98
	Alwar	Alwar (Loose)	4060	4000	60
Haryana	Hisar	Adampur (Loose)	4120	4138	-18
		Adampur (Delivery)	4326	4345	-19
	Bhiwani	Bhiwani (Delivery)	4330	4250	80
		Siwani (Loose)	4250	4260	-10
	Sirsa	Sirsa (Loose)	4118	4109	9
		Dhabwali (Loose)	4084	4050	34
		Dhabwali (Delivery)	4288	4253	36
		Ellanabad (Loose)	4102	4081	21
	Fatehabad	Fatehabad (Loose)	4000	4010	-10
Gujarat	Banaskantha	Deesa (Loose)	4125	4074	51
	Patan	Patan (Loose)	4229	4156	73
	Rajkot	Rajkot (Loose)	4106	4059	47
	Jamnagar	Dhrol (Loose)	3810	3625	185
Madhya Pradesh	Gwalior	Dabra (Loose)	3900	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8560	8463	98
	Alwar	Alwar	8560	8500	60
	Hanumangarh	Nohar	8580	8600	-20
Haryana	Bhiwani	Bhiwani	8414	8510	-96
	Sirsa	Sirsa	8550	8560	-10
		Dhabwali	8440	8420	20
		Ellanabad	8430	8500	-70
	Fatehabad	Fatehabad	8394	8320	74

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			4-Jan-19	28-Dec-18	4-Dec-18	4-Jan-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4350	4320	4400	4225
		Jodhpur(Delivery)	4568	4536	4620	4436
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4100	4050	4150	4050
		Sri-Ganganagar (Delivery)	4250	4200	4300	4200
		Rawla (Loose)	4100	4070	4160	4050
		Gharsana (Loose)	4070	4080	4170	4025

		Raisinghnagar (Loose)	4120	4080	4200	4100
	Bikaner	Bikaner (Loose)	4100	4100	4200	4070
		Bikaner (Delivery)	4305	4305	4410	4274
		Nokha(Loose)	4075	4070	4110	4040
		Nokha (Delivery)	4279	4274	4316	4242
		Khajuwala (Loose)	4070	4090	4180	4050
		Khajuwala (Delivery)	4274	4295	4389	4253
		Lunkaransar (Loose)	4150	4100	4150	4050
	Hanumangarh	Hanumangarh (Loose)	4060	4060	4060	4050
		Hanumangarh (Delivery)	4263	4263	4263	4253
		Nohar (Loose)	4100	4150	4250	4100
		Pilibanga (Loose)	NR	3990	4220	4100
	Nagaur	Nagaur (Loose)	4100	4000	4025	4000
	Churu	Churu (Delivery)	4350	4350	4350	4250
	Alwar	Alwar (Loose)	4100	4100	4100	3900
Haryana	Hisar	Adampur (Loose)	4125	4100	4225	4050
		Adampur (Delivery)	4331	4305	4436	4253
	Bhiwani	Bhiwani (Delivery)	4350	4250	4400	4225
		Siwani (Loose)	4250	4350	4350	4080
	Sirsa	Sirsa (Loose)	4120	4100	4250	4060
		Dhabwali (Loose)	4070	4000	4170	4070
		Dhabwali (Delivery)	4274	4200	4379	4274
		Ellanabad (Loose)	4125	4100	4200	4000
	Fatehabad	Fatehabad (Loose)	4000	4000	4150	4050
Gujarat	Banaskantha	Deesa (Loose)	4135	4045	4185	3980
	Patan	Patan (Loose)	4250	4165	4285	4005
	Rajkot	Rajkot (Loose)	4085	4060	4310	3960
	Jamnagar	Dhrol (Loose)	NA	NA	NA	NA
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	NA	3700
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8600	8500	8900	9250
	Alwar	Alwar	8600	8600	9100	9100
	Hanumangarh	Nohar	8500	8500	9100	9250
Haryana	Bhiwani	Bhiwani	8300	8300	9400	9300
	Sirsa	Sirsa	8500	8550	8900	9200
		Dhabwali	8500	8300	8800	9250
		Ellanabad	8500	8400	9000	9250
	Fatehabad	Fatehabad	8400	8300	8810	9200

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			29th Dec 2018 to 04th Jan 2019	22nd to 28th Dec 2018	
Rajasthan	Jodhpur	Jodhpur	128	122	6
	Sri-Ganganagar	Sri-Ganganagar	3200	3400	-200
		Rawla	2150	2650	-500
		Gharsana	1600	1650	-50
		Raisinghnagar	3500	4600	-1100
	Bikaner	Bikaner	3300	4600	-1300
		Nokha	2850	3600	-750
		Khajuwala	4800	5700	-900
		Lunkaransar	1300	1675	-375
	Hanumangarh	Hanumangarh	660	520	140
		Nohar	5600	5800	-200
		Pilibanga	636	775	-139
	Nagaur	Nagaur	1000	800	200
	Churu	Churu	7400	4800	2600
	Alwar	Alwar	1390	950	440
Haryana	Hisar	Adampur	4800	4000	800
	Bhiwani	Bhiwani	1600	1650	-50
		Siwani	4800	5700	-900
	Sirsa	Sirsa	6500	6800	-300
		Dhabwali	1200	1000	200
		Ellanabad	1300	1700	-400
	Fatehabad	Fatehabad	1050	1000	50
Gujarat	Banaskantha	Deesa	412	463	-51
	Patan	Patan	237	230	7
	Rajkot	Rajkot	630	415	215
	Jamnagar	Dhrol	4	6	-2
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			62122	64606	-2484

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