



# 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 1.56 percent to Rs. 3828.10 per quintal during the week ended 08th January 2019. Guar seed average price were ruling at Rs 3888.73 per quintal during 24-31 December 2018. As compared to prices in the week 01-08 January 2018, the prices are firm by 0.68 percent. Prices are expected to remain steady to firm in coming days.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1075 as on 11th January 2019 unchanged compared to 04th January 2019 and up by 136 compared to 12th January 2018. The total number of oilrigs was recorded at 2244 worldwide in December'18 compared to 2089 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.

Guar gum exports in past months were low. It is believed that the stock of guar gum with importing countries is low. Crude prices have also increased in past week as a result export demand for guar gum is expected to improve in coming weeks. As of now, export transactions for guar gum in international market are within range of \$1650-1700 per tonne

Guar seed future February contract touched a low of Rs 4152.00 per quintal before closing at Rs 4206.00 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 (6000 quintals) compared to previous week arrivals of 4800 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (3200 quintals) compared to previous week arrivals of 3300 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.

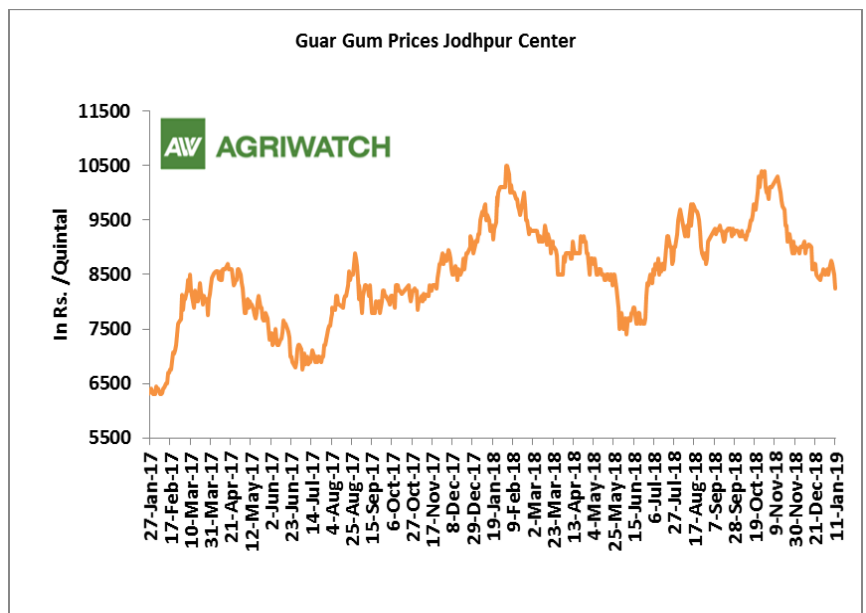
### Recommendation:

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**Weekly Call - : Market participants are advised to buy Guar seed at 4200 levels for a target of 4400 with a stop loss at 4080 on closing basis.**

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- In the week ended 11<sup>th</sup> January'19, Guar seed weekly average prices increased by Rs 6.13/- qtl and settled at Rs 4211 per quintal.
- In addition, Guar gum weekly price increased by Rs 6.67 per quintal and settled at Rs. 8567 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.

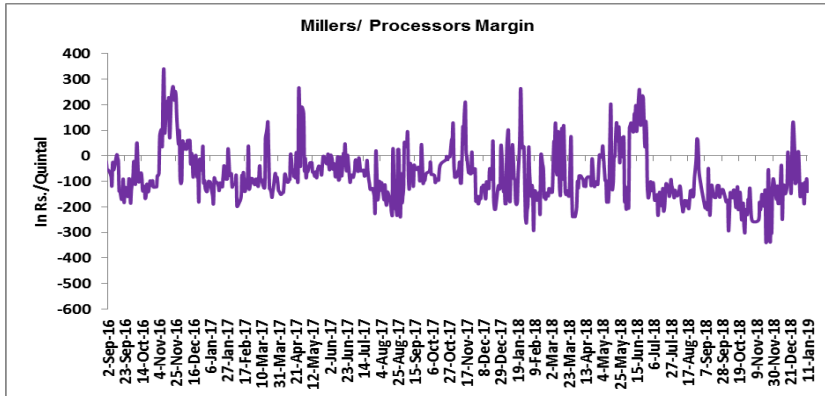


### Millers/Processors Margin

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In the week ended 11<sup>th</sup> January'19, average crush margin is Rs. -127.16/Quintal, compared to last week's -88.92/Quintal. Therefore, crushing is not favorable for Millers/Processors.

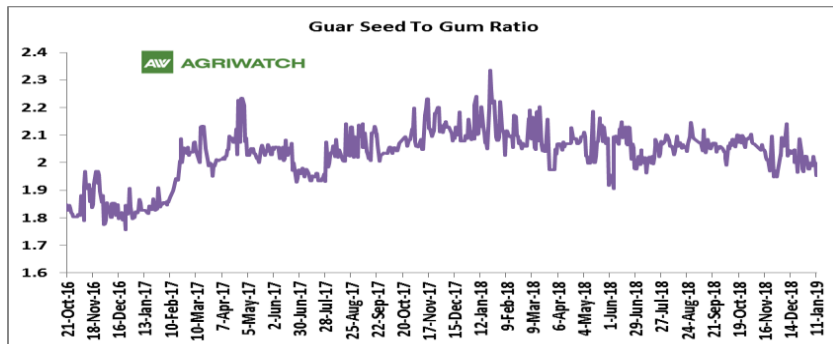
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 11<sup>th</sup> January'19 is 1.99, lower compared to last week's 2.00

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 18, 2019



**Technical Commentary:**

- Fall in price and rise in open interest indicates short buildup.
- RSI is moving in neutral region.
- Prices closed below 9 and 18 day EMAs.
- Last candlestick depicts bearishness in market.

**Strategy: Buy**

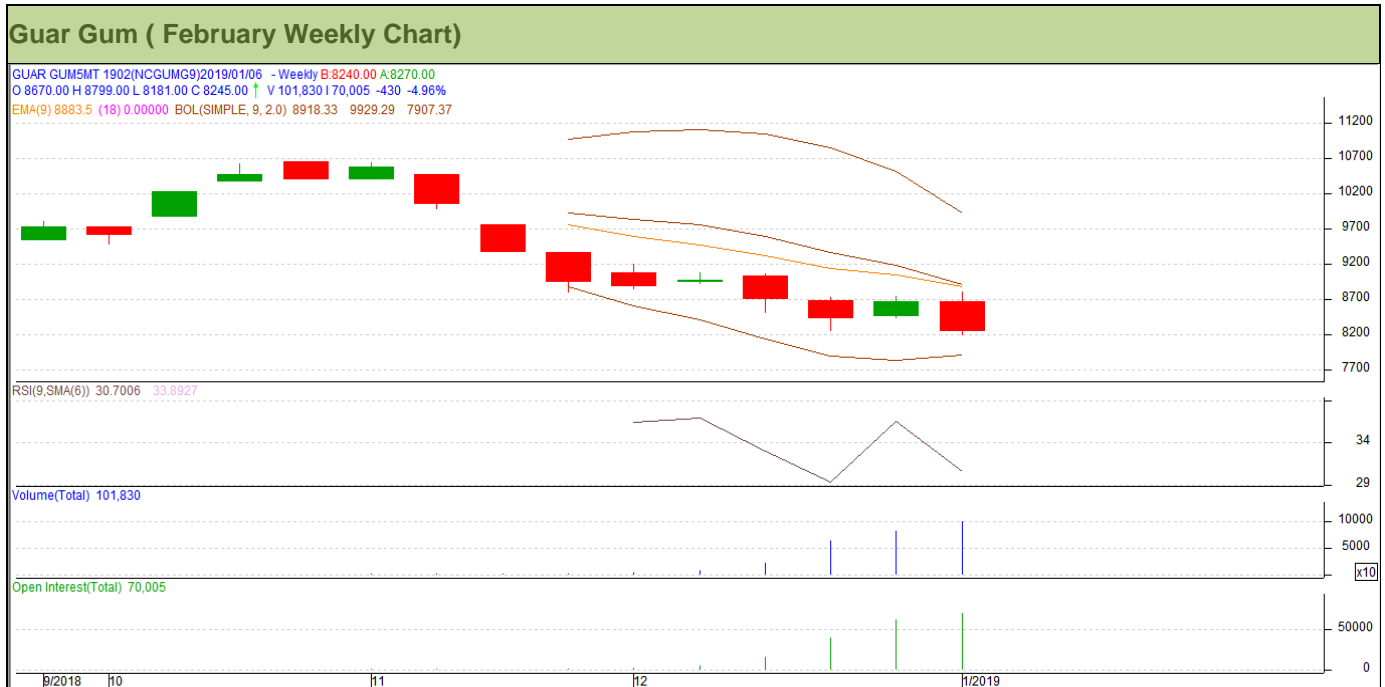
Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	February	3900	3800	4206	4700	4800
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	February	Buy	Above 4200	4400	4550	4080

Technical Analysis (Guar Gum)

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Commodity: Guar Gum  
Contract: February

Exchange: NCDEX  
Expiry: February 18, 2018



**Technical Commentary:**

- Fall in price and rise in open interest indicates short buildup.
- RSI is moving 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	7800	7700	8245	9175	9290
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Buy	Above 8235	8700	9050	7956

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	05th to 11th Jan 2019	29th Dec 2018 to 04th Jan 2019	Change
Churi	Jodhpur	1788	1800	-13
Korma	Jodhpur	2494	2573	-79
Churi	Sri-Ganganagar	1571	1628	-56
Korma	Sri-Ganganagar	2363	2378	-15

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	05th to 11th Jan 2019	29th Dec 2018 to 04th Jan 2019	Change
Guargum Split		1244	1244	Unch
Guargum Powder	200 Mesh 5000 CPS	1529	1530	-1
	200 Mesh 3500 CPS	1458	1458	Unch
Guargum Meal	40%	342	343	-1
	50%	483	472	11

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			05th to 11th Jan 2019	29th Dec 2018 to 04th Jan 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4296	4290	6
		Jodhpur(Delivery)	4511	4505	6
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4075	4104	-29
		Sri-Ganganagar (Delivery)	4225	4254	-29
		Rawla (Loose)	4075	4091	-16
		Gharsana (Loose)	4080	4088	-8
		Raisinghnagar (Loose)	4104	4110	-6
	Bikaner	Bikaner (Loose)	4114	4097	17
		Bikaner (Delivery)	4320	4302	18
		Nokha(Loose)	4087	4071	16
		Nokha (Delivery)	4291	4275	16
		Khajuwala (Loose)	4086	4098	-12
		Khajuwala (Delivery)	4290	4303	-13
		Lunkaransar (Loose)	4103	4120	-17
	Hanumangarh	Hanumangarh (Loose)	4033	4040	-7
		Hanumangarh (Delivery)	4235	4242	-7

		Nohar (Loose)	4108	4130	-22
		Pilibanga (Loose)	4044	4031	13
	Nagaur	Nagaur (Loose)	4004	4050	-46
	Churu	Churu (Delivery)	4383	4350	33
	Alwar	Alwar (Loose)	4033	4060	-27
Haryana	Hisar	Adampur (Loose)	4108	4120	-13
		Adampur (Delivery)	4313	4326	-13
	Bhiwani	Bhiwani (Delivery)	4313	4330	-17
		Siwani (Loose)	4250	4250	Unch
	Sirsa	Sirsa (Loose)	4097	4118	-21
		Dhabwali (Loose)	4064	4084	-20
		Dhabwali (Delivery)	4267	4288	-21
		Ellanabad (Loose)	4095	4102	-7
	Fatehabad	Fatehabad (Loose)	4008	4000	8
Gujarat	Banaskantha	Deesa (Loose)	4051	4125	-74
	Patan	Patan (Loose)	4167	4229	-62
	Rajkot	Rajkot (Loose)	4068	4106	-38
	Jamnagar	Dhrol (Loose)	3945	3810	-135
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	3900	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8567	8560	7
	Alwar	Alwar	8617	8560	57
	Hanumangarh	Nohar	8500	8580	-80
Haryana	Bhiwani	Bhiwani	8418	8414	4
	Sirsa	Sirsa	8592	8550	42
		Dhabwali	8400	8440	-40
		Ellanabad	8467	8430	37
	Fatehabad	Fatehabad	8367	8394	-27

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			11-Jan-19	4-Jan-19	11-Dec-18	11-Jan-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4225	4350	4400	4300
		Jodhpur(Delivery)	4436	4568	4620	4515
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4000	4100	4225	4250
		Sri-Ganganagar (Delivery)	4150	4250	4375	4400
		Rawla (Loose)	4030	4100	4170	4250
		Gharsana (Loose)	4020	4070	4150	4250



		Raisinghnagar (Loose)	4000	4120	4225	4220
	<b>Bikaner</b>	Bikaner (Loose)	4020	4100	4230	4200
		Bikaner (Delivery)	4221	4305	4442	4410
		Nokha(Loose)	4050	4075	4125	4100
		Nokha (Delivery)	4253	4279	4331	4305
		Khajuwala (Loose)	Closed	4070	4170	4300
		Khajuwala (Delivery)	Closed	4274	4379	4515
		Lunkaransar (Loose)	4000	4150	4200	4100
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3990	4060	4200	4200
		Hanumangarh (Delivery)	4190	4263	4410	4410
		Nohar (Loose)	4040	4100	NR	4300
		Pilibanga (Loose)	4000	4065	4200	4200
	<b>Nagaur</b>	Nagaur (Loose)	3900	4100	4025	4050
	<b>Churu</b>	Churu (Delivery)	4300	4350	4450	4300
	<b>Alwar</b>	Alwar (Loose)	4000	4100	4200	4025
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	4025	4125	4225	4350
		Adampur (Delivery)	4226	4331	4436	4568
	<b>Bhiwani</b>	Bhiwani (Delivery)	4200	4350	4400	4450
		Siwani (Loose)	4150	4250	4350	4275
	<b>Sirsa</b>	Sirsa (Loose)	4000	4120	4200	4250
		Dhabwali (Loose)	3950	4070	4200	4000
		Dhabwali (Delivery)	4148	4274	4410	4200
		Ellanabad (Loose)	4000	4125	4150	4200
	<b>Fatehabad</b>	Fatehabad (Loose)	4000	4000	4050	4200
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	3980	4135	4170	4180
	<b>Patan</b>	Patan (Loose)	4050	4250	4330	4175
	<b>Rajkot</b>	Rajkot (Loose)	3975	4085	4220	4150
	<b>Jamnagar</b>	Dhrol (Loose)	3945	NA	NA	3500
<b>M.P.</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	3700
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	8250	8600	8900	9800
	<b>Alwar</b>	Alwar	8500	8600	9000	9525
	<b>Hanumangarh</b>	Nohar	8500	8500	NR	9500
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	8230	8300	9300	9825
	<b>Sirsa</b>	Sirsa	8500	8500	8950	9500
		Dhabwali	8100	8500	8900	9400
		Ellanabad	8300	8500	8900	9550
	<b>Fatehabad</b>	Fatehabad	8100	8400	8845	9500

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			05th to 11th Jan 2019	29th Dec 2018 to 04th Jan 2019	
Rajasthan	Jodhpur	Jodhpur	188	128	60
	Sri-Ganganagar	Sri-Ganganagar	4200	3200	1000
		Rawla	2750	2150	600
		Gharsana	2600	1600	1000
		Raisinghnagar	3900	3500	400
	Bikaner	Bikaner	3200	3300	-100
		Nokha	4700	2850	1850
		Khajuwala	4700	4800	-100
		Lunkaransar	2000	1300	700
	Hanumangarh	Hanumangarh	1310	660	650
		Nohar	6400	5600	800
		Pilibanga	1101	636	465
	Nagaur	Nagaur	1050	1000	50
	Churu	Churu	2900	7400	-4500
	Alwar	Alwar	1300	1390	-90
Haryana	Hisar	Adampur	6000	4800	1200
	Bhiwani	Bhiwani	4000	1600	2400
		Siwani	6200	4800	1400
	Sirsa	Sirsa	10000	6500	3500
		Dhabwali	1950	1200	750
		Ellanabad	2300	1300	1000
	Fatehabad	Fatehabad	1000	1050	-50
Gujarat	Banaskantha	Deesa	374	412	-38
	Patan	Patan	192	237	-45
	Rajkot	Rajkot	708	630	78
	Jamnagar	Dhrol	2	4	-2
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			75025	62122	12903

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