



# Guar Weekly Research Report

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## Executive Summary

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### Domestic Guar Seed Market Summary

All India weekly average prices increased by 1.61 percent to Rs. 3889.88 per quintal during the week ended 15th January 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3828.10 per quintal during 01-08 January 2019. As compared to prices in the week 09-15 January 2018, the prices are weak by 1.56 percent. Prices are expected to remain steady to firm in coming days.

The wholesale price index of guar seed has decreased from 108.4 in November 2018 to 101.7 in December 2018. The WPI for December 2018 is up by 13.00 compared to last year for the same month and by 37.06 compared to December 2016. WPI is expected to stay firm in January'19.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 1050 as on 18th January 2019 down by 25 compared to 11th January 2019 and up by 114 compared to 19th 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 seed future February contract touched a low of Rs 4200.00 per quintal before closing at Rs 4349.00 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 4550.00-4600.00 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 (6600 quintals) compared to previous week arrivals of 6000 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (3900 quintals) compared to previous week arrivals of 3200 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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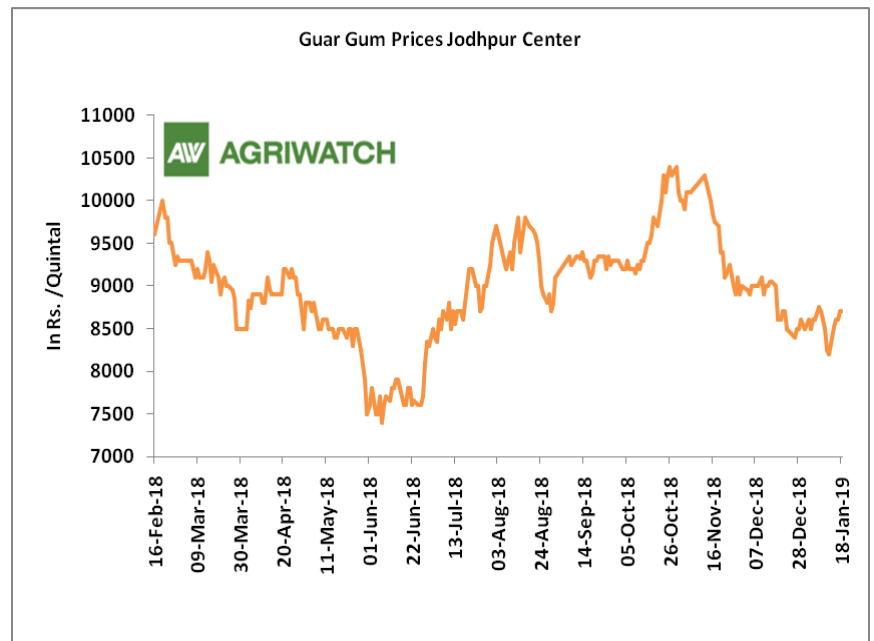
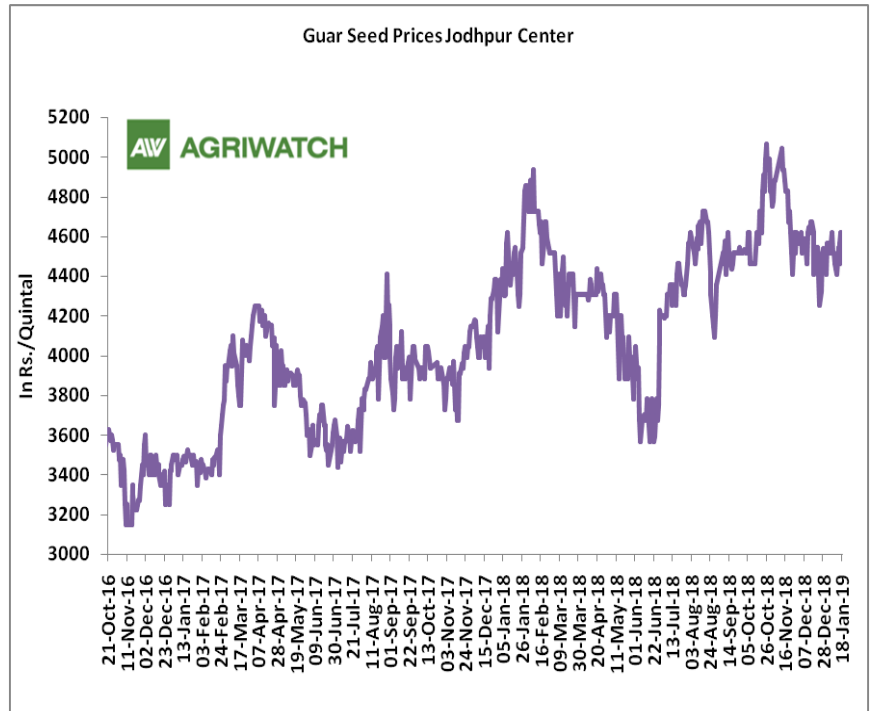
**Weekly Call- : Market participants are advised to buy Guar seed at 4320 levels for a target of 4520 with a stop loss at 4200 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 18<sup>th</sup> January'19, Guar seed weekly average prices increased by Rs 17.50/-qtl and settled at Rs 4528 per quintal.
- In addition, Guar gum weekly price decreased by Rs 12.50 per quintal and settled at Rs. 8554 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.

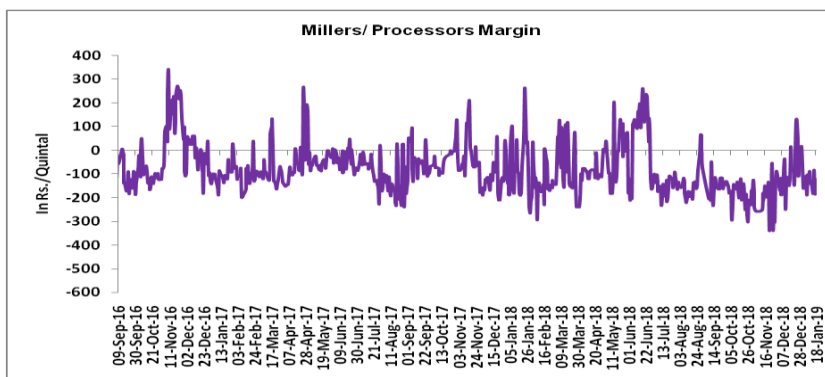


### Millers/Processors Margin

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In the week ended 18<sup>th</sup> January'19, average crush margin is Rs. -146.04/Quintal, compared to last week's -127.16/Quintal. Therefore, crushing is not favorable for Millers/Processors.

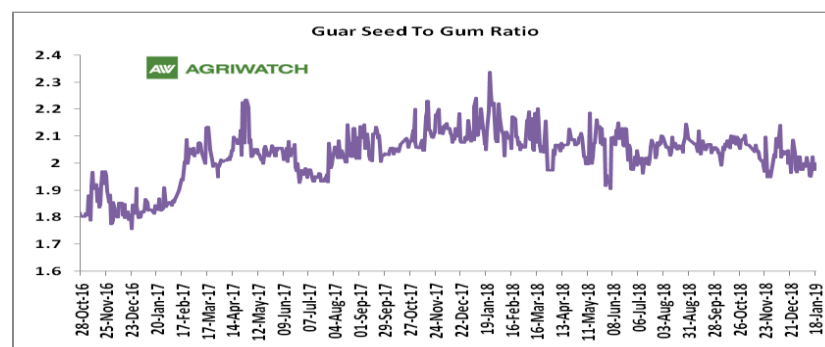
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 18<sup>th</sup> January'19 is 1.98, lower compared to last week's 1.99

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
09-15November-2018	2780.08	1781.80
16-22November-2018	3930.78	1811.58
23-30November-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 20, 2019



**Technical Commentary:**

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

**Strategy: Buy**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	February	4020	3920	4349	4820	4920
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	February	Buy	Above 4320	4520	4670	4200

Technical Analysis (Guar Gum)

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Commodity: Guar Gum  
Contract: February

Exchange: NCDEX  
Expiry: February 20, 2018



**Technical Commentary:**

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

**Strategy: Buy**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	January	8150	8045	8636	9450	9565
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Buy	Above 8600	9035	9295	8339

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	12th to 18th Jan 2019	05th to 11th Jan 2019	Change
Churi	Jodhpur	1791	1788	3
Korma	Jodhpur	2494	2494	Unch
Churi	Sri-Ganganagar	1576	1571	5
Korma	Sri-Ganganagar	2331	2363	-32

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	12th to 18th Jan 2019	05th to 11th Jan 2019	Change
Guargum Split		1221	1244	-23
Guargum Powder	200 Mesh 5000 CPS	1503	1529	-26
	200 Mesh 3500 CPS	1442	1458	-16
Guargum Meal	40%	338	342	-4
	50%	479	483	-4

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
			12th to 18th Jan 2019	05th to 11th Jan 2019	
Guar Seed	Jodhpur	Jodhpur (Loose)	4313	4296	17
		Jodhpur(Delivery)	4528	4511	18
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4096	4075	21
		Sri-Ganganagar (Delivery)	4246	4225	21
		Rawla (Loose)	4079	4075	4
		Gharsana (Loose)	4103	4080	23
		Raisinghnagar (Loose)	4138	4104	33
	Bikaner	Bikaner (Loose)	4123	4114	8
		Bikaner (Delivery)	4329	4320	9
		Nokha(Loose)	4131	4087	44
		Nokha (Delivery)	4337	4291	46
		Khajuwala (Loose)	4087	4086	1
		Khajuwala (Delivery)	4291	4290	1
		Lunkaransar (Loose)	4125	4103	22
	Hanumangarh	Hanumangarh (Loose)	4038	4033	4
		Hanumangarh (Delivery)	4239	4235	4
		Nohar (Loose)	4085	4108	-23

		Pilibanga (Loose)	4069	4044	25
	Nagaur	Nagaur (Loose)	3967	4004	-38
	Churu	Churu (Delivery)	4392	4383	8
	Alwar	Alwar (Loose)	4083	4033	50
Haryana	Hisar	Adampur (Loose)	4120	4108	13
		Adampur (Delivery)	4326	4313	13
	Bhiwani	Bhiwani (Delivery)	4321	4313	8
		Siwani (Loose)	4271	4250	21
	Sirsa	Sirsa (Loose)	4139	4097	43
		Dhabwali (Loose)	4082	4064	18
		Dhabwali (Delivery)	4286	4267	18
		Ellanabad (Loose)	4095	4095	Unch
	Fatehabad	Fatehabad (Loose)	3992	4008	-17
Gujarat	Banaskantha	Deesa (Loose)	4088	4051	37
	Patan	Patan (Loose)	4148	4167	-19
	Rajkot	Rajkot (Loose)	4057	4068	-12
	Jamnagar	Dhrol (Loose)	3950	3950	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8554	8567	-13
	Alwar	Alwar	8617	8617	Unch
	Hanumangarh	Nohar	8517	8500	17
Haryana	Bhiwani	Bhiwani	8622	8418	203
	Sirsa	Sirsa	8663	8592	71
		Dhabwali	8533	8400	133
		Ellanabad	8542	8467	75
	Fatehabad	Fatehabad	8425	8367	58

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			18-Jan-19	12-Jan-19	18-Dec-18	18-Jan-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4350	4200	4200	4325
		Jodhpur(Delivery)	4568	4410	4410	4541
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4125	4000	4150	4150
		Sri-Ganganagar (Delivery)	4275	4150	4300	4300
		Rawla (Loose)	4100	4000	4060	NR
		Gharsana (Loose)	4100	4030	4060	4110
		Raisinghnagar (Loose)	4150	4025	4100	4200



	<b>Bikaner</b>	Bikaner (Loose)	4125	4050	4150	4130
		Bikaner (Delivery)	4331	4253	4358	4337
		Nokha(Loose)	4150	4050	4100	4075
		Nokha (Delivery)	4358	4253	4305	4279
		Khajuwala (Loose)	4120	4000	4080	4166
		Khajuwala (Delivery)	4326	4200	4284	4374
		Lunkaransar (Loose)	4100	4000	4050	4150
	<b>Hanumangarh</b>	Hanumangarh (Loose)	4065	4000	4100	4200
		Hanumangarh (Delivery)	4268	4200	4305	4410
		Nohar (Loose)	4150	4050	4100	4225
		Pilibanga (Loose)	4090	4025	4200	NA
	<b>Nagaur</b>	Nagaur (Loose)	4000	3900	4000	4050
	<b>Churu</b>	Churu (Delivery)	4400	4300	4250	4200
	<b>Alwar</b>	Alwar (Loose)	4050	4000	4000	3900
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	4125	4050	4150	4260
		Adampur (Delivery)	4331	4253	4358	4473
	<b>Bhiwani</b>	Bhiwani (Delivery)	4325	4200	4350	4350
		Siwani (Loose)	4300	4200	4200	4280
	<b>Sirsa</b>	Sirsa (Loose)	4175	4050	4125	4200
		Dhabwali (Loose)	4100	4000	4050	4175
		Dhabwali (Delivery)	4305	4200	4253	4384
		Ellanabad (Loose)	4100	4000	4050	4175
	<b>Fatehabad</b>	Fatehabad (Loose)	4000	3950	4000	4150
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	4100	4100	4125	NA
	<b>Patan</b>	Patan (Loose)	4235	4080	4260	NA
	<b>Rajkot</b>	Rajkot (Loose)	4085	4005	4185	4075
	<b>Jamnagar</b>	Dhrol (Loose)	NA	NA	NA	NA
<b>M.P.</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	4100
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	8700	8200	8600	9400
	<b>Alwar</b>	Alwar	8600	8500	8700	9350
	<b>Hanumangarh</b>	Nohar	8600	8500	8700	9500
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	8700	8200	9000	9450
	<b>Sirsa</b>	Sirsa	8700	8350	8600	9500
		Dhabwali	8700	8200	8500	9350
		Ellanabad	8600	8200	8600	9350
	<b>Fatehabad</b>	Fatehabad	8500	8150	8600	9350

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			12th to 18th Jan 2019	05th to 11th Jan 2019	
Rajasthan	Jodhpur	Jodhpur	379	188	191
	Sri-Ganganagar	Sri-Ganganagar	3600	4200	-600
		Rawla	1800	2750	-950
		Gharsana	1300	2600	-1300
		Raisinghnagar	3700	3900	-200
	Bikaner	Bikaner	3900	3200	700
		Nokha	4500	4700	-200
		Khajuwala	4400	4700	-300
		Lunkaransar	650	2000	-1350
	Hanumangarh	Hanumangarh	1300	1310	-10
		Nohar	4800	6400	-1600
		Pilibanga	1026	1101	-75
	Nagaur	Nagaur	1250	1050	200
	Churu	Churu	2600	2900	-300
	Alwar	Alwar	1850	1300	550
Haryana	Hisar	Adampur	6600	6000	600
	Bhiwani	Bhiwani	5600	4000	1600
		Siwani	5800	6200	-400
	Sirsa	Sirsa	8600	10000	-1400
		Dhabwali	1100	1950	-850
		Ellanabad	1200	2300	-1100
	Fatehabad	Fatehabad	1050	1000	50
Gujarat	Banaskantha	Deesa	435	374	61
	Patan	Patan	159	192	-33
	Rajkot	Rajkot	507	708	-201
	Jamnagar	Dhrol	10	2	8
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			68116	75025	-6909

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