



# 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 increased by 2.50 percent to Rs. 3987.01 per quintal during the week ended 15th January 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3889.88 per quintal during 09-15 January 2019. As compared to prices in the week 16-23 January 2018, the prices are firm by 1.83 percent. Prices are expected to remain steady to firm in coming days.

As per latest update, BSE has received SEBI's approval for launching Guar seed and Guar gum future contracts on its commodity derivative segment. The lot size for Guar seed as well as Guar gum will be 10 tonnes. BSE has also entered into agreement with agricultural premier associations and warehouse service providers for developing commodity derivatives markets.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1059 as on 25th January 2019 up by 9 compared to 25th January 2019 and by 112 compared to 26th 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 4291.00 per quintal before closing at Rs 4307.50 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 4450.00-4500.00 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 lower arrivals (6200 quintals) compared to previous week arrivals of 6600 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (3500 quintals) compared to previous week arrivals of 3900 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:**[\(Back to Table of Contents\)](#)

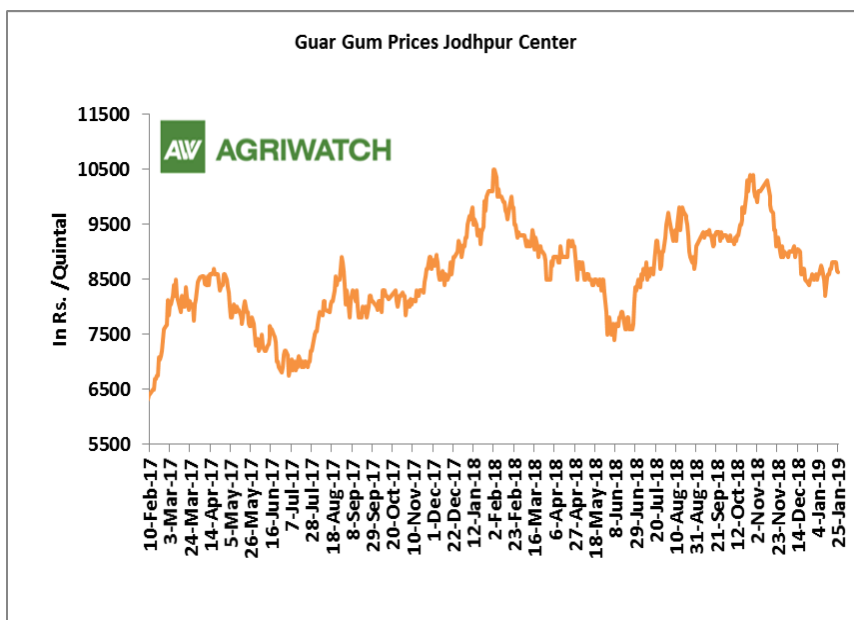
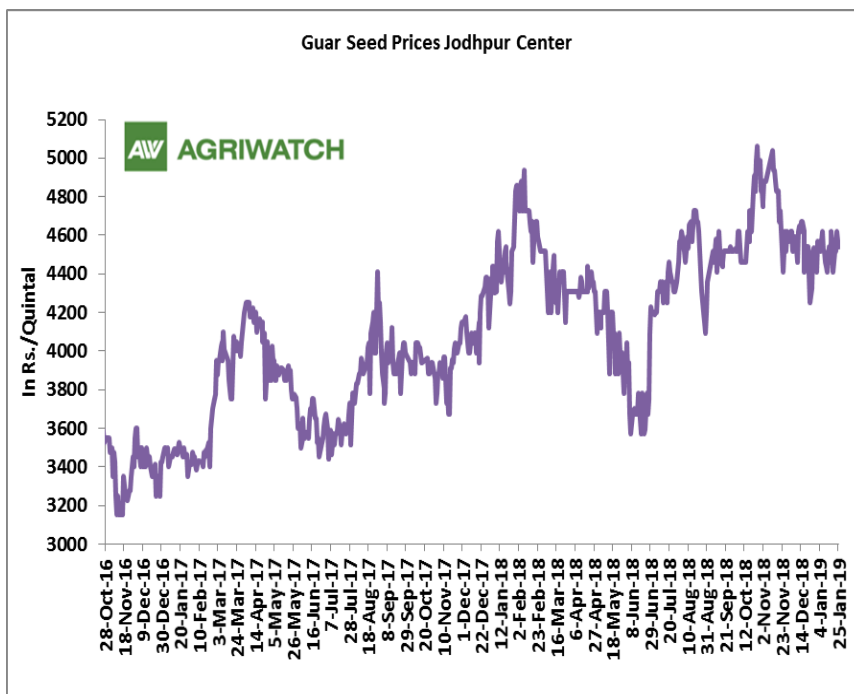
**Weekly Call- : Market participants are advised to buy Guar seed at 4280 levels for a target of 4460 with a stop loss at 4172 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 25<sup>th</sup> January'19, Guar seed weekly average prices increased by Rs 1.00/-qtl and settled at Rs 4529 per quintal.
- In addition, Guar gum weekly price increased by Rs 191.67 per quintal and settled at Rs. 8746 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.

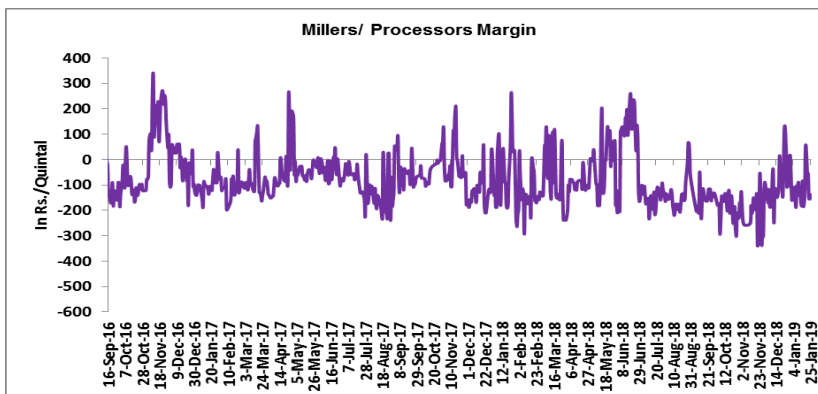


### Millers/Processors Margin

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In the week ended 25<sup>th</sup> January'19, average crush margin is Rs. - 82.96/Quintal, compared to last week's - 146.04/Quintal. Therefore, crushing is not favorable for Millers/Processors.

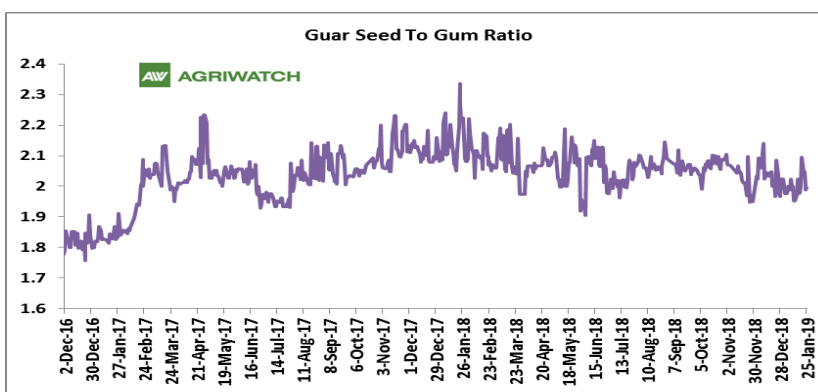
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 25<sup>th</sup> January'19 is 2.03, lower compared to last week's 1.98

Overall, buoyant demand of gum from overseas and good demand of seed from millers has increased 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:**

- Fall in price and open interest indicates long liquidation.
- 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	4015	3900	4307.5	4780	4885
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	February	Buy	Above 4280	4460	4630	4172

Technical Analysis (Guar Gum)

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Commodity: Guar Gum  
Contract: February

Exchange: NCDEX  
Expiry: February 20, 2018



**Technical Commentary:**

- Fall in price and open interest indicates long liquidation.
- 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	8020	7915	8597	9320	9435
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Buy	Above 8470	8905	9165	8209

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	19th to 25th Jan 2019	12th to 18th Jan 2019	Change
Churi	Jodhpur	1793	1791	2
Korma	Jodhpur	2504	2494	10
Churi	Sri-Ganganagar	1578	1576	2
Korma	Sri-Ganganagar	2331	2331	Unch

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	19th to 25th Jan 2019	12th to 18th Jan 2019	Change
Guargum Split		1235	1221	14
Guargum Powder	200 Mesh 5000 CPS	1516	1503	13
	200 Mesh 3500 CPS	1450	1442	8
Guargum Meal	40%	337	338	-1
	50%	477	479	-2

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			19th to 25th Jan 2019	12th to 18th Jan 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4313	4313	Unch
		Jodhpur(Delivery)	4528	4528	Unch
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4121	4096	25
		Sri-Ganganagar (Delivery)	4271	4246	25
		Rawla (Loose)	4098	4079	19
		Gharsana (Loose)	4108	4103	5
		Raisinghnagar (Loose)	4142	4138	4
	Bikaner	Bikaner (Loose)	4165	4123	42
		Bikaner (Delivery)	4373	4329	44
		Nokha(Loose)	4163	4131	32
		Nokha (Delivery)	4371	4337	34
		Khajuwala (Loose)	4113	4087	26
		Khajuwala (Delivery)	4319	4291	28
		Lunkaransar (Loose)	4167	4125	42
	Hanumangarh	Hanumangarh (Loose)	4108	4038	70
		Hanumangarh (Delivery)	4313	4239	74
		Nohar (Loose)	4175	4085	90

		Pilibanga (Loose)	4089	4069	20
	Nagaur	Nagaur (Loose)	4058	3967	91
	Churu	Churu (Delivery)	4375	4392	-17
	Alwar	Alwar (Loose)	4108	4083	25
Haryana	Hisar	Adampur (Loose)	4119	4120	-1
		Adampur (Delivery)	4325	4326	-1
	Bhiwani	Bhiwani (Delivery)	4354	4321	33
		Siwani (Loose)	4277	4271	6
	Sirsa	Sirsa (Loose)	4143	4139	4
		Dhabwali (Loose)	4043	4082	-40
		Dhabwali (Delivery)	4245	4286	-41
		Ellanabad (Loose)	4129	4095	34
	Fatehabad	Fatehabad (Loose)	4017	3992	25
Gujarat	Banaskantha	Deesa (Loose)	4093	4088	5
	Patan	Patan (Loose)	4188	4148	40
	Rajkot	Rajkot (Loose)	4116	4057	59
	Jamnagar	Dhrol (Loose)	3940	3950	-10
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8746	8554	192
	Alwar	Alwar	8733	8617	116
	Hanumangarh	Nohar	8617	8517	100
Haryana	Bhiwani	Bhiwani	8633	8622	11
	Sirsa	Sirsa	8742	8663	79
		Dhabwali	8700	8533	167
		Ellanabad	8708	8542	166
	Fatehabad	Fatehabad	8555	8425	130

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			25-Jan-19	18-Jan-19	24-Dec-18	25-Jan-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4325	4350	4050	4300
		Jodhpur(Delivery)	4541	4568	4253	4515
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4100	4125	4060	4400
		Sri-Ganganagar (Delivery)	4250	4275	4210	4550
		Rawla (Loose)	4080	4100	4040	NR
		Gharsana (Loose)	4100	4100	3980	4420
		Raisinghnagar (Loose)	4100	4150	4050	4520



	<b>Bikaner</b>	Bikaner (Loose)	4150	4125	4050	4380
		Bikaner (Delivery)	4358	4331	4253	4599
		Nokha (Loose)	4150	4150	4050	4255
		Nokha (Delivery)	4358	4358	4253	4468
		Khajuwala (Loose)	4070	4120	4010	4520
		Khajuwala (Delivery)	4274	4326	4211	4746
		Lunkaransar (Loose)	4100	4100	4000	4450
	<b>Hanumangarh</b>	Hanumangarh (Loose)	4050	4065	4000	4400
		Hanumangarh (Delivery)	4253	4268	4200	4620
		Nohar (Loose)	4150	4150	4100	4450
		Pilibanga (Loose)	NR	4090	4100	NR
	<b>Nagaur</b>	Nagaur (Loose)	4000	4000	3950	4250
	<b>Churu</b>	Churu (Delivery)	4250	4400	4200	4450
	<b>Alwar</b>	Alwar (Loose)	4000	4050	3950	4350
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	4125	4125	4150	4500
		Adampur (Delivery)	4331	4331	4358	4725
	<b>Bhiwani</b>	Bhiwani (Delivery)	4300	4325	4250	4650
		Siwani (Loose)	4250	4300	4225	4300
	<b>Sirsa</b>	Sirsa (Loose)	4120	4175	4100	4375
		Dhabwali (Loose)	4085	4100	4000	4300
		Dhabwali (Delivery)	4289	4305	4200	4515
		Ellanabad (Loose)	4150	4100	4000	4400
	<b>Fatehabad</b>	Fatehabad (Loose)	4000	4000	4000	4400
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	4125	4100	4125	4125
	<b>Patan</b>	Patan (Loose)	4095	4235	4175	NA
	<b>Rajkot</b>	Rajkot (Loose)	4100	4085	4065	NA
	<b>Jamnagar</b>	Dhrol (Loose)	NA	NA	3625	3650
<b>M.P.</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	8625	8700	8450	10000
	<b>Alwar</b>	Alwar	8700	8600	8400	10000
	<b>Hanumangarh</b>	Nohar	8600	8600	8600	10000
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	8650	8700	8550	10000
	<b>Sirsa</b>	Sirsa	8750	8700	8500	9950
		Dhabwali	8700	8700	8300	9700
		Ellanabad	8700	8600	8600	10000
	<b>Fatehabad</b>	Fatehabad	8500	8500	8300	10000

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			19th to 25th Jan 2019	12th to 18th Jan 2019	
Rajasthan	Jodhpur	Jodhpur	134	379	-245
	Sri-Ganganagar	Sri-Ganganagar	3300	3600	-300
		Rawla	1000	1800	-800
		Gharsana	1550	1300	250
		Raisinghnagar	3100	3700	-600
	Bikaner	Bikaner	3500	3900	-400
		Nokha	4200	4500	-300
		Khajuwala	3600	4400	-800
		Lunkaransar	900	650	250
	Hanumangarh	Hanumangarh	1500	1300	200
		Nohar	4000	4800	-800
		Pilibanga	1026	1026	Unch
	Nagaur	Nagaur	1350	1250	100
	Churu	Churu	2650	2600	50
	Alwar	Alwar	2050	1850	200
Haryana	Hisar	Adampur	6200	6600	-400
	Bhiwani	Bhiwani	6800	5600	1200
		Siwani	6100	5800	300
	Sirsa	Sirsa	9400	8600	800
		Dhabwali	900	1100	-200
		Ellanabad	1600	1200	400
	Fatehabad	Fatehabad	650	1050	-400
Gujarat	Banaskantha	Deesa	745	435	310
	Patan	Patan	367	159	208
	Rajkot	Rajkot	381	507	-126
	Jamnagar	Dhrol	8	10	-2
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			67011	68116	-1105

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