



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 decreased by 0.31 percent to Rs. 3974.65 per quintal during the week ended 31st January 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3987.01 per quintal during 16-23 January 2019. As compared to prices in the week 24-31 January 2018, the prices are weak by 4.63 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 decreased to 1045 as on 01st February 2019 down by 14 compared to 25th January 2019 and up by 99 compared to 02nd February 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.

As per trade sources, recovery of guar gum from guar seed in Barmer, Bikaner and Ganganagar is coming around 29.00 -30.50 kg respectively. Export demand for guar gum is expected to increase during January-19. As of now guar gum prices in Jodhpur are hovering around Rs 8600-8650 per quintal.

Guar seed future February contract touched a low of Rs 4252.00 per quintal before closing at Rs 4290.50 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 (5850 quintals) compared to previous week arrivals of 6200 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1950 quintals) compared to previous week arrivals of 3500 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.

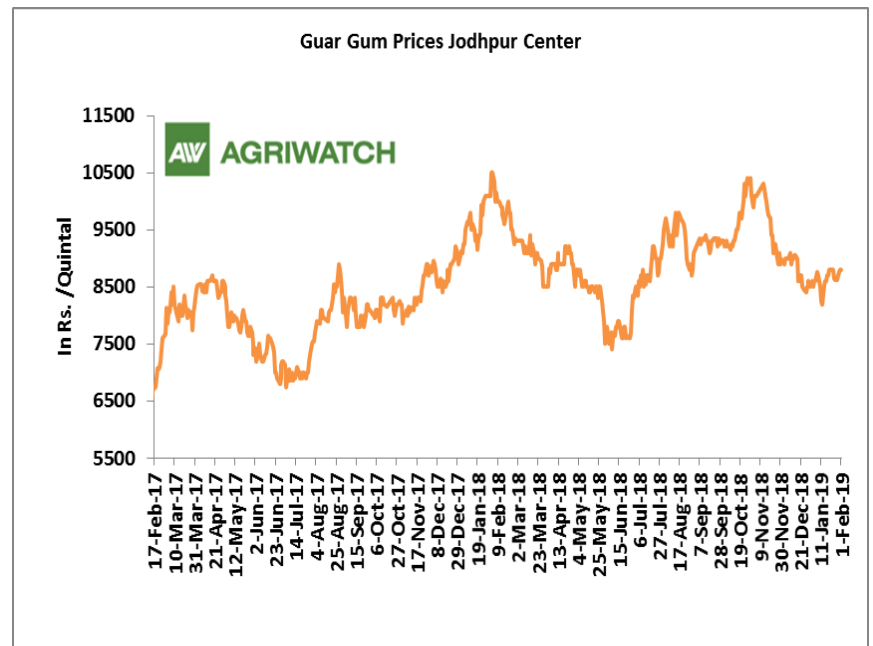
As per trade sources, export of guar split has increased in the month of November. Exports in the month of November are up by around 17.02% compared to previous month. India exported around 5640 tonnes of guar split in the month of October at an average FoB of \$ 1475.23 per tonne.

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

Weekly Call- : Market participants are advised to buy Guar seed at 4270 levels for a target of 4450 with a stop loss at 4162 on closing basis.

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- In the week ended 01st February'19, Guar seed weekly average prices increased by Rs 18.38/-qtl and settled at Rs 4547.00 per quintal.
- In addition, Guar gum weekly price decreased by Rs 10.83 per quintal and settled at Rs. 8735 per quintal. Weak demand for guar gum from domestic as well as overseas market kept prices at lower 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.

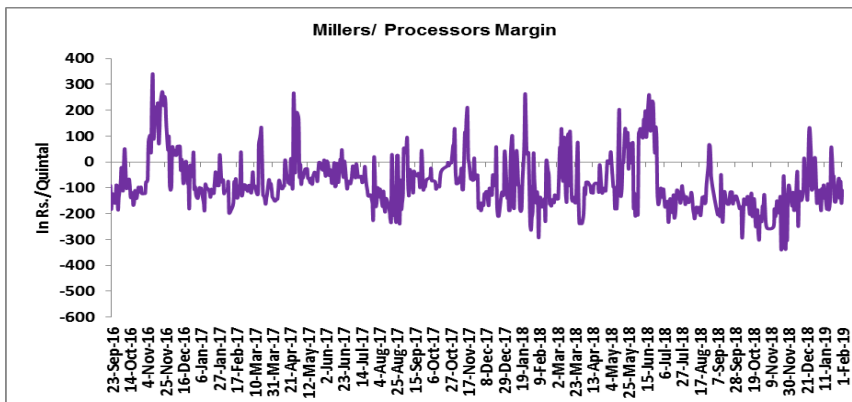


Millers/Processors Margin

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In the week ended 01st February'19, average crush margin is Rs. -109.15/Quintal, compared to last week's -82.96/Quintal. Therefore, crushing is not favorable for Millers/Processors.

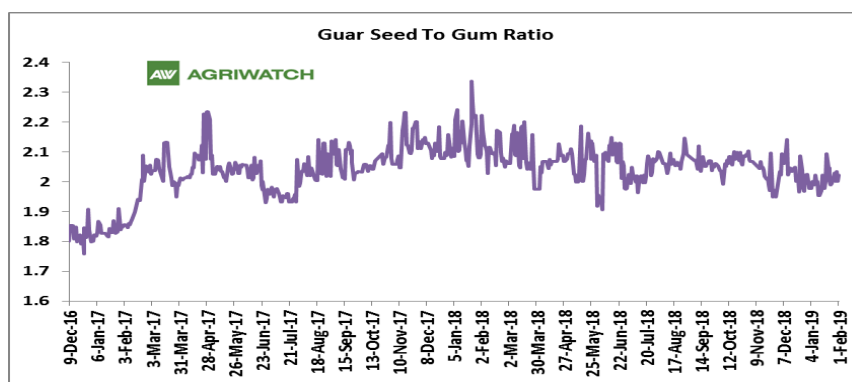
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 01st February'19 is 2.03, 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: 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	4005	3890	4290.50	4770	4875
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	February	Buy	Above 4270	4450	4620	4162

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	8200	8095	8597	9300	9415
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Buy	Above 8550	8885	9145	8349

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	28th Jan to 01st Feb 2019	19th to 25th Jan 2019	Change
Churi	Jodhpur	1775	1793	-18
Korma	Jodhpur	2513	2504	10
Churi	Sri-Ganganagar	1515	1578	-63
Korma	Sri-Ganganagar	2344	2331	13

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	28th Jan to 01st Feb 2019	19th to 25th Jan 2019	Change
Guargum Split		1237	1235	2
Guargum Powder	200 Mesh 5000 CPS	1519	1516	3
	200 Mesh 3500 CPS	1459	1450	9
Guargum Meal	40%	337	337	1
	50%	472	477	-5

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			28th Jan to 01st Feb 2019	19th to 25th Jan 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4330	4313	18
		Jodhpur(Delivery)	4547	4528	18
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4114	4121	-7
		Sri-Ganganagar (Delivery)	4264	4271	-7
		Rawla (Loose)	4092	4098	-6
		Gharsana (Loose)	4100	4108	-8
		Raisinghnagar (Loose)	4114	4142	-28
	Bikaner	Bikaner (Loose)	4118	4165	-47
		Bikaner (Delivery)	4324	4373	-49
		Nokha(Loose)	4125	4163	-38
		Nokha (Delivery)	4331	4371	-39
		Khajuwala (Loose)	4090	4113	-23
		Khajuwala (Delivery)	4295	4319	-25
		Lunkaransar (Loose)	4108	4167	-59
	Hanumangarh	Hanumangarh (Loose)	4086	4108	-22
		Hanumangarh (Delivery)	4290	4313	-23
		Nohar (Loose)	4170	4175	-5

		Pilibanga (Loose)	4046	4089	-43
	Nagaur	Nagaur (Loose)	4080	4058	22
	Churu	Churu (Delivery)	4316	4375	-59
	Alwar	Alwar (Loose)	4054	4108	-54
Haryana	Hisar	Adampur (Loose)	4106	4119	-13
		Adampur (Delivery)	4311	4325	-14
	Bhiwani	Bhiwani (Delivery)	4305	4354	-49
		Siwani (Loose)	4260	4277	-17
	Sirsa	Sirsa (Loose)	4134	4143	-9
		Dhabwali (Loose)	4065	4043	23
		Dhabwali (Delivery)	4268	4245	24
		Ellanabad (Loose)	4100	4129	-29
	Fatehabad	Fatehabad (Loose)	4000	4017	-17
Gujarat	Banaskantha	Deesa (Loose)	4085	4093	-8
	Patan	Patan (Loose)	4114	4188	-74
	Rajkot	Rajkot (Loose)	4081	4116	-35
	Jamnagar	Dhrol (Loose)	3710	3940	-230
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8735	8746	-11
	Alwar	Alwar	8730	8733	-3
	Hanumangarh	Nohar	8600	8617	-17
Haryana	Bhiwani	Bhiwani	8778	8633	145
	Sirsa	Sirsa	8700	8742	-42
		Dhabwali	8620	8700	-80
		Ellanabad	8660	8708	-48
	Fatehabad	Fatehabad	8602	8555	47

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			1-Feb-19	25-Jan-19	31-Dec-18	1-Feb-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4350	4325	4200	4600
		Jodhpur(Delivery)	4568	4541	4410	4830
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4100	4100	4100	4400
		Sri-Ganganagar (Delivery)	4250	4250	4250	4550
		Rawla (Loose)	4090	4080	4090	4500
		Gharsana (Loose)	4060	4100	4100	4330
		Raisinghnagar (Loose)	4100	4100	4100	4500

	Bikaner	Bikaner (Loose)	4100	4150	4090	4400
		Bikaner (Delivery)	4305	4358	4295	4620
		Nokha (Loose)	4100	4150	4080	4400
		Nokha (Delivery)	4305	4358	4284	4620
		Khajuwala (Loose)	4100	4070	4130	4420
		Khajuwala (Delivery)	4305	4274	4337	4641
		Lunkaransar (Loose)	4100	4100	4100	4450
	Hanumangarh	Hanumangarh (Loose)	4100	4050	4000	4450
		Hanumangarh (Delivery)	4305	4253	4200	4673
		Nohar (Loose)	4150	4150	4125	4500
		Pilibanga (Loose)	4015	4080	4000	4400
	Nagaur	Nagaur (Loose)	4100	4000	4000	4500
	Churu	Churu (Delivery)	4300	4250	4350	4700
	Alwar	Alwar (Loose)	4000	4000	4100	4300
Haryana	Hisar	Adampur (Loose)	4115	4125	4150	4500
		Adampur (Delivery)	4321	4331	4358	4725
	Bhiwani	Bhiwani (Delivery)	4300	4300	4350	4625
		Siwani (Loose)	4250	4250	4250	4540
	Sirsa	Sirsa (Loose)	4117	4120	4125	4425
		Dhabwali (Loose)	4070	4085	4100	4380
		Dhabwali (Delivery)	4274	4289	4305	4599
		Ellanabad (Loose)	4100	4150	4100	4450
	Fatehabad	Fatehabad (Loose)	4000	4000	4000	4350
Gujarat	Banaskantha	Deesa (Loose)	4100	4125	4100	4280
	Patan	Patan (Loose)	4090	4095	4310	4300
	Rajkot	Rajkot (Loose)	4090	4100	4095	4285
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3775
M.P.	Gwalior	Dabra (Loose)	NA	NA	3600	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8800	8625	8500	10100
	Alwar	Alwar	8700	8700	8500	10100
	Hanumangarh	Nohar	8600	8600	8600	10100
Haryana	Bhiwani	Bhiwani	8800	8650	8500	10100
	Sirsa	Sirsa	8700	8750	8600	10000
		Dhabwali	8600	8700	8400	10300
		Ellanabad	8700	8700	8450	10100
	Fatehabad	Fatehabad	8745	8500	8370	10100

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			28th Jan to 01st Feb 2019	19th to 25th Jan 2019	
Rajasthan	Jodhpur	Jodhpur	100	134	-34
	Sri-Ganganagar	Sri-Ganganagar	2900	3300	-400
		Rawla	1850	1000	850
		Gharsana	1250	1550	-300
		Raisinghnagar	3000	3100	-100
	Bikaner	Bikaner	1950	3500	-1550
		Nokha	2000	4200	-2200
		Khajuwala	2700	3600	-900
		Lunkaransar	2300	900	1400
	Hanumangarh	Hanumangarh	2200	1500	700
		Nohar	3000	4000	-1000
		Pilibanga	528	1026	-498
	Nagaur	Nagaur	850	1350	-500
	Churu	Churu	3050	2650	400
	Alwar	Alwar	1850	2050	-200
Haryana	Hisar	Adampur	5850	6200	-350
	Bhiwani	Bhiwani	8400	6800	1600
		Siwani	7500	6100	1400
	Sirsa	Sirsa	9700	9400	300
		Dhabwali	2150	900	1250
		Ellanabad	1850	1600	250
	Fatehabad	Fatehabad	750	650	100
Gujarat	Banaskantha	Deesa	255	745	-490
	Patan	Patan	476	367	109
	Rajkot	Rajkot	387	381	6
	Jamnagar	Dhrol	1	8	-7
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			66847	67011	-164

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