



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 2.16 percent to Rs. 3888.97 per quintal during the week ended 08th February 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3974.65 per quintal during 24-31 January 2019. As compared to prices in the week 01-08 February 2018, the prices are weak by 6.93 percent. Prices are expected to remain steady to weak in coming days.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 1049 as on 08th February 2019 up by 4 compared to 01st February 2019 and by 74 compared to 09th February 2018. The total number of oilrigs was recorded at 2264 worldwide in January'19 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 latest update by DGCIS, India has exported around 372819 metric tonnes of guar gum in April-December (2018-19) compared to 365487 metric tonnes in April- December (2017-18). In terms of value, exports have increased by around 8.1 percent. Carryover stocks have also decreased due to lower production compared to last year.

Guar seed future March contract touched a low of Rs 4142.00 per quintal before closing at Rs 4183.00 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 4350.00-4400.00 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 (6400 quintals) compared to previous week arrivals of 5850 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (3600 quintals) compared to previous week arrivals of 1950 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.

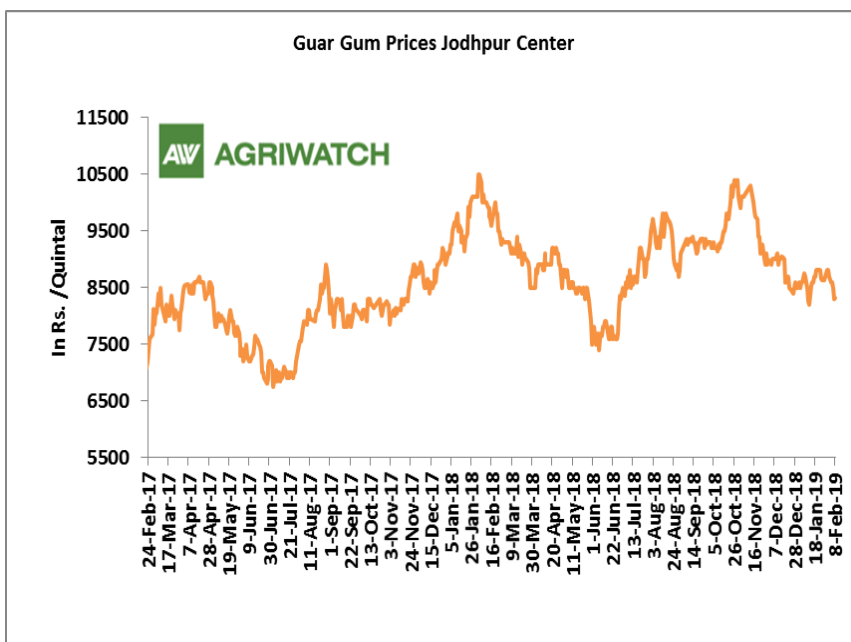
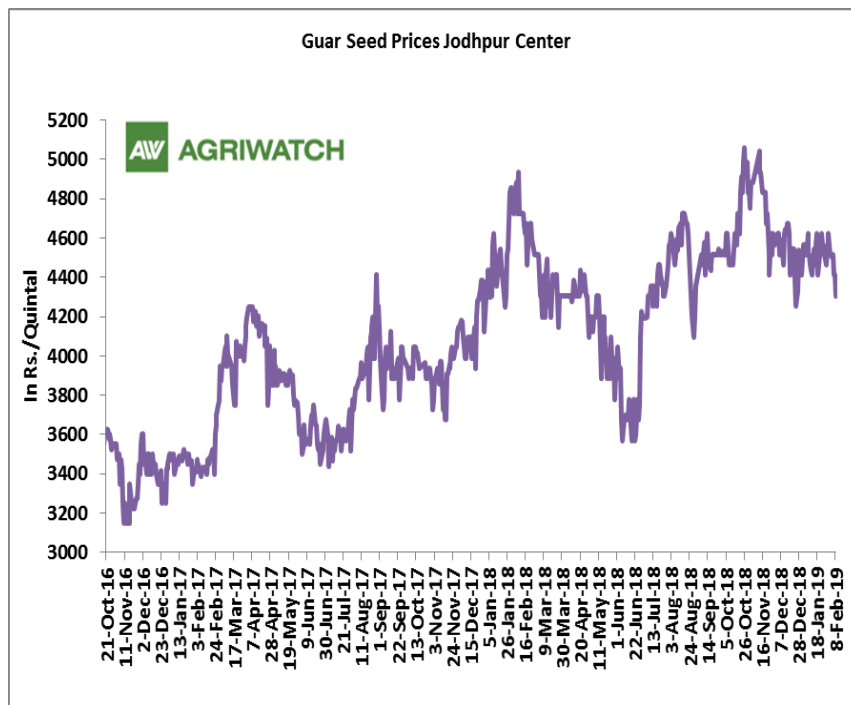
As per trade sources, export of guar split has increased in the month of November. Exports in the month of November are up by around 17.02% compared to previous month. India exported around 5640 tonnes of guar split in the month of October at an average FoB of \$ 1475.23 per tonne.

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

Weekly Call- : Market participants are advised to buy Guar seed at 4150 levels for a target of 4300 with a stop loss at 4060 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-
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Domestic Front

- In the week ended 08th February'19, Guar seed weekly average prices decreased by Rs 103.25/-qtl and settled at Rs 4443.00 per quintal.
- In addition, Guar gum weekly price decreased by Rs 230.83 per quintal and settled at Rs. 8504 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.

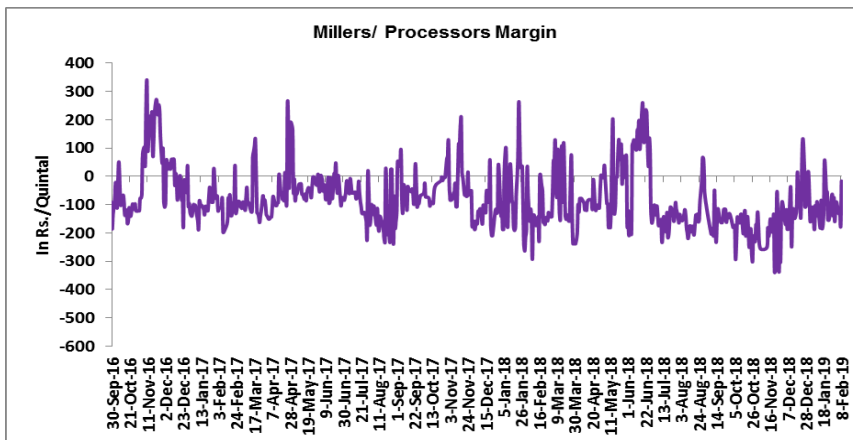


Millers/Processors Margin

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In the week ended 08th February'19, average crush margin is Rs. -108.78/Quintal, compared to last week's -109.15/Quintal. Therefore, crushing is not favorable for Millers/Processors.

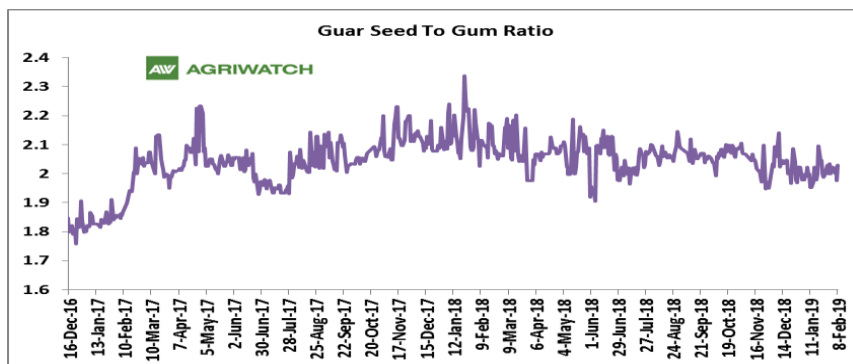
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 08th February'19 is 2.01, 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: March

Exchange: NCDEX
Expiry: March 19, 2019



Technical Commentary:

- Fall in price and rise in open interest indicates short buildup.
- RSI is moving in oversold 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	March	3985	3920	4183	4530	4635
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	March	Buy	Above 4150	4300	4400	4060

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: March

Exchange: NCDEX
Expiry: March 19, 2018



Technical Commentary:

- Fall in price and rise in open interest indicates short buildup.
- RSI is moving in oversold 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	March	7850	7735	8273	8980	9115
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	March	Buy	Above 8200	8515	8800	8011

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	02nd to 08th Feb 2019	28th Jan to 01st Feb 2019	Change
Churi	Jodhpur	1746	1775	-29
Korma	Jodhpur	2475	2513	-38
Churi	Sri-Ganganagar	1488	1515	-28
Korma	Sri-Ganganagar	2268	2344	-76

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	02nd to 08th Feb 2019	28th Jan to 01st Feb 2019	Change
Guargum Split		1193	1237	-44
Guargum Powder	200 Mesh 5000 CPS	1473	1519	-46
	200 Mesh 3500 CPS	1403	1459	-57
Guargum Meal	40%	336	337	-2
	50%	473	472	+1

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			02nd to 08th Feb 2019	28th Jan to 01st Feb 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4232	4330	-98
		Jodhpur(Delivery)	4443	4547	-103
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4008	4114	-106
		Sri-Ganganagar (Delivery)	4158	4264	-106
		Rawla (Loose)	4013	4092	-80
		Gharsana (Loose)	4031	4100	-69
		Raisinghnagar (Loose)	4050	4114	-64
	Bikaner	Bikaner (Loose)	4061	4118	-57
		Bikaner (Delivery)	4264	4324	-60
		Nokha(Loose)	4035	4125	-90
		Nokha (Delivery)	4237	4331	-95
		Khajuwala (Loose)	3996	4090	-94
		Khajuwala (Delivery)	4196	4295	-99
		Lunkaransar (Loose)	4045	4108	-63
	Hanumangarh	Hanumangarh (Loose)	4010	4086	-76
		Hanumangarh (Delivery)	4211	4290	-80
		Nohar (Loose)	4048	4170	-123

		Pilibanga (Loose)	4012	4046	-34
	Nagaur	Nagaur (Loose)	4017	4080	-63
	Churu	Churu (Delivery)	4246	4316	-70
	Alwar	Alwar (Loose)	3975	4054	-79
Haryana	Hisar	Adampur (Loose)	4052	4106	-54
		Adampur (Delivery)	4254	4311	-57
	Bhiwani	Bhiwani (Delivery)	4183	4305	-122
		Siwani (Loose)	4176	4260	-84
	Sirsa	Sirsa (Loose)	4053	4134	-82
		Dhabwali (Loose)	4002	4065	-63
		Dhabwali (Delivery)	4202	4268	-66
		Ellanabad (Loose)	4050	4100	-50
	Fatehabad	Fatehabad (Loose)	3942	4000	-58
Gujarat	Banaskantha	Deesa (Loose)	4038	4085	-47
	Patan	Patan (Loose)	3998	4114	-116
	Rajkot	Rajkot (Loose)	4018	4081	-63
	Jamnagar	Dhrol (Loose)	3900	3910	-10
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8504	8735	-231
	Alwar	Alwar	8567	8730	-163
	Hanumangarh	Nohar	8317	8600	-283
Haryana	Bhiwani	Bhiwani	8552	8778	-226
	Sirsa	Sirsa	8500	8700	-200
		Dhabwali	8520	8620	-100
		Ellanabad	8500	8660	-160
	Fatehabad	Fatehabad	8498	8602	-105

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			8-Feb-19	1-Feb-19	8-Jan-19	8-Feb-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4100	4350	4300	4700
		Jodhpur(Delivery)	4305	4568	4515	4935
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3950	4100	4100	4300
		Sri-Ganganagar (Delivery)	4100	4250	4250	4450
		Rawla (Loose)	3965	4090	4100	4250
		Gharsana (Loose)	4025	4060	4110	4270
		Raisinghnagar (Loose)	NR	4100	4200	Closed
	Bikaner	Bikaner (Loose)	4070	4100	4150	4250

		Bikaner (Delivery)	4274	4305	4358	4463
		Nokha(Loose)	3980	4100	4100	4200
		Nokha (Delivery)	4179	4305	4305	4410
		Khajuwala (Loose)	3940	4100	4100	4260
		Khajuwala (Delivery)	4137	4305	4305	4473
		Lunkaransar (Loose)	4000	4100	4100	4200
	Hanumangarh	Hanumangarh (Loose)	4000	4100	4070	4350
		Hanumangarh (Delivery)	4200	4305	4274	4568
		Nohar (Loose)	4050	4150	4150	4400
		Pilibanga (Loose)	NR	4015	4090	4225
	Nagaur	Nagaur (Loose)	3950	4100	4025	4200
	Churu	Churu (Delivery)	4200	4300	4500	4400
	Alwar	Alwar (Loose)	3950	4000	4050	4100
Haryana	Hisar	Adampur (Loose)	4000	4115	4140	4400
		Adampur (Delivery)	4200	4321	4347	4620
	Bhiwani	Bhiwani (Delivery)	4100	4300	4350	4500
		Siwani (Loose)	4100	4250	4280	4425
	Sirsa	Sirsa (Loose)	3950	4117	4130	4340
		Dhabwali (Loose)	3915	4070	4100	4280
		Dhabwali (Delivery)	4111	4274	4305	4494
		Ellanabad (Loose)	4000	4100	4100	4300
	Fatehabad	Fatehabad (Loose)	3900	4000	4000	4300
Gujarat	Banaskantha	Deesa (Loose)	4000	4100	4070	4120
	Patan	Patan (Loose)	3940	4090	4205	4245
	Rajkot	Rajkot (Loose)	3950	4090	4110	4250
	Jamnagar	Dhrol (Loose)	NA	NA	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	4400
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8325	8800	8700	10000
	Alwar	Alwar	8500	8700	8700	9800
	Hanumangarh	Nohar	8200	8600	8600	10000
Haryana	Bhiwani	Bhiwani	8350	8800	8400	9870
	Sirsa	Sirsa	8200	8700	8700	9800
		Dhabwali	8400	8600	8500	10000
		Ellanabad	8300	8700	8400	10000
	Fatehabad	Fatehabad	8370	8745	8500	9950

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			02nd to 08th Feb 2019	28th Jan to 01st Feb 2019	
Rajasthan	Jodhpur	Jodhpur	188	100	88
	Sri-Ganganagar	Sri-Ganganagar	3300	2900	400
		Rawla	1400	1850	-450
		Gharsana	1150	1250	-100
		Raisinghnagar	2700	3000	-300
	Bikaner	Bikaner	3600	1950	1650
		Nokha	2750	2000	750
		Khajuwala	2800	2700	100
		Lunkaransar	1500	2300	-800
	Hanumangarh	Hanumangarh	850	2200	-1350
		Nohar	5400	3000	2400
		Pilibanga	764	528	236
	Nagaur	Nagaur	800	850	-50
	Churu	Churu	2450	3050	-600
	Alwar	Alwar	2050	1850	200
Haryana	Hisar	Adampur	6400	5850	550
	Bhiwani	Bhiwani	3100	8400	-5300
		Siwani	9500	7500	2000
	Sirsa	Sirsa	7700	9700	-2000
		Dhabwali	1300	2150	-850
		Ellanabad	1850	1850	Unch
	Fatehabad	Fatehabad	800	750	50
Gujarat	Banaskantha	Deesa	499	255	244
	Patan	Patan	241	476	-235
	Rajkot	Rajkot	345	387	-42
	Jamnagar	Dhrol	2	1	+1
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			63439	66847	-3408

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