



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 0.42 percent to Rs. 3872.55 per quintal during the week ended 15th February 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3888.97 per quintal during 01-08 February 2019. As compared to prices in the week 09-15 February 2018, the prices are weak by 4.64 percent. Prices are expected to remain steady to firm in coming days.

The wholesale price index of guar seed has decreased from 101.7 in December 2018 to 100.1 in January 2019. The WPI for January 2019 is up by 1.10 compared to last year for the same month and by 25.1 compared to January 2017. WPI is expected to stay weak in February'19.

As per latest update, BSE guar futures has witnessed increase in turnover as well as market share in its first week of launch itself. Lower transaction cost is one of the main reason for surge in trading volumes. BSE has also launched cotton futures. BSE is likely to expand itself in Agri/non-Agri commodities in 2019.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1051 as on 15th February 2019 up by 2 compared to 08th February 2019 and by 76 compared to 16th 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

Guar seed future March contract touched a high of Rs 4304.00 per quintal before closing at Rs 4245.00 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 4400.00-4450.00 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 (5300 quintals) compared to previous week arrivals of 6400 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (2150 quintals) compared to previous week arrivals of 3600 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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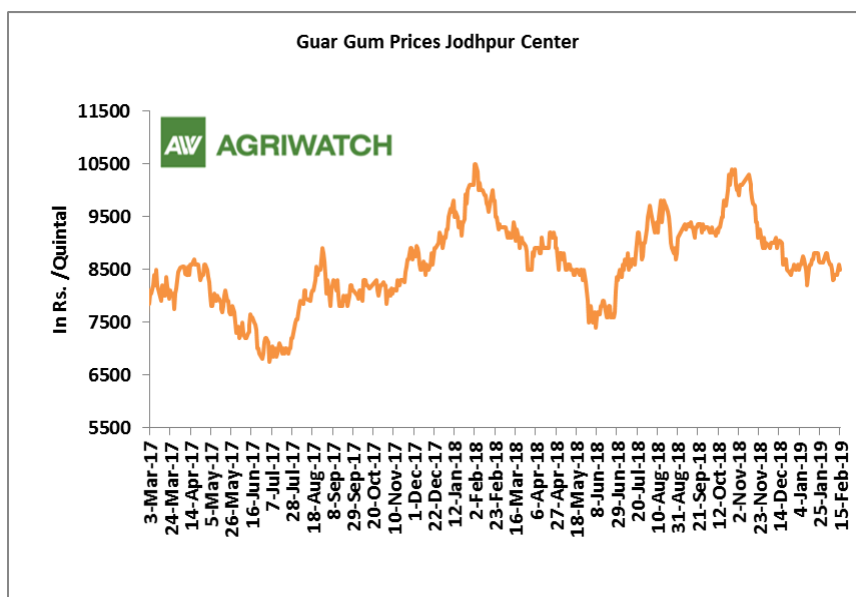
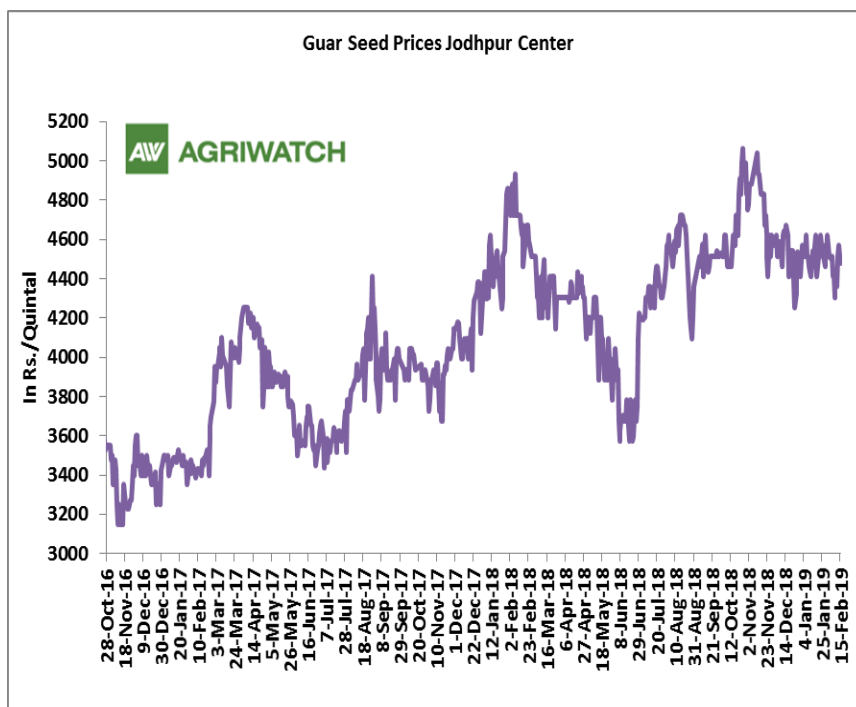
Weekly Call- : Market participants are advised to buy Guar seed at 4230 levels for a target of 4380 with a stop loss at 4140 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 15th February'19, Guar seed weekly average prices increased by Rs 30.63/-qtl and settled at Rs 4474.00 per quintal.
- In addition, Guar gum weekly price decreased by Rs 37.50 per quintal and settled at Rs. 8467.00 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.

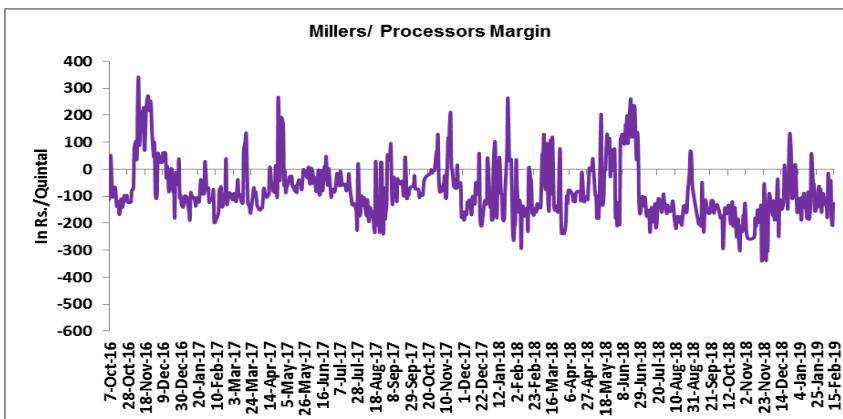


Millers/Processors Margin

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In the week ended 15th February'19, average crush margin is Rs. -132.22/Quintal, compared to last week's -108.78/Quintal. Therefore, crushing is not favorable for Millers/Processors.

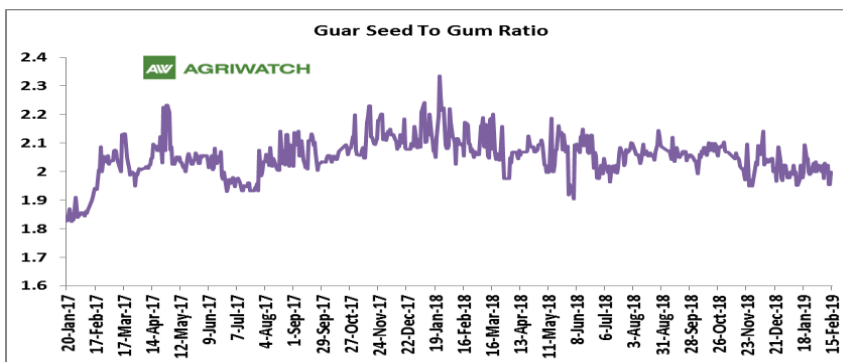
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 15th February'19 is 1.99, lower compared to last week's 2.01

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:

- Rise in price and open interest indicates long buildup.
- RSI is moving in oversold 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 | March | 4065 | 4000 | 4245 | 4610 | 4715 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Seed | NCDEX | March | Buy | Above 4230 | 4380 | 4480 | 4140 |

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: March

Exchange: NCDEX
Expiry: March 19, 2018



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- RSI is moving in oversold 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 | March | 8050 | 7935 | 8432 | 9180 | 9315 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Gum | NCDEX | March | Buy | Above 8400 | 8715 | 9000 | 8211 |

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 | 09th to 15th Feb 2019 | 02nd to 08th Feb 2019 | Change |
| Churi | Jodhpur | 1753 | 1746 | 8 |
| Korma | Jodhpur | 2513 | 2475 | 38 |
| Churi | Sri-Ganganagar | 1569 | 1488 | 81 |
| Korma | Sri-Ganganagar | 2328 | 2268 | 60 |

| Guar Export Weekly Average Prices (Prices in \$/MT) | | | | |
|---|-------------------|-----------------------|-----------------------|--------|
| Commodity | Variety | 09th to 15th Feb 2019 | 02nd to 08th Feb 2019 | Change |
| Guargum Split | | 1204 | 1193 | 11 |
| Guargum Powder | 200 Mesh 5000 CPS | 1486 | 1473 | 13 |
| | 200 Mesh 3500 CPS | 1415 | 1403 | 13 |
| Guargum Meal | 40% | 343 | 336 | 7 |
| | 50% | 479 | 473 | 6 |

| Guar Seed Weekly Average Prices: | | | | | |
|----------------------------------|----------------|---------------------------|--------------------------------------|-----------------------|--------|
| Commodity | District | Centre | Weekly Prices (Average) (Rs/Qtl) | | Change |
| Guar Seed | | | 09th to 15th Feb 2019 | 02nd to 08th Feb 2019 | |
| Rajasthan | Jodhpur | Jodhpur (Loose) | 4261 | 4232 | 29 |
| | | Jodhpur(Delivery) | 4474 | 4443 | 31 |
| | Sri-Ganganagar | Sri-Ganganagar(Loose) | 4013 | 4008 | 5 |
| | | Sri-Ganganagar (Delivery) | 4163 | 4158 | 5 |
| | | Rawla (Loose) | 3982 | 4013 | -31 |
| | | Gharsana (Loose) | 4025 | 4031 | -6 |
| | | Raisinghnagar (Loose) | 4011 | 4050 | -39 |
| | Bikaner | Bikaner (Loose) | 4050 | 4061 | -11 |
| | | Bikaner (Delivery) | 4253 | 4264 | -11 |
| | | Nokha(Loose) | 4013 | 4035 | -22 |
| | | Nokha (Delivery) | 4214 | 4237 | -23 |
| | | Khajuwala (Loose) | 4015 | 3996 | 19 |
| | | Khajuwala (Delivery) | 4216 | 4196 | 20 |
| | | Lunkaransar (Loose) | 4033 | 4045 | -12 |
| | Hanumangarh | Hanumangarh (Loose) | 3996 | 4010 | -14 |
| | | Hanumangarh (Delivery) | 4196 | 4211 | -15 |
| | | Nohar (Loose) | 4058 | 4048 | 11 |

| | | | | | |
|----------------|-------------|---------------------|------|------|------|
| | | Pilibanga (Loose) | 3996 | 4012 | -16 |
| | Nagaur | Nagaur (Loose) | 3942 | 4017 | -75 |
| | Churu | Churu (Delivery) | 4225 | 4246 | -21 |
| | Alwar | Alwar (Loose) | 3958 | 3975 | -17 |
| Haryana | Hisar | Adampur (Loose) | 4048 | 4052 | -4 |
| | | Adampur (Delivery) | 4250 | 4254 | -4 |
| | Bhiwani | Bhiwani (Delivery) | 4193 | 4183 | 9 |
| | | Siwani (Loose) | 4171 | 4176 | -5 |
| | Sirsa | Sirsa (Loose) | 4053 | 4053 | Unch |
| | | Dhabwali (Loose) | 3961 | 4002 | -41 |
| | | Dhabwali (Delivery) | 4159 | 4202 | -43 |
| | | Ellanabad (Loose) | 4067 | 4050 | 17 |
| | Fatehabad | Fatehabad (Loose) | 3900 | 3942 | -42 |
| Gujarat | Banaskantha | Deesa (Loose) | 4033 | 4038 | -5 |
| | Patan | Patan (Loose) | 3988 | 3998 | -11 |
| | Rajkot | Rajkot (Loose) | 3931 | 4018 | -87 |
| | Jamnagar | Dhrol (Loose) | NA | 3900 | - |
| Madhya Pradesh | Gwalior | Dabra (Loose) | NA | NA | - |
| Guar Gum | | | | | |
| Rajasthan | Jodhpur | Jodhpur | 8467 | 8504 | -38 |
| | Alwar | Alwar | 8450 | 8567 | -117 |
| | Hanumangarh | Nohar | 8317 | 8317 | Unch |
| Haryana | Bhiwani | Bhiwani | 8590 | 8552 | 38 |
| | Sirsa | Sirsa | 8445 | 8500 | -55 |
| | | Dhabwali | 8525 | 8520 | 5 |
| | | Ellanabad | 8450 | 8500 | -50 |
| | Fatehabad | Fatehabad | 8406 | 8498 | -92 |

| Week on Week Price: Scenario of Guarseed and Guargum: | | | | | | |
|---|----------------|---------------------------|-----------|----------|-----------|-----------|
| Commodity | District | Centre | Today | Week Ago | Month Ago | Year Ago |
| Guar Seed | | | 15-Feb-19 | 8-Feb-19 | 15-Jan-19 | 15-Feb-18 |
| Rajasthan | Jodhpur | Jodhpur (Loose) | 4265 | 4100 | 4250 | 4400 |
| | | Jodhpur(Delivery) | 4478 | 4305 | 4463 | 4620 |
| | Sri-Ganganagar | Sri-Ganganagar(Loose) | 4070 | 3950 | 4100 | 4250 |
| | | Sri-Ganganagar (Delivery) | 4220 | 4100 | 4250 | 4400 |
| | | Rawla (Loose) | 4020 | 3965 | 4080 | 4220 |
| | | Gharsana (Loose) | 4030 | 4025 | 4120 | 4211 |
| | | Raisinghnagar (Loose) | 4050 | 4020 | 4150 | 4200 |
| | Bikaner | Bikaner (Loose) | 4100 | 4070 | 4150 | 4200 |

| | | | | | | |
|-----------------|-------------|------------------------|------|------|------|------|
| | | Bikaner (Delivery) | 4305 | 4274 | 4358 | 4410 |
| | | Nokha(Loose) | 4050 | 3980 | 4125 | 4180 |
| | | Nokha (Delivery) | 4253 | 4179 | 4331 | 4389 |
| | | Khajuwala (Loose) | 4065 | 3940 | 4100 | 4240 |
| | | Khajuwala (Delivery) | 4268 | 4137 | 4305 | 4452 |
| | | Lunkaransar (Loose) | 4050 | 4000 | 4100 | 4200 |
| | Hanumangarh | Hanumangarh (Loose) | 4050 | 4000 | 4060 | 4250 |
| | | Hanumangarh (Delivery) | 4253 | 4200 | 4263 | 4463 |
| | | Nohar (Loose) | 4050 | 4050 | 4100 | 4300 |
| | | Pilibanga (Loose) | NR | 3940 | 4065 | 4350 |
| | Nagaur | Nagaur (Loose) | 3950 | 3950 | 4000 | 4200 |
| | Churu | Churu (Delivery) | 4250 | 4200 | 4400 | 4350 |
| | Alwar | Alwar (Loose) | 4000 | 3950 | 4100 | 4000 |
| Haryana | Hisar | Adampur (Loose) | 4030 | 4000 | 4150 | 4250 |
| | | Adampur (Delivery) | 4232 | 4200 | 4358 | 4463 |
| | Bhiwani | Bhiwani (Delivery) | 4225 | 4100 | 4350 | 4450 |
| | | Siwani (Loose) | 4170 | 4100 | 4275 | 4350 |
| | Sirsa | Sirsa (Loose) | 4050 | 3950 | 4135 | 4275 |
| | | Dhabwali (Loose) | NA | 3915 | 4070 | 4250 |
| | | Dhabwali (Delivery) | NA | 4111 | 4274 | 4463 |
| | | Ellanabad (Loose) | 4100 | 4000 | 4100 | 4200 |
| | Fatehabad | Fatehabad (Loose) | 3950 | 3900 | 4000 | 4200 |
| Gujarat | Banaskantha | Deesa (Loose) | 4100 | 4000 | 4100 | 4135 |
| | Patan | Patan (Loose) | 3990 | 3940 | 4135 | 4120 |
| | Rajkot | Rajkot (Loose) | NA | 3950 | 4075 | 4085 |
| | Jamnagar | Dhrol (Loose) | NA | NA | NA | NA |
| M.P. | Gwalior | Dabra (Loose) | NA | NA | NA | 4300 |
| Guar Gum | | | | | | |
| Rajasthan | Jodhpur | Jodhpur | 8500 | 8325 | 8600 | 9700 |
| | Alwar | Alwar | 8500 | 8500 | 8600 | 9500 |
| | Hanumangarh | Nohar | 8400 | 8200 | 8500 | 9700 |
| Haryana | Bhiwani | Bhiwani | 8725 | 8350 | 8650 | 9000 |
| | Sirsa | Sirsa | 8450 | 8200 | 8700 | 9700 |
| | | Dhabwali | NA | 8400 | 8500 | 9800 |
| | | Ellanabad | 8500 | 8300 | 8600 | 9550 |
| | Fatehabad | Fatehabad | 8500 | 8370 | 8500 | 9800 |

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 | | | 09th to 15th Feb 2019 | 02nd to 08th Feb 2019 | |
| Rajasthan | Jodhpur | Jodhpur | 227 | 188 | 39 |
| | Sri-Ganganagar | Sri-Ganganagar | 4300 | 3300 | 1000 |
| | | Rawla | 950 | 1400 | -450 |
| | | Gharsana | 1100 | 1150 | -50 |
| | | Raisinghnagar | 3500 | 2700 | 800 |
| | Bikaner | Bikaner | 2150 | 3600 | -1450 |
| | | Nokha | 2800 | 2750 | 50 |
| | | Khajuwala | 1950 | 2800 | -850 |
| | | Lunkaransar | 460 | 1500 | -1040 |
| | Hanumangarh | Hanumangarh | 1100 | 850 | 250 |
| | | Nohar | 3700 | 5400 | -1700 |
| | | Pilibanga | 485 | 764 | -279 |
| | Nagaur | Nagaur | 750 | 800 | -50 |
| | Churu | Churu | 2750 | 2450 | 300 |
| | Alwar | Alwar | 1600 | 2050 | -450 |
| Haryana | Hisar | Adampur | 5300 | 6400 | -1100 |
| | Bhiwani | Bhiwani | 1900 | 3100 | -1200 |
| | | Siwani | 9400 | 9500 | -100 |
| | Sirsa | Sirsa | 7200 | 7700 | -500 |
| | | Dhabwali | 600 | 1300 | -700 |
| | | Ellanabad | 1200 | 1850 | -650 |
| | Fatehabad | Fatehabad | 410 | 800 | -390 |
| Gujarat | Banaskantha | Deesa | 490 | 499 | -9 |
| | Patan | Patan | 176 | 241 | -65 |
| | Rajkot | Rajkot | 105 | 345 | -240 |
| | Jamnagar | Dhrol | NA | 2 | - |
| Madhya Pradesh | Gwalior | Dabra | NA | NA | - |
| Total Arrivals/Above Markets | | | 54603 | 63439 | -8836 |

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