



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 1.32 percent to Rs. 3821.29 per quintal during the week ended 23rd February 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3872.55 per quintal during 09-15 February 2019. As compared to prices in the week 16-23 February 2018, the prices are weak by 4.91 percent. Prices are expected to remain steady to firm in coming days.

As per trade sources, export of guar gum in the month of January-2019 were 23189.10 tonnes at an average FoB of \$1803.42 per tonne. Of the total quantity, 12651.08 tonne has been exported to United States at an average FoB of \$ 1778.11 per tonne. Exports are expected to remain at higher side in February-2019 as well.

As per trade sources, export of guar split has increased in the month of January-2019. India exported around 10599.08 tonnes of guar split in the month of January-2019 at an average FoB of \$ 1366.66 per tonne. Of the total quantity, around 9520 tonnes have been exported to China.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 1047 as on 22nd February 2019 down by 4 compared to 15th February 2019 and up by 69 compared to 23rd 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 4275.00 per quintal before closing at Rs 4214.50 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 4350.00-4400.00 per quintal. Export demand is expected to be on higher side in coming weeks.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (6000 quintals) compared to previous week arrivals of 5300 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (3600 quintals) compared to previous week arrivals of 2150 quintals.

Previous Updates

The wholesale price index of guar seed has decreased from 101.7 in December 2018 to 100.1 in January 2019.

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.

Recommendation:

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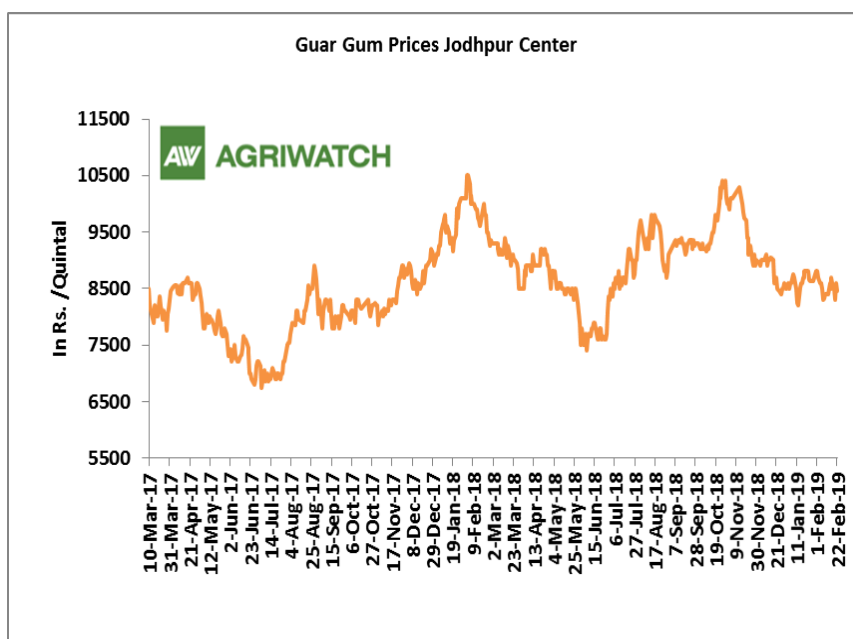
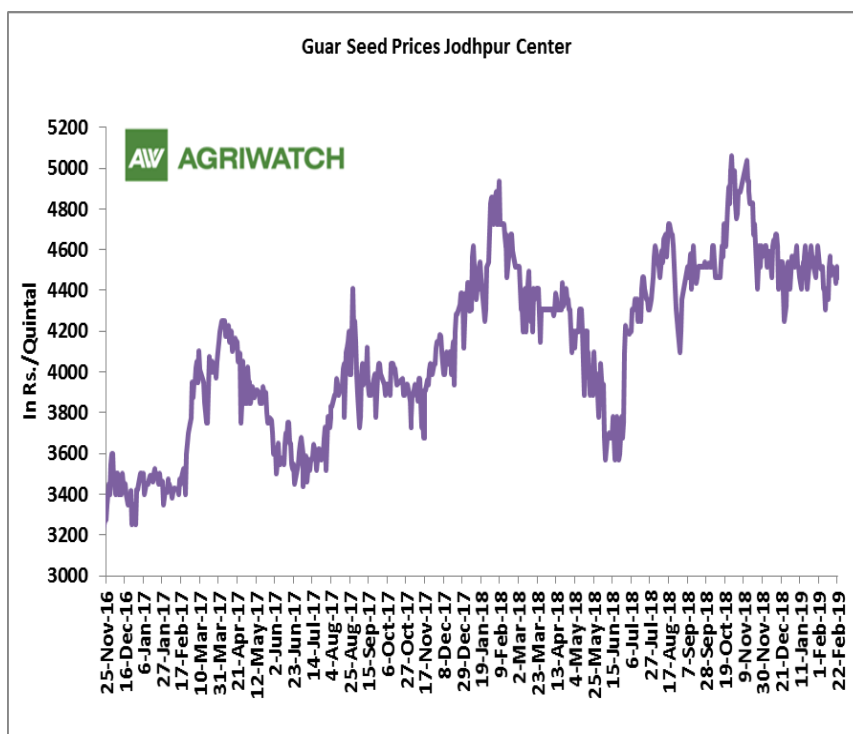
Weekly Call- : Market participants are advised to buy Guar seed at 4200 levels for a target of 4350 with a stop loss at 4110 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 22nd February'19, Guar seed weekly average prices increased by Rs 10.50/-qtl and settled at Rs 4484.00 per quintal.
- In addition, Guar gum weekly price increased by Rs 41.67 per quintal and settled at Rs. 8508.00 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 Second advance estimate for 2018, issued by Rajasthan's Department of Agriculture for Guar seed, the area, production and yield are 3087761 hectares, 1455092 tonnes and 471 kg/hectare respectively. As per 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.

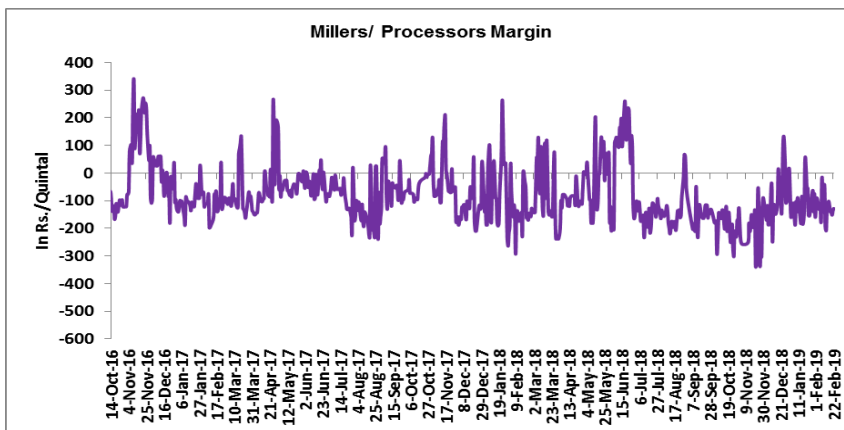


Millers/Processors Margin

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In the week ended 22nd February'19, average crush margin is Rs. -133.03/Quintal, compared to last week's -132.22/Quintal. Therefore, crushing is not favorable for Millers/Processors.

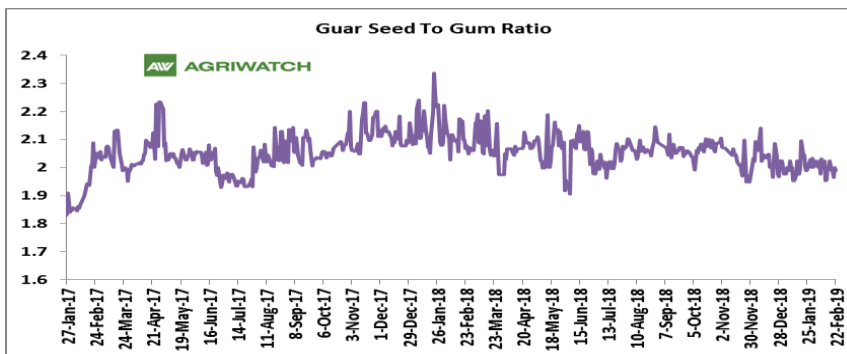
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 22nd February'19 is 1.99, lower compared to last week's 1.98

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 January-2019	4280.24	1988.15
09-15 January-2019	5477.86	1658.79
16-24 January-2019	7745.94	1795.98
25-31 January-2019	5685.06	1770.15
Total	23189.10	

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 open interest indicates long liquidation.
- RSI is moving in oversold region.
- Prices closed below 9 and 18 day EMAs.
- Market is moving in range for past two weeks.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	March	4035	3970	4214.50	4580	4685
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	March	Buy	Above 4200	4350	4450	4110

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 open interest indicates long liquidation.
- RSI is moving in oversold region.
- Prices closed below 9 and 18 day EMAs.
- Market is moving in range for past two weeks.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	March	7990	7875	8369	9120	9255
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	March	Buy	Above 8340	8655	8940	8151

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	16th to 22nd Feb 2019	09th to 15th Feb 2019	Change
Churi	Jodhpur	1750	1753	-3
Korma	Jodhpur	2508	2513	-5
Churi	Sri-Ganganagar	1528	1569	-41
Korma	Sri-Ganganagar	2171	2328	-157

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	16th to 22nd Feb 2019	09th to 15th Feb 2019	Change
Guargum Split		1197	1204	-7
Guargum Powder	200 Mesh 5000 CPS	1477	1486	-9
	200 Mesh 3500 CPS	1407	1415	-8
Guargum Meal	40%	337	343	-6
	50%	477	479	-2

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			16th to 22nd Feb 2019	09th to 15th Feb 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4271	4261	10
		Jodhpur(Delivery)	4484	4474	11
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4042	4013	29
		Sri-Ganganagar (Delivery)	4192	4163	29
		Rawla (Loose)	4032	3982	50
		Gharsana (Loose)	4043	4025	18
		Raisinghnagar (Loose)	4025	4011	14
	Bikaner	Bikaner (Loose)	4050	4050	Unch
		Bikaner (Delivery)	4253	4253	Unch
		Nokha(Loose)	4039	4013	26
		Nokha (Delivery)	4241	4214	27
		Khajuwala (Loose)	4048	4015	33
		Khajuwala (Delivery)	4250	4216	34
		Lunkaransar (Loose)	4035	4033	2
	Hanumangarh	Hanumangarh (Loose)	4015	3996	19
		Hanumangarh (Delivery)	4216	4196	20
		Nohar (Loose)	4065	4058	7

		Pilibanga (Loose)	4001	3996	5
	Nagaur	Nagaur (Loose)	4000	3942	58
	Churu	Churu (Delivery)	4230	4225	5
	Alwar	Alwar (Loose)	3980	3958	22
Haryana	Hisar	Adampur (Loose)	4045	4048	-3
		Adampur (Delivery)	4247	4250	-3
	Bhiwani	Bhiwani (Delivery)	4178	4193	-15
		Siwani (Loose)	4182	4171	11
	Sirsa	Sirsa (Loose)	4040	4053	-13
		Dhabwali (Loose)	3951	3961	-10
		Dhabwali (Delivery)	4149	4159	-11
		Ellanabad (Loose)	4053	4067	-13
	Fatehabad	Fatehabad (Loose)	3900	3900	Unch
Gujarat	Banaskantha	Deesa (Loose)	4067	4033	33
	Patan	Patan (Loose)	3956	3988	-32
	Rajkot	Rajkot (Loose)	3943	3931	12
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8508	8467	42
	Alwar	Alwar	8440	8450	-10
	Hanumangarh	Nohar	8433	8317	117
Haryana	Bhiwani	Bhiwani	8481	8590	-109
	Sirsa	Sirsa	8420	8445	-25
		Dhabwali	8500	8525	-25
		Ellanabad	8475	8450	25
	Fatehabad	Fatehabad	8452	8406	46

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			22-Feb-19	15-Feb-19	22-Jan-19	22-Feb-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4250	4265	4300	4450
		Jodhpur(Delivery)	4463	4478	4515	4673
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4040	4070	4150	4250
		Sri-Ganganagar (Delivery)	4190	4220	4300	4400
		Rawla (Loose)	4010	4020	4100	4190
		Gharsana (Loose)	4030	4030	4110	4200
		Raisinghnagar (Loose)	4025	4050	4150	4300
	Bikaner	Bikaner (Loose)	4040	4100	4150	4300

		Bikaner (Delivery)	4242	4305	4358	4515
		Nokha(Loose)	4050	4050	4125	4300
		Nokha (Delivery)	4253	4253	4331	4515
		Khajuwala (Loose)	4050	4065	4120	4200
		Khajuwala (Delivery)	4253	4268	4326	4410
		Lunkaransar (Loose)	4050	4050	4150	4250
	Hanumangarh	Hanumangarh (Loose)	4010	4050	4100	4260
		Hanumangarh (Delivery)	4211	4253	4305	4473
		Nohar (Loose)	4050	4050	4150	4270
		Pilibanga (Loose)	NR	4023	4060	4220
	Nagaur	Nagaur (Loose)	4000	3950	4100	4200
	Churu	Churu (Delivery)	4200	4250	4400	4350
	Alwar	Alwar (Loose)	3950	4000	4150	4100
Haryana	Hisar	Adampur (Loose)	4045	4030	4110	4250
		Adampur (Delivery)	4247	4232	4316	4463
	Bhiwani	Bhiwani (Delivery)	4200	4225	4350	4445
		Siwani (Loose)	4160	4170	4275	4380
	Sirsa	Sirsa (Loose)	4050	4050	4150	4270
		Dhabwali (Loose)	3900	NA	4000	4200
		Dhabwali (Delivery)	4095	NA	4200	4410
		Ellanabad (Loose)	4040	4100	4100	4275
	Fatehabad	Fatehabad (Loose)	3900	3950	4000	4200
Gujarat	Banaskantha	Deesa (Loose)	4025	4100	4100	4125
	Patan	Patan (Loose)	3920	3990	4200	4110
	Rajkot	Rajkot (Loose)	3975	3925	4135	4050
	Jamnagar	Dhrol (Loose)	NA	NA	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8450	8500	8800	9800
	Alwar	Alwar	8400	8500	8700	9600
	Hanumangarh	Nohar	8500	8400	8500	9700
Haryana	Bhiwani	Bhiwani	8450	8725	8700	9700
	Sirsa	Sirsa	8400	8450	8750	9500
		Dhabwali	8500	NA	8800	9900
		Ellanabad	8400	8500	8650	9650
	Fatehabad	Fatehabad	8465	8500	8500	9600

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			16th to 22nd Feb 2019	09th to 15th Feb 2019	
Rajasthan	Jodhpur	Jodhpur	197	227	-30
	Sri-Ganganagar	Sri-Ganganagar	2900	4300	-1400
		Rawla	970	950	20
		Gharsana	720	1100	-380
		Raisinghnagar	1600	3500	-1900
	Bikaner	Bikaner	3600	2150	1450
		Nokha	2450	2800	-350
		Khajuwala	2300	1950	350
		Lunkaransar	910	460	450
	Hanumangarh	Hanumangarh	1025	1100	-75
		Nohar	4100	3700	400
		Pilibanga	611	485	126
	Nagaur	Nagaur	630	750	-120
	Churu	Churu	1750	2750	-1000
	Alwar	Alwar	950	1600	-650
Haryana	Hisar	Adampur	6000	5300	700
	Bhiwani	Bhiwani	2600	1900	700
		Siwani	8800	9400	-600
	Sirsa	Sirsa	6700	7200	-500
		Dhabwali	700	600	100
		Ellanabad	1600	1200	400
	Fatehabad	Fatehabad	400	410	-10
Gujarat	Banaskantha	Deesa	415	490	-75
	Patan	Patan	78	176	-98
	Rajkot	Rajkot	150	105	45
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			52156	54603	-2447

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