



Guar Weekly Research Report

Table of Contents

- ❖ **Executive Summary**
- ❖ **Recommendations**
- ❖ **Domestic Market Fundamentals**
- ❖ **Processing Margins**
- ❖ **Guar Seed to Gum Ratio**
- ❖ **Guar Gum Weekly Exports**
- ❖ **Technical Analysis (Guar Seed)**
- ❖ **Technical Analysis (Guar Gum)**
- ❖ **Guar Seed & Gum Prices at Key Spot Markets**
- ❖ **Guar Seed Arrivals at Key Centers**

Executive Summary[\(Back to Table of Contents\)](#)**Domestic Guar Seed Market Summary**

All India weekly average prices increased by 1.77 percent to Rs. 3889.02 per quintal during the week ended 28th February 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3821.29 per quintal during 16-23 February 2019. As compared to prices in the week 24-28 February 2018, the prices are firm by 0.26 percent. Prices are expected to remain steady to firm in coming days.

Guar seed march future contract prices touched a low of Rs 4112.50 per quintal before closing at Rs 4172.00 per quintal during the past week. Prices are expected to recover further due to fall in arrivals. Arrivals have decreased after some of the Mandis of Rajasthan went on strike demanding commission from government for wheat that will be procured during MY 2019-20. Export demand is good and prices are likely to touch Rs 4350.00-4400.00 per quintal in upcoming weeks.

As per trade sources, recovery of guar gum from guar seed in Barmer, Bikaner and Ganganagar is coming around 29.50 -30.00 kg respectively. Export demand for guar gum is expected to increase during February-19. As of now guar gum prices in Jodhpur are hovering around Rs 8300 per quintal.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 1038 as on 01st March 2019 down by 9 compared to 22nd February 2019 and up by 57 compared to 02nd March 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 far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (4700 quintals) compared to previous week arrivals of 6000 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (2100 quintals) compared to previous week arrivals of 3600 quintals.

Previous Updates

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.

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

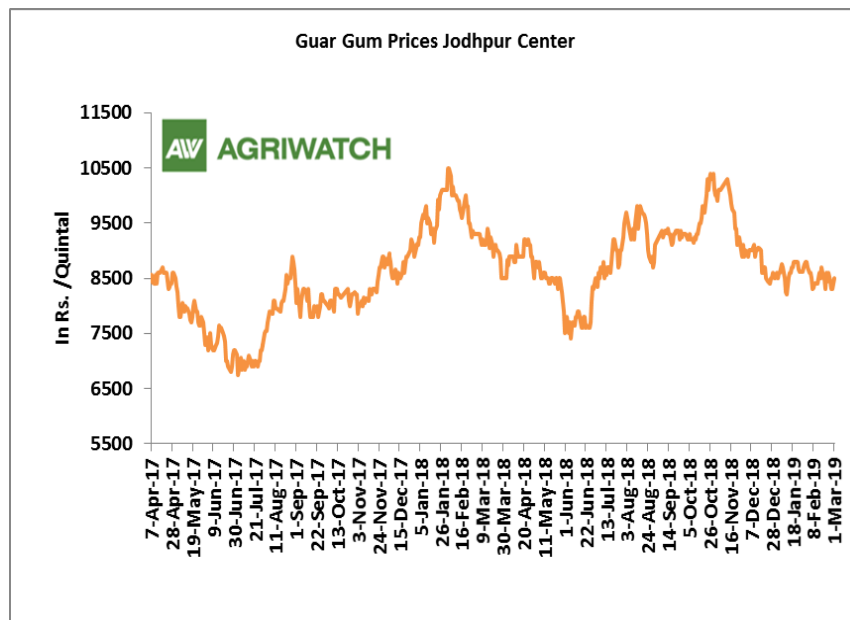
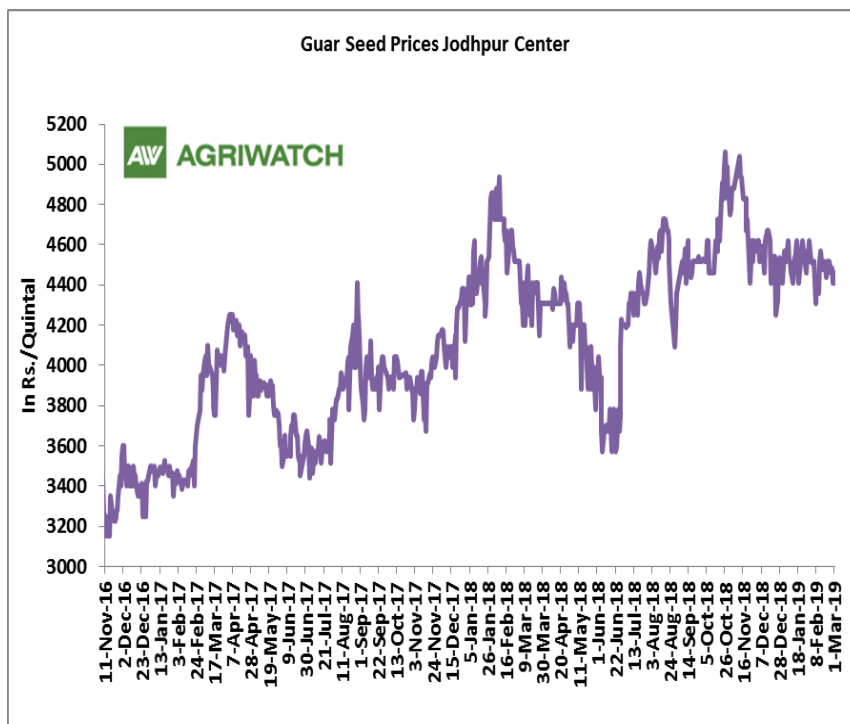
Weekly Call- : Market participants are advised to buy Guar seed at 4190 levels for a target of 4340 with a stop loss at 4100 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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

Domestic Front

- In the week ended 01st March'19, Guar seed weekly average prices increased by Rs 27.13/-qtl and settled at Rs 4463.00 per quintal.
- In addition, Guar gum weekly price decreased by Rs 83.33 per quintal and settled at Rs. 8425.00 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 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.

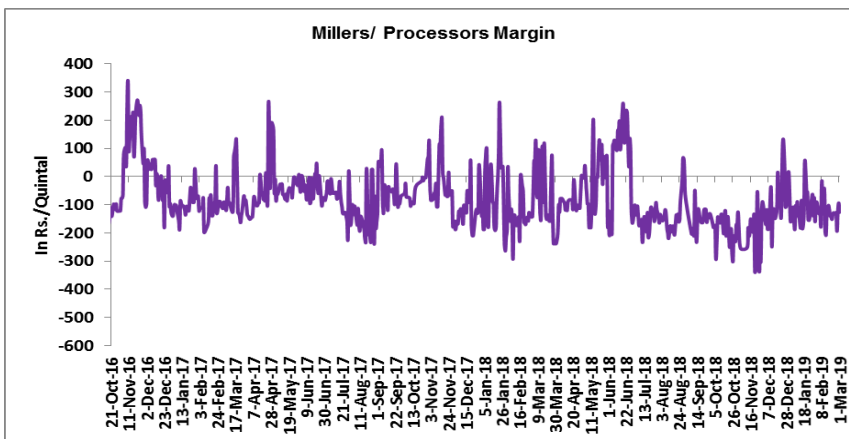


Millers/Processors Margin

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

In the week ended 01st March'19, average crush margin is Rs. -132.98/Quintal, compared to last week's -133.03/Quintal. Therefore, crushing is not favorable for Millers/Processors.

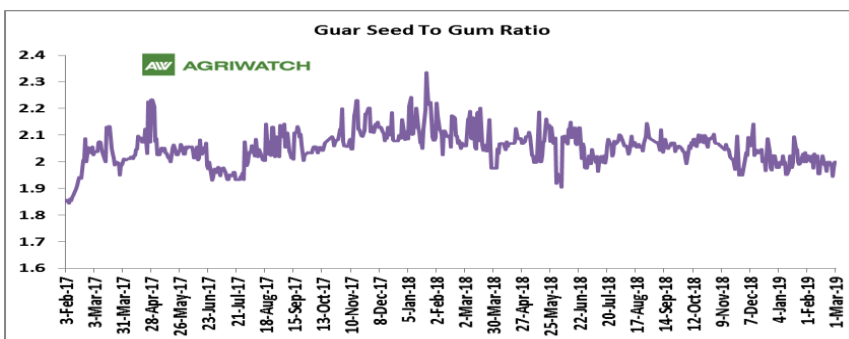
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 01st March'19 is 1.98, lower compared to last week's 1.99

Weak overseas demand of gum and good demand of seed from millers has decreased the overall ratio.



Guar gum Weekly Export

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

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)

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

Commodity: Guar Seed
Contract: April

Exchange: NCDEX
Expiry: April 16, 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.
- Market is moving in range for past three weeks.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	April	4025	3960	4225	4570	4675
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	April	Buy	Above 4190	4340	4440	4100

Technical Analysis (Guar Gum)

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

Commodity: Guar Gum
Contract: April

Exchange: NCDEX
Expiry: April 16, 2018



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- RSI is moving in neutral region.
- Prices closed below 9 and 18 day EMAs.
- Market is moving in range for past three weeks.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	April	8050	8035	8480	9180	9315
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	April	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	23rd Feb to 01st Mar 2019	16th to 22nd Feb 2019	Change
Churi	Jodhpur	1750	1750	Unch
Korma	Jodhpur	2507	2508	-1
Churi	Sri-Ganganagar	1569	1528	41
Korma	Sri-Ganganagar	2338	2171	167

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	23rd Feb to 01st Mar 2019	16th to 22nd Feb 2019	Change
Guargum Split		1191	1197	-6
Guargum Powder	200 Mesh 5000 CPS	1473	1477	-5
	200 Mesh 3500 CPS	1402	1407	-5
Guargum Meal	40%	338	337	1
	50%	478	477	1

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			23rd Feb to 01st Mar 2019	16th to 22nd Feb 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4245	4271	-26
		Jodhpur(Delivery)	4457	4484	-27
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4013	4042	-29
		Sri-Ganganagar (Delivery)	4163	4192	-29
		Rawla (Loose)	4025	4032	-7
		Gharsana (Loose)	4040	4043	-3
		Raisinghnagar (Loose)	4000	4025	-25
	Bikaner	Bikaner (Loose)	3992	4050	-58
		Bikaner (Delivery)	4192	4253	-61
		Nokha(Loose)	3982	4039	-57
		Nokha (Delivery)	4181	4241	-60
		Khajuwala (Loose)	4013	4048	-35
		Khajuwala (Delivery)	4213	4250	-37
		Lunkaransar (Loose)	3990	4035	-45
	Hanumangarh	Hanumangarh (Loose)	3958	4015	-58
		Hanumangarh (Delivery)	4155	4216	-60
		Nohar (Loose)	4025	4065	-40

		Pilibanga (Loose)	3973	4001	-29
	Nagaur	Nagaur (Loose)	3929	4000	-71
	Churu	Churu (Delivery)	4183	4230	-47
	Alwar	Alwar (Loose)	3942	3980	-38
Haryana	Hisar	Adampur (Loose)	4000	4045	-45
		Adampur (Delivery)	4200	4247	-47
	Bhiwani	Bhiwani (Delivery)	4129	4178	-48
		Siwani (Loose)	4143	4182	-39
	Sirsa	Sirsa (Loose)	3998	4040	-42
		Dhabwali (Loose)	3933	3951	-18
		Dhabwali (Delivery)	4130	4149	-19
		Ellanabad (Loose)	4008	4053	-45
	Fatehabad	Fatehabad (Loose)	3863	3900	-38
Gujarat	Banaskantha	Deesa (Loose)	3992	4067	-75
	Patan	Patan (Loose)	3888	3956	-68
	Rajkot	Rajkot (Loose)	3947	3943	3
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8425	8508	-83
	Alwar	Alwar	8433	8440	-7
	Hanumangarh	Nohar	8500	8433	67
Haryana	Bhiwani	Bhiwani	8288	8481	-193
	Sirsa	Sirsa	8388	8420	-33
		Dhabwali	8354	8500	-146
		Ellanabad	8383	8475	-92
	Fatehabad	Fatehabad	8374	8452	-78

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			1-Mar-19	22-Feb-19	29-Jan-19	1-Mar-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4250	4250	4350	4300
		Jodhpur(Delivery)	4463	4463	4568	4515
	Sri-Ganganagar	Sri-Ganganagar(Loose)	Closed	4040	4100	4125
		Sri-Ganganagar (Delivery)	Closed	4190	4250	4275
		Rawla (Loose)	Closed	4010	4100	4020
		Gharsana (Loose)	Closed	4030	4100	4060
		Raisinghnagar (Loose)	Closed	4025	4120	4050
	Bikaner	Bikaner (Loose)	4000	4040	4130	4150

		Bikaner (Delivery)	4200	4242	4337	4358
		Nokha(Loose)	3980	4050	4160	4060
		Nokha (Delivery)	4179	4253	4368	4263
		Khajuwala (Loose)	4020	4050	4090	4080
		Khajuwala (Delivery)	4221	4253	4295	4284
		Lunkaransar (Loose)	4000	4050	4150	4100
	Hanumangarh	Hanumangarh (Loose)	Closed	4010	4080	4060
		Hanumangarh (Delivery)	Closed	4211	4284	4263
		Nohar (Loose)	Closed	4050	4150	4100
		Pilibanga (Loose)	Closed	4000	4077	4150
	Nagaur	Nagaur (Loose)	4000	4000	4050	4100
	Churu	Churu (Delivery)	4250	4200	4300	4200
	Alwar	Alwar (Loose)	4000	3950	4050	4100
Haryana	Hisar	Adampur (Loose)	4060	4045	4115	4100
		Adampur (Delivery)	4263	4247	4321	4305
	Bhiwani	Bhiwani (Delivery)	4150	4200	4300	4300
		Siwani (Loose)	4175	4160	4260	4250
	Sirsa	Sirsa (Loose)	4000	4050	4135	4125
		Dhabwali (Loose)	3925	3900	4065	4100
		Dhabwali (Delivery)	4121	4095	4268	4305
		Ellanabad (Loose)	4000	4040	4100	4050
	Fatehabad	Fatehabad (Loose)	3850	3900	4000	4050
Gujarat	Banaskantha	Deesa (Loose)	4000	4025	4100	Closed
	Patan	Patan (Loose)	3905	3920	4100	3980
	Rajkot	Rajkot (Loose)	3940	3975	4050	3925
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3530
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	4100
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8500	8450	8700	9300
	Alwar	Alwar	8500	8400	8700	9300
	Hanumangarh	Nohar	Closed	8500	8600	9200
Haryana	Bhiwani	Bhiwani	8200	8450	8750	9300
	Sirsa	Sirsa	8450	8400	8700	9350
		Dhabwali	8400	8500	8600	9700
		Ellanabad	8400	8400	8650	9300
	Fatehabad	Fatehabad	8400	8465	8500	9350

Guar Seed Arrivals at Key Spot Markets

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

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			23rd Feb to 01st Mar 2019	16th to 22nd Feb 2019	
Rajasthan	Jodhpur	Jodhpur	164	197	-33
	Sri-Ganganagar	Sri-Ganganagar	1000	2900	-1900
		Rawla	400	970	-570
		Gharsana	300	720	-420
		Raisinghnagar	1100	1600	-500
	Bikaner	Bikaner	2100	3600	-1500
		Nokha	2500	2450	50
		Khajuwala	1800	2300	-500
		Lunkaransar	1150	910	240
	Hanumangarh	Hanumangarh	1100	1025	75
		Nohar	1000	4100	-3100
		Pilibanga	575	611	-36
	Nagaur	Nagaur	900	630	270
	Churu	Churu	2700	1750	950
	Alwar	Alwar	1200	950	250
Haryana	Hisar	Adampur	4700	6000	-1300
	Bhiwani	Bhiwani	850	2600	-1750
		Siwani	7300	8800	-1500
	Sirsa	Sirsa	8800	6700	2100
		Dhabwali	1150	700	450
		Ellanabad	1460	1600	-140
	Fatehabad	Fatehabad	550	400	150
Gujarat	Banaskantha	Deesa	255	415	-160
	Patan	Patan	92	78	14
	Rajkot	Rajkot	275	150	125
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			43421	52156	-8735

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.