



# 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 1.74 percent to Rs. 3821.17 per quintal during the week ended 08th March 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3889.02 per quintal during 24-28 February 2019. As compared to prices in the week 01-08th March 2018, the prices are weak by 2.69 percent. Prices are expected to remain steady to firm in coming days.

Mandi's of Hanumangarh (Hanumangarh and Nohar) and Sri-Ganganagar (Ganganagar, Anupgarh, Rawala, Gharsana and Raisingnagar) were closed due to strike. Trader's went on strike demanding commission from government for wheat that will be procured during MY 2019-20. Mandis have ended their strike today and are likely to resume normal operations from tomorrow (12<sup>th</sup> March 2019).

Guar seed April future contract prices closed at Rs 4319.00 per quintal last week due to good domestic as well as export demand. Prices are expected to continue their upper rally and are likely to touch Rs 4450.00-4500.00 per quintal in upcoming weeks. Export demand is likely to remain on upper side in upcoming weeks.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 1027 as on 08th March 2019 down by 11 compared to 01st March 2019 and up by 43 compared to 09th March 2018. The total number of oilrigs was recorded at 2306 worldwide in February'19 compared to 2271 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 higher arrivals (5400 quintals) compared to previous week arrivals of 4700 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (2700 quintals) compared to previous week arrivals of 2100 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:

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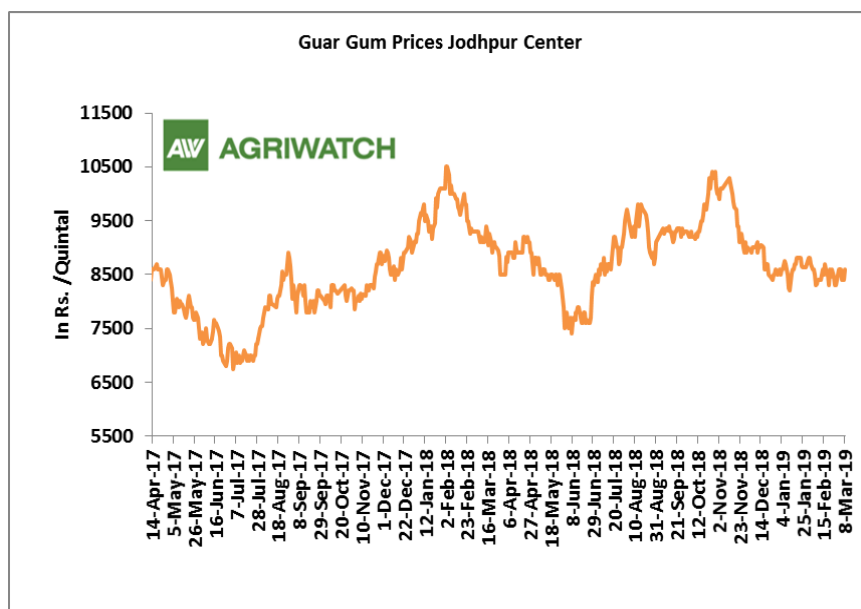
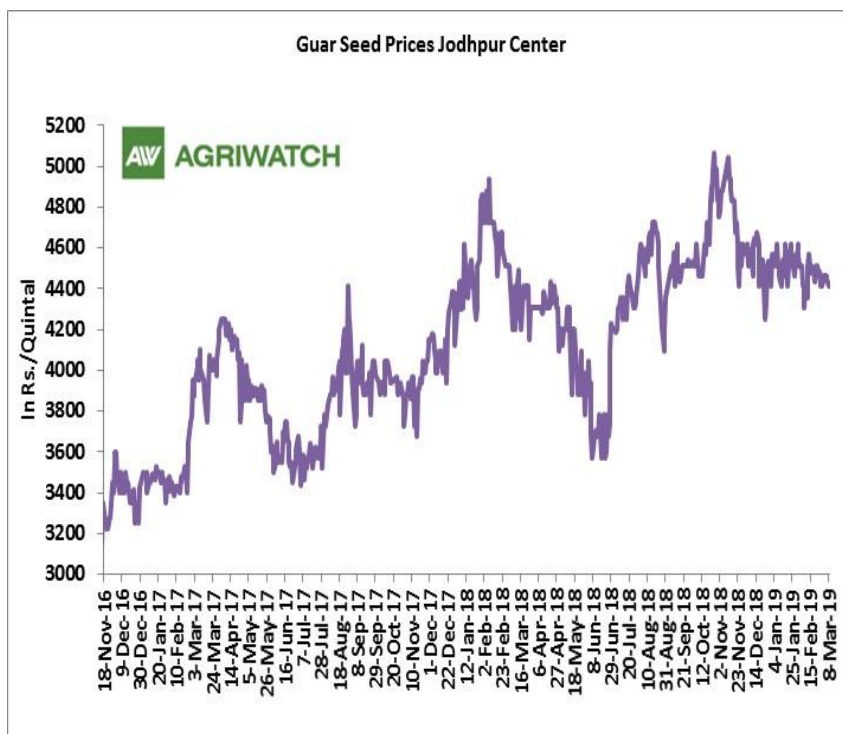
**Weekly Call- : Market participants are advised to buy Guar seed at 4300 levels for a target of 4450 with a stop loss at 4210 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 08<sup>th</sup> March'19, Guar seed weekly average prices decreased by Rs 12.25/-qtl and settled at Rs 4445 per quintal.
- In addition, Guar gum weekly price increased by Rs 75.00 per quintal and settled at Rs. 8500.00 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.

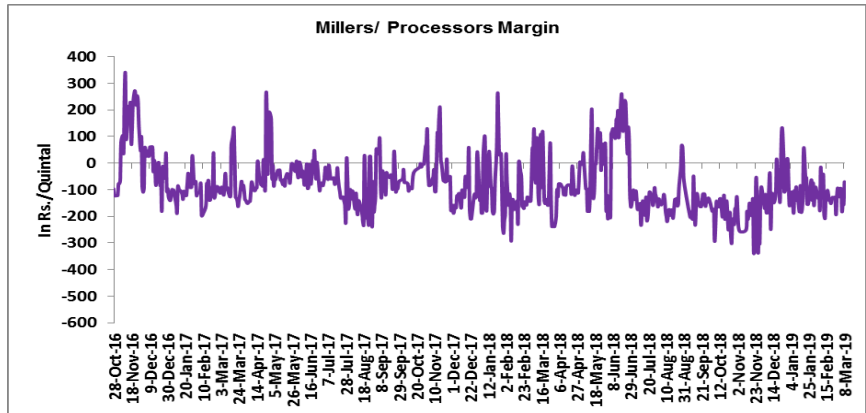


### Millers/Processors Margin

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In the week ended 08<sup>th</sup> March'19, average crush margin is Rs. -125.83/Quintal, compared to last week's -132.98/Quintal. Therefore, crushing is not favorable for Millers/Processors.

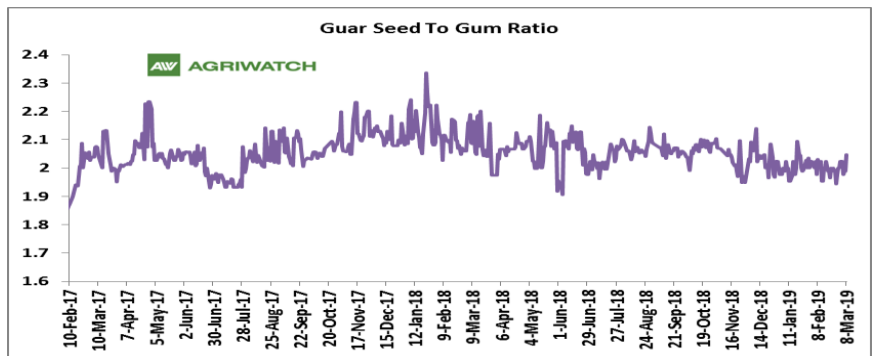
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 08<sup>th</sup> March'19 is 2.01, higher compared to last week's 1.98

Overall, buoyant demand of gum from overseas and good demand of seed from millers has increased 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: April

Exchange: NCDEX  
Expiry: April 16, 2019



**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.
- Last candlestick depicts bullishness in market.

**Strategy: Buy**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	April	4135	4070	4319	4680	4785
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	April	Buy	Above 4300	4450	4550	4210

Technical Analysis (Guar Gum)

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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.
- Last candlestick depicts bullishness in market.

**Strategy: Buy**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	April	8350	8235	8743	9480	9615
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	April	Buy	Above 8700	9015	9300	8511

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 Mar 2019	23rd Feb to 01st Mar 2019	Change
Churi	Jodhpur	1717	1750	-33
Korma	Jodhpur	2475	2507	-32
Churi	Sri-Ganganagar	1525	1569	-44
Korma	Sri-Ganganagar	2319	2338	-19

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	02nd to 08th Mar 2019	23rd Feb to 01st Mar 2019	Change
Guargum Split		1205	1191	14
Guargum Powder	200 Mesh 5000 CPS	1488	1473	16
	200 Mesh 3500 CPS	1417	1402	15
Guargum Meal	40%	340	338	3
	50%	482	478	4

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
			02nd to 08th Mar 2019	23rd Feb to 01st Mar 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4230	4245	-15
		Jodhpur(Delivery)	4442	4457	-16
	Sri-Ganganagar	Sri-Ganganagar(Loose)	Closed	4013	-
		Sri-Ganganagar (Delivery)	Closed	4163	-
		Rawla (Loose)	Closed	4025	-
		Gharsana (Loose)	Closed	4040	-
		Raisinghnagar (Loose)	Closed	4000	-
	Bikaner	Bikaner (Loose)	4000	3992	8
		Bikaner (Delivery)	4200	4192	8
		Nokha(Loose)	3978	3982	-3
		Nokha (Delivery)	4177	4181	-4
		Khajuwala (Loose)	4002	4013	-11
		Khajuwala (Delivery)	4202	4213	-11
		Lunkaransar (Loose)	4008	3990	18
	Hanumangarh	Hanumangarh (Loose)	Closed	3958	-
		Hanumangarh (Delivery)	Closed	4155	-
		Nohar (Loose)	Closed	4025	-

		Pilibanga (Loose)	Closed	3973	-
	Nagaur	Nagaur (Loose)	3990	3929	61
	Churu	Churu (Delivery)	4180	4183	-3
	Alwar	Alwar (Loose)	3940	3942	-2
Haryana	Hisar	Adampur (Loose)	4018	4000	18
		Adampur (Delivery)	4219	4200	19
	Bhiwani	Bhiwani (Delivery)	4168	4129	38
		Siwani (Loose)	4154	4143	12
	Sirsa	Sirsa (Loose)	4033	3998	35
		Dhabwali (Loose)	3995	3933	62
		Dhabwali (Delivery)	4195	4130	65
		Ellanabad (Loose)	4028	4008	20
	Fatehabad	Fatehabad (Loose)	3900	3863	38
Gujarat	Banaskantha	Deesa (Loose)	3955	3992	-37
	Patan	Patan (Loose)	3875	3888	-13
	Rajkot	Rajkot (Loose)	3952	3947	5
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8480	8425	55
	Alwar	Alwar	8460	8433	27
	Hanumangarh	Nohar	Closed	8500	-
Haryana	Bhiwani	Bhiwani	8493	8288	204
	Sirsa	Sirsa	8492	8388	104
		Dhabwali	8410	8354	56
		Ellanabad	8440	8383	57
	Fatehabad	Fatehabad	8417	8374	43

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			8-Mar-19	1-Mar-19	8-Feb-19	8-Mar-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4200	4250	4100	4150
		Jodhpur(Delivery)	4410	4463	4305	4358
	Sri-Ganganagar	Sri-Ganganagar(Loose)	Closed	Closed	3950	4100
		Sri-Ganganagar (Delivery)	Closed	Closed	4100	4250
		Rawla (Loose)	Closed	Closed	3965	4000
		Gharsana (Loose)	Closed	Closed	4025	3900
		Raisinghnagar (Loose)	Closed	Closed	4020	3940
	Bikaner	Bikaner (Loose)	4050	4000	4070	4040



		Bikaner (Delivery)	4253	4200	4274	4242
		Nokha(Loose)	4050	3980	3980	4020
		Nokha (Delivery)	4253	4179	4179	4221
		Khajuwala (Loose)	4100	4020	3940	4000
		Khajuwala (Delivery)	4305	4221	4137	4200
		Lunkaransar (Loose)	4050	4000	4000	4050
	Hanumangarh	Hanumangarh (Loose)	Closed	Closed	4000	4020
		Hanumangarh (Delivery)	Closed	Closed	4200	4221
		Nohar (Loose)	Closed	Closed	4050	4000
		Pilibanga (Loose)	Closed	Closed	3940	4000
	Nagaur	Nagaur (Loose)	3950	4000	3950	4050
	Churu	Churu (Delivery)	4250	4250	4200	4250
	Alwar	Alwar (Loose)	4000	4000	3950	3950
Haryana	Hisar	Adampur (Loose)	4050	4060	4000	3950
		Adampur (Delivery)	4253	4263	4200	4148
	Bhiwani	Bhiwani (Delivery)	4200	4150	4100	4270
		Siwani (Loose)	4200	4175	4100	3970
	Sirsa	Sirsa (Loose)	4085	4000	3950	4000
		Dhabwali (Loose)	4050	3925	3915	4050
		Dhabwali (Delivery)	4253	4121	4111	4253
		Ellanabad (Loose)	4050	4000	4000	4000
	Fatehabad	Fatehabad (Loose)	3900	3850	3900	3960
Gujarat	Banaskantha	Deesa (Loose)	4000	4000	4000	Closed
	Patan	Patan (Loose)	NR	3905	3940	3950
	Rajkot	Rajkot (Loose)	3950	3940	3950	3800
	Jamnagar	Dhrol (Loose)	NA	NA	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	3800
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8600	8500	8325	9100
	Alwar	Alwar	8600	8500	8500	9200
	Hanumangarh	Nohar	Closed	Closed	8200	9200
Haryana	Bhiwani	Bhiwani	8570	8200	8350	8950
	Sirsa	Sirsa	8650	8450	8200	9200
		Dhabwali	8500	8400	8400	9200
		Ellanabad	8600	8400	8300	8900
	Fatehabad	Fatehabad	8500	8400	8370	9100

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 Mar 2019	23rd Feb to 01st Mar 2019	
Rajasthan	Jodhpur	Jodhpur	135	164	-29
	Sri-Ganganagar	Sri-Ganganagar	Closed	1000	-
		Rawla	Closed	400	-
		Gharsana	Closed	300	-
		Raisinghnagar	Closed	1100	-
	Bikaner	Bikaner	2700	2100	600
		Nokha	1900	2500	-600
		Khajuwala	2000	1800	200
		Lunkaransar	1300	1150	150
	Hanumangarh	Hanumangarh	Closed	1100	-
		Nohar	Closed	1000	-
		Pilibanga	Closed	575	-
	Nagaur	Nagaur	700	900	-200
	Churu	Churu	2400	2700	-300
	Alwar	Alwar	1800	1200	600
Haryana	Hisar	Adampur	5400	4700	700
	Bhiwani	Bhiwani	2200	850	1350
		Siwani	7300	7300	Unch
	Sirsa	Sirsa	8100	8800	-700
		Dhabwali	2000	1150	850
		Ellanabad	1225	1460	-235
	Fatehabad	Fatehabad	550	550	Unch
Gujarat	Banaskantha	Deesa	170	255	-85
	Patan	Patan	139	92	47
	Rajkot	Rajkot	290	275	15
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			40309	43421	-3112

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