



# 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 1.97 percent to Rs. 3746.08 per quintal during the week ended 15th March 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3821.17 per quintal during 01-08 March 2019. As compared to prices in the week 09-15 March 2018, the prices are weak by 3.16 percent. Prices are expected to remain steady to firm in coming days.

Guar seed future April contract touched a low of Rs 4262.00 per quintal before closing at Rs 4282.50 per quintal during past week. As per trade sources, good domestic as well as export demand for gum accompanied by lower arrivals is likely to keep prices firm in near future. Prices are likely to touch Rs 4400-4450 per quintal in upcoming week.

The wholesale price index of guar seed has decreased from 100.1 in January-2019 to 97.3 in February- 2019. The WPI for February 2019 is down by 5.4 compared to last year for the same month and by 22.5 compared to February 2017. WPI is expected to stay firm in March'19.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 1026 as on 15th March 2019 down by 1 compared to 08th March 2019 and up by 36 compared to 16th 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 (7500 quintals) compared to previous week arrivals of 5400 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (2370 quintals) compared to previous week arrivals of 2700 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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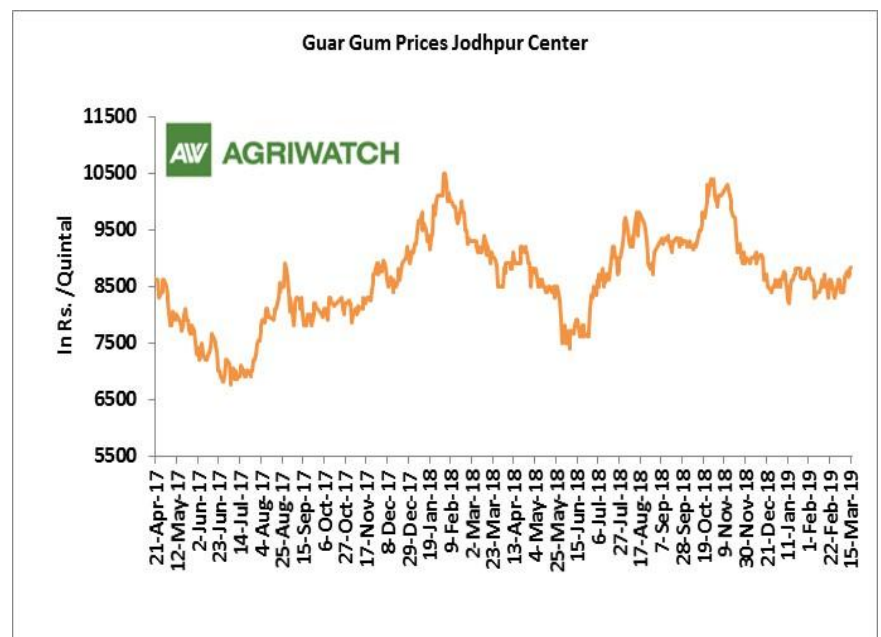
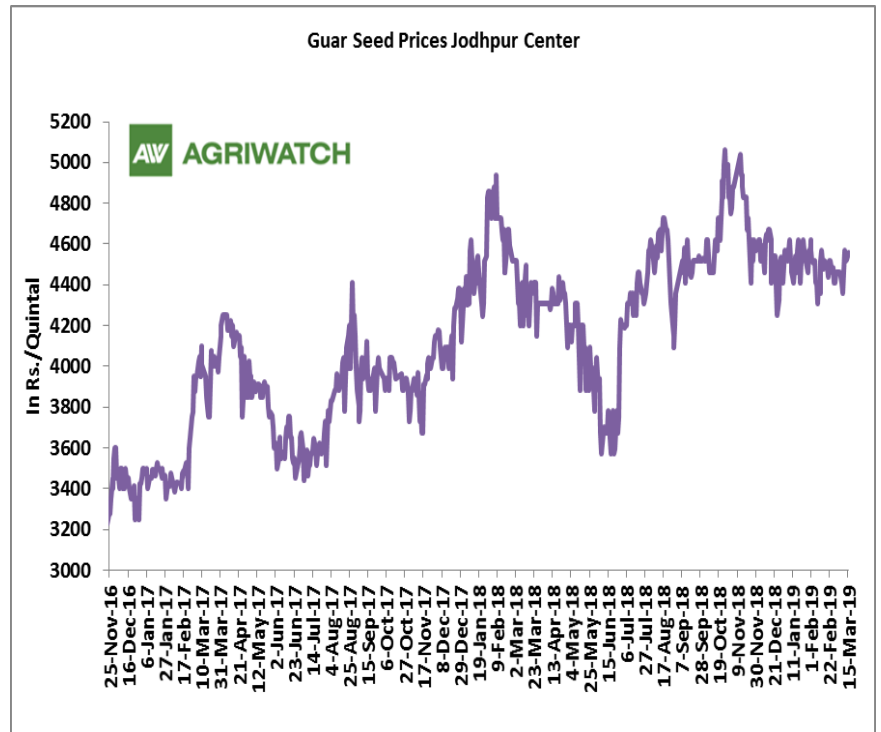
**Weekly Call- : Market participants are advised to buy Guar seed at 4250 levels for a target of 4400 with a stop loss at 4160 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 15<sup>th</sup> March'19, Guar seed weekly average prices increased by Rs 65.63/-qtl and settled at Rs 4511 per quintal.
- In addition, Guar gum weekly price increased by Rs 229.17 per quintal and settled at Rs. 8729.00 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.

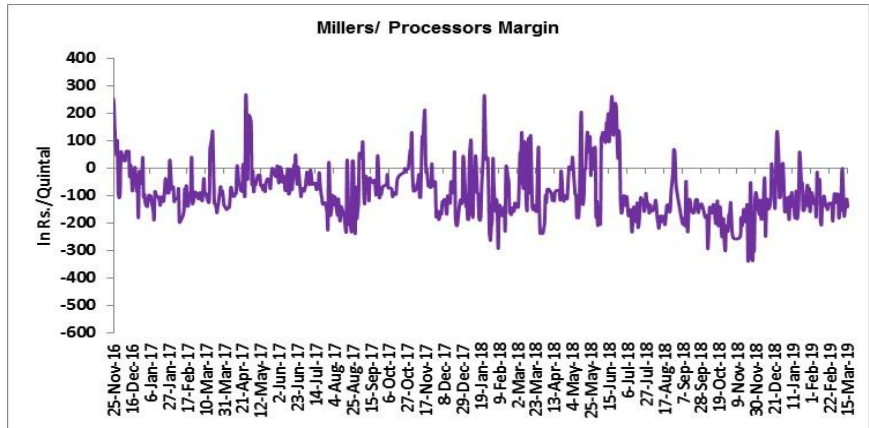


### Millers/Processors Margin

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In the week ended 15<sup>th</sup> March'19, average crush margin is Rs. -119.36/Quintal, compared to last week's -125.83/Quintal. Therefore, crushing is not favorable for Millers/Processors.

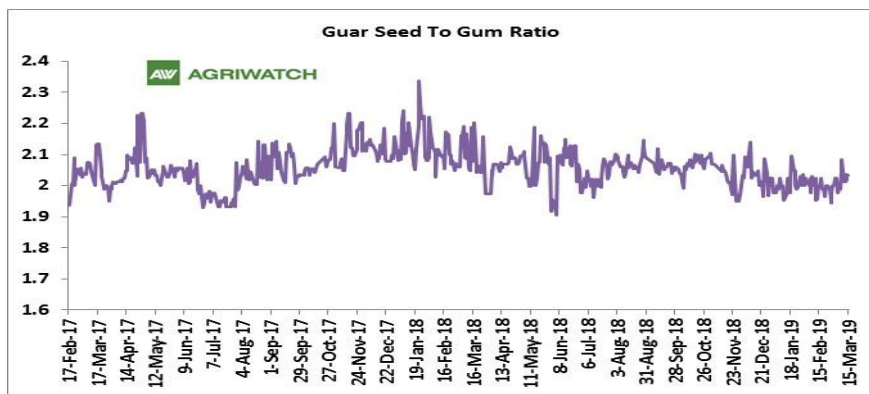
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 15<sup>th</sup> March'19 is 2.03, higher compared to last week's 2.01

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

**Guar Seed (April Weekly Chart)**



**Technical Commentary:**

- Fall in price and rise in open interest indicates short buildup.
- RSI is moving in neutral region.
- Prices closed below 9 and 18 day EMAs.

**Strategy: Buy**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	April	4085	4020	4282.5	4630	4735
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	April	Buy	Above 4250	4400	4500	4160

Technical Analysis (Guar Gum)

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Commodity: Guar Gum  
Contract: April

Exchange: NCDEX  
Expiry: April 16, 2018



**Technical Commentary:**

- Fall in price and open interest indicates long liquidation.
- RSI is moving in neutral region.
- Prices closed above 9 and 18 day EMAs.

**Strategy: Buy**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	April	8320	8205	8709	9450	9585
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	April	Buy	Above 8760	8985	9270	8481

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 Mar 2019	02nd to 08th Mar 2019	Change
Churi	Jodhpur	1710	1717	-7
Korma	Jodhpur	2481	2475	6
Churi	Sri-Ganganagar	1522	1525	-3
Korma	Sri-Ganganagar	2288	2319	-31

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	09th to 15th Mar 2019	02nd to 08th Mar 2019	Change
Guargum Split		1246	1205	42
Guargum Powder	200 Mesh 5000 CPS	1534	1488	45
	200 Mesh 3500 CPS	1462	1417	44
Guargum Meal	40%	344	340	4
	50%	488	482	6

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			09th to 15th Mar 2019	02nd to 08th Mar 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4296	4230	66
		Jodhpur(Delivery)	4511	4442	69
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4060	Closed	-
		Sri-Ganganagar (Delivery)	4210	Closed	-
		Rawla (Loose)	4030	Closed	-
		Gharsana (Loose)	4005	Closed	-
		Raisinghnagar (Loose)	4037	Closed	-
	Bikaner	Bikaner (Loose)	4088	4000	88
		Bikaner (Delivery)	4293	4200	93
		Nokha(Loose)	4096	3978	118
		Nokha (Delivery)	4301	4177	123
		Khajuwala (Loose)	4081	4002	79
		Khajuwala (Delivery)	4285	4202	83
		Lunkaransar (Loose)	4096	4008	88
	Hanumangarh	Hanumangarh (Loose)	3990	Closed	-
		Hanumangarh (Delivery)	4190	Closed	-
		Nohar (Loose)	4130	Closed	-

		Pilibanga (Loose)	3997	Closed	-
	<b>Nagaur</b>	Nagaur (Loose)	4054	3990	64
	<b>Churu</b>	Churu (Delivery)	4235	4180	55
	<b>Alwar</b>	Alwar (Loose)	4045	3940	105
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	4076	4018	58
		Adampur (Delivery)	4280	4219	60
	<b>Bhiwani</b>	Bhiwani (Delivery)	4283	4168	116
		Siwani (Loose)	4223	4154	68
	<b>Sirsa</b>	Sirsa (Loose)	4072	4033	38
		Dhabwali (Loose)	4043	3995	48
		Dhabwali (Delivery)	4245	4195	50
		Ellanabad (Loose)	4092	4028	64
	<b>Fatehabad</b>	Fatehabad (Loose)	3904	3900	4
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	3988	3955	33
	<b>Patan</b>	Patan (Loose)	3912	3875	37
	<b>Rajkot</b>	Rajkot (Loose)	4013	3952	61
	<b>Jamnagar</b>	Dhrol (Loose)	NA	NA	-
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	-
<b>Guar Gum</b>					
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	8729	8480	249
	<b>Alwar</b>	Alwar	8690	8460	230
	<b>Hanumangarh</b>	Nohar	8500	Closed	-
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	8713	8493	220
	<b>Sirsa</b>	Sirsa	8683	8492	192
		Dhabwali	8667	8410	257
		Ellanabad	8692	8440	252
	<b>Fatehabad</b>	Fatehabad	8633	8417	216

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			15-Mar-19	8-Mar-19	15-Feb-19	15-Mar-18
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	4340	4200	4265	4050
		Jodhpur(Delivery)	4557	4410	4478	4253
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	4050	Closed	4070	3950
		Sri-Ganganagar (Delivery)	4200	Closed	4220	4100
		Rawla (Loose)	4015	Closed	4020	4025
		Gharsana (Loose)	4020	Closed	4030	3980
		Raisinghnagar (Loose)	4050	Closed	4050	4030
	<b>Bikaner</b>	Bikaner (Loose)	4070	4050	4100	4070

		Bikaner (Delivery)	4274	4253	4305	4274
		Nokha(Loose)	4075	4050	4050	4060
		Nokha (Delivery)	4279	4253	4253	4263
		Khajuwala (Loose)	4060	4100	4065	4070
		Khajuwala (Delivery)	4263	4305	4268	4274
		Lunkaransar (Loose)	4100	4050	4050	4100
	Hanumangarh	Hanumangarh (Loose)	4000	Closed	4050	4040
		Hanumangarh (Delivery)	4200	Closed	4253	4242
		Nohar (Loose)	4150	Closed	4050	4100
		Pilibanga (Loose)	NR	Closed	4023	4000
	Nagaur	Nagaur (Loose)	4100	3950	3950	4000
	Churu	Churu (Delivery)	4250	4250	4250	4300
	Alwar	Alwar (Loose)	4000	4000	4000	4000
Haryana	Hisar	Adampur (Loose)	4080	4050	4030	4050
		Adampur (Delivery)	4284	4253	4232	4253
	Bhiwani	Bhiwani (Delivery)	4300	4200	4225	4300
		Siwani (Loose)	4225	4200	4170	4180
	Sirsa	Sirsa (Loose)	4070	4085	4050	4070
		Dhabwali (Loose)	4050	4050	NA	4100
		Dhabwali (Delivery)	4253	4253	NA	4305
		Ellanabad (Loose)	4000	4050	4100	4050
	Fatehabad	Fatehabad (Loose)	3925	3900	3950	4000
Gujarat	Banaskantha	Deesa (Loose)	3925	4000	4100	3910
	Patan	Patan (Loose)	NR	3850	3990	3955
	Rajkot	Rajkot (Loose)	4025	3950	3925	3775
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3525
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8825	8600	8500	9300
	Alwar	Alwar	8800	8600	8500	9350
	Hanumangarh	Nohar	8500	Closed	8400	9300
Haryana	Bhiwani	Bhiwani	8725	8570	8725	9500
	Sirsa	Sirsa	8750	8650	8450	9250
		Dhabwali	8650	8500	NA	9301
		Ellanabad	8700	8600	8500	9300
	Fatehabad	Fatehabad	8700	8500	8500	9220

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 Mar 2019	02nd to 08th Mar 2019	
Rajasthan	Jodhpur	Jodhpur	277	135	142
	Sri-Ganganagar	Sri-Ganganagar	6500	Closed	-
		Rawla	1600	Closed	-
		Gharsana	1150	Closed	-
		Raisinghnagar	1500	Closed	-
	Bikaner	Bikaner	2370	2700	-330
		Nokha	3200	1900	1300
		Khajuwala	2250	2000	250
		Lunkaransar	2400	1300	1100
	Hanumangarh	Hanumangarh	1700	Closed	-
		Nohar	3600	Closed	-
		Pilibanga	2251	Closed	-
	Nagaur	Nagaur	1150	700	450
	Churu	Churu	2600	2400	200
	Alwar	Alwar	970	1800	-830
Haryana	Hisar	Adampur	7500	5400	2100
	Bhiwani	Bhiwani	5000	2200	2800
		Siwani	7100	7300	-200
	Sirsa	Sirsa	11800	8100	3700
		Dhabwali	1300	2000	-700
		Ellanabad	1800	1225	575
	Fatehabad	Fatehabad	650	550	100
Gujarat	Banaskantha	Deesa	215	170	45
	Patan	Patan	125	139	-14
	Rajkot	Rajkot	400	290	110
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			69408	40309	29099

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