



Guar Weekly Research Report

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Executive Summary

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Domestic Guar Seed Market Summary

All India weekly average prices increased by 0.70 percent to Rs. 3861.18 per quintal during the week ended 08th April 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3834.19 per quintal during 24-31 March 2019. As compared to prices in the week 01-08 April 2018, the prices are firm by 5.64 percent. Prices are expected to remain steady to firm in coming days.

Guar seed future May contract closed at Rs 4485 per quintal. Prices may get support from increase in crude oil prices. Guar has breached resistance level of Rs 4385 per quintal and is likely to touch Rs 4610-4630 per quintal in near future. Export demand is normal. Traders are advised to buy with correction.

As per latest update, guar acreage is likely to steady in upcoming Kharif season. However independent weather agency Skymet has predicted that India could face its third consecutive below normal monsoon. Skymet has predicted that rainfall would be 93 percent of the LPA. Furthermore, OPEC and producer allies are also likely to continue with their production cuts. Both these factors are likely to provide support to guar prices in future.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 1025 as on 05th April 2019 up by 19 compared to 29th March 2019 and by 22 compared to 06th April 2018. The total number of oilrigs was recorded at 2213 worldwide in March'19 compared to 2179 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 (5300 quintals) compared to previous week arrivals of 7650 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (3100 quintals) compared to previous week arrivals of 2400 quintals.

Previous Updates

As per trade sources, export of guar split has decreased in the month of February-19. Exports in the month of February-19 are down by around 2.52% compared to previous month. India exported around 9280 tonnes of guar split in the month of February-19 at an average FoB of \$ 1408.26 per tonne. Of the total quantity, around 7560 tonnes and 1420 tonnes have been exported to China and Unites States respectively.

As per trade sources, export of guar gum has increased in the month of February-19 by 1.96 percent compared to previous month. India exported around 23643 tonnes of guar gum at an average FoB of \$ 1792.92 per tonne in the month of February-19 compared to 23189 tonnes in January-19 at an average FoB of \$ 1803.42 per tonne. Exports are expected to recover low in March-19 as well.

Recommendation:

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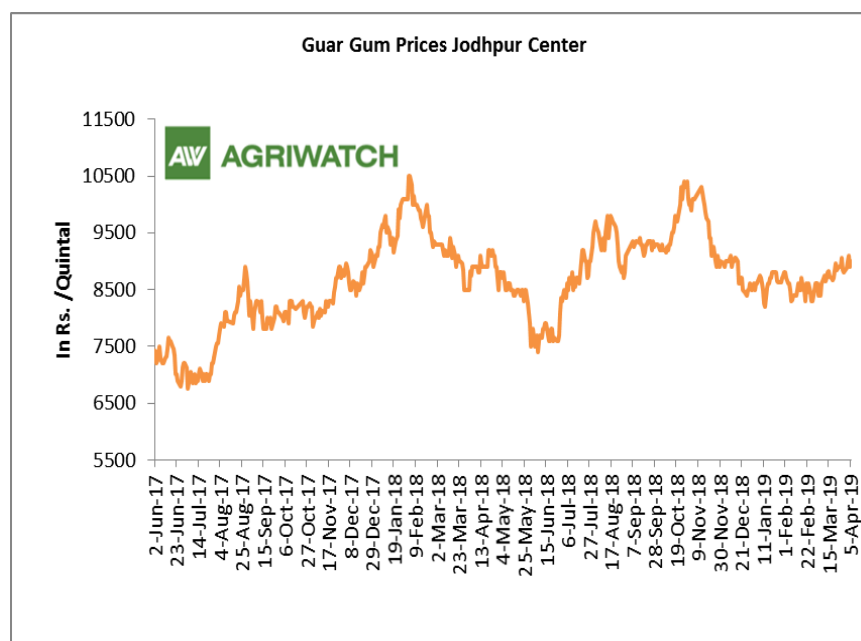
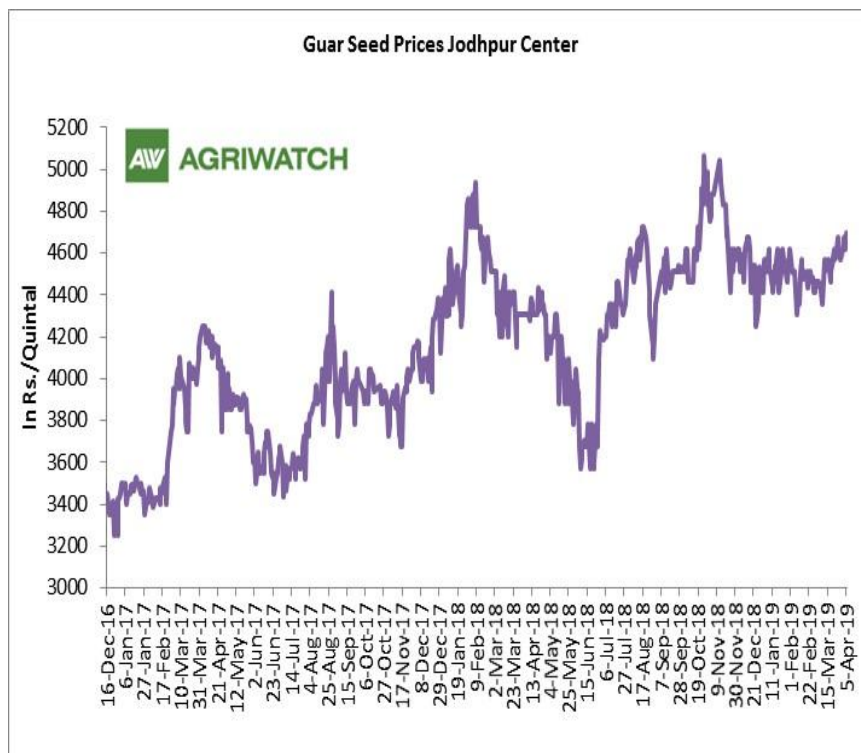
Weekly Call- : Market participants are advised to buy Guar seed at 4460 levels for a target of 4610 with a stop loss at 4370 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 05th April'19, Guar seed weekly average prices increased by Rs 43.75/-qtl and settled at Rs 4646 per quintal.
- In addition, Guar gum weekly price increased by Rs 81.33 per quintal and settled at Rs. 8973 per quintal. Good demand for guar gum from domestic as well as overseas market kept prices at higher side in previous week.
- According to second advance estimate for 2018-19, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 135000 hectares, 73000 tonnes and 545 kg/hectare respectively. As per first 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.
- 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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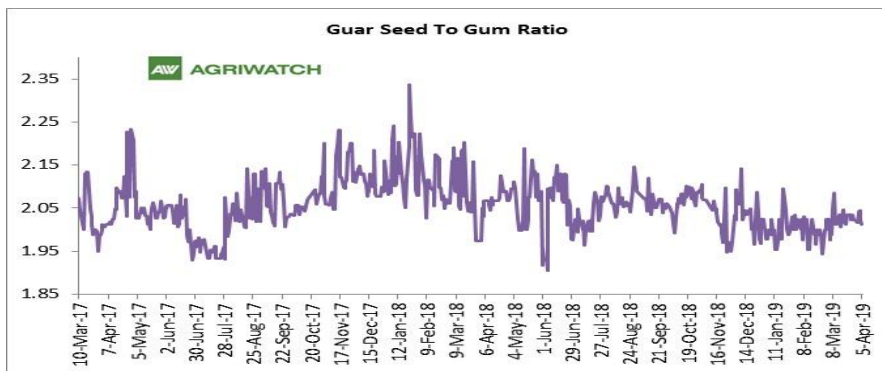
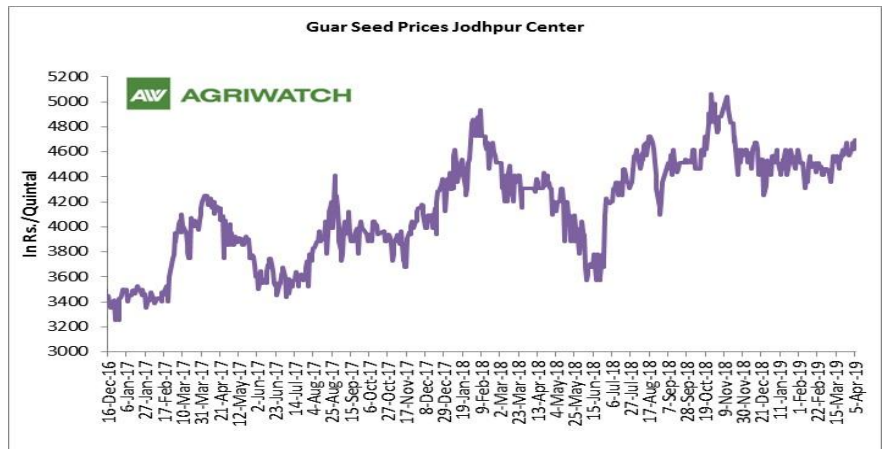
In the week ended 05th April'19, average crush margin was Rs. -158.94/Quintal, compared to last week's -141.54/Quintal. Therefore, crushing is not favorable for Millers/Processors.

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 05th April'19 is 2.04, higher compared to last week's 2.03

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)
01-07 February-2019	6844.76	1761.19
08-14 February-2019	5104.47	1870.04
15-21 February-2019	6145.43	1988.58
22-28 February-2019	5548.68	1838.49
Total	23643.34	

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:

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

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	April	4295	4230	4485	4840	4945
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	April	Buy	Above 4460	4610	4710	4370



Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: April

Exchange: NCDEX
Expiry: April 16, 2018

Guar Gum (April Weekly Chart)



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- RSI is moving up 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	8730	8615	9092	9660	9795
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	April	Buy	Above 9070	9295	9490	8935

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	30th Mar to 05th Apr 2019	23rd to 29th Mar 2019	Change
Churi	Jodhpur	1753	1733	19
Korma	Jodhpur	2466	2494	-29
Churi	Sri-Ganganagar	1594	1566	28
Korma	Sri-Ganganagar	2269	2269	Unch

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	30th Mar to 05th Apr 2019	23rd to 29th Mar 2019	Change
Guargum Split		1303	1304	-1
Guargum Powder	200 Mesh 5000 CPS	1593	1594	-1
	200 Mesh 3500 CPS	1521	1521	-1
Guargum Meal	40%	348	348	Unch
	50%	490	478	12

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			30th Mar to 05th Apr 2019	23rd to 29th Mar 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4425	4383	42
		Jodhpur(Delivery)	4646	4603	44
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4138	4113	25
		Sri-Ganganagar (Delivery)	4288	4263	25
		Rawla (Loose)	4118	4056	62
		Gharsana (Loose)	4102	4073	28
		Raisinghnagar (Loose)	4167	4102	65
	Bikaner	Bikaner (Loose)	4144	4128	17
		Bikaner (Delivery)	4351	4334	17
		Nokha(Loose)	4143	4169	-26
		Nokha (Delivery)	4350	4377	-27
		Khajuwala (Loose)	4170	4105	65
		Khajuwala (Delivery)	4378	4310	68
		Lunkaransar (Loose)	4170	4125	45
	Hanumangarh	Hanumangarh (Loose)	4146	4071	75
		Hanumangarh (Delivery)	4353	4274	79
		Nohar (Loose)	4179	4136	43

		Pilibanga (Loose)	4048	4071	-23
	Nagaur	Nagaur (Loose)	4100	4092	8
	Churu	Churu (Delivery)	4260	4280	-20
	Alwar	Alwar (Loose)	4005	4040	-35
Haryana	Hisar	Adampur (Loose)	4162	4144	18
		Adampur (Delivery)	4370	4351	18
	Bhiwani	Bhiwani (Delivery)	4354	4317	38
		Siwani (Loose)	4258	4244	14
	Sirsa	Sirsa (Loose)	4104	4139	-35
		Dhabwali (Loose)	4126	4083	43
		Dhabwali (Delivery)	4332	4287	46
		Ellanabad (Loose)	4138	4100	38
	Fatehabad	Fatehabad (Loose)	3925	3908	17
Gujarat	Banaskantha	Deesa (Loose)	4019	Closed	-
	Patan	Patan (Loose)	4031	3970	61
	Rajkot	Rajkot (Loose)	4074	Closed	-
	Jamnagar	Dhrol (Loose)	1838	Closed	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8973	8892	81
	Alwar	Alwar	8810	8860	-50
	Hanumangarh	Nohar	8817	8733	83
Haryana	Bhiwani	Bhiwani	9008	8928	80
	Sirsa	Sirsa	8942	8922	20
		Dhabwali	8942	8767	175
		Ellanabad	9033	8933	100
	Fatehabad	Fatehabad	8921	8879	42

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			5-Apr-19	29-Mar-19	5-Mar-19	5-Apr-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4475	4350	4250	4100
		Jodhpur(Delivery)	4699	4568	4463	4305
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4200	4125	Closed	3900
		Sri-Ganganagar (Delivery)	4350	4275	Closed	4050
		Rawla (Loose)	4150	Closed	Closed	3850
		Gharsana (Loose)	4150	4060	Closed	3900
		Raisinghnagar (Loose)	4240	4090	Closed	NR
	Bikaner	Bikaner (Loose)	4170	Closed	3980	3870

		Bikaner (Delivery)	4379	Closed	4179	4064
		Nokha(Loose)	4180	Closed	3970	3850
		Nokha (Delivery)	4389	Closed	4169	4043
		Khajuwala (Loose)	4200	4100	3980	NR
		Khajuwala (Delivery)	4410	4305	4179	NR
		Lunkaransar (Loose)	4200	4125	4020	3850
	Hanumangarh	Hanumangarh (Loose)	4200	4100	Closed	3850
		Hanumangarh (Delivery)	4410	4305	Closed	4043
		Nohar (Loose)	4325	4125	Closed	3900
		Pilibanga (Loose)	NR	3945	Closed	NA
	Nagaur	Nagaur (Loose)	4100	Closed	4000	3750
	Churu	Churu (Delivery)	4300	NR	4150	3900
	Alwar	Alwar (Loose)	4025	NR	3900	3750
Haryana	Hisar	Adampur (Loose)	4220	4140	4000	3850
		Adampur (Delivery)	4431	4347	4200	4043
	Bhiwani	Bhiwani (Delivery)	4375	4300	4150	4070
		Siwani (Loose)	4340	4225	4150	4030
	Sirsa	Sirsa (Loose)	4215	4100	4050	3900
		Dhabwali (Loose)	4170	4050	4000	3900
		Dhabwali (Delivery)	4379	4253	4200	4095
		Ellanabad (Loose)	4200	4100	4050	3950
	Fatehabad	Fatehabad (Loose)	4000	3900	3900	3940
Gujarat	Banaskantha	Deesa (Loose)	4050	Closed	3975	NA
	Patan	Patan (Loose)	4025	Closed	3900	NA
	Rajkot	Rajkot (Loose)	4100	Closed	3950	NA
	Jamnagar	Dhrol (Loose)	NA	Closed	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9000	8800	8400	8900
	Alwar	Alwar	8850	NR	8400	9000
	Hanumangarh	Nohar	8900	8800	Closed	8900
Haryana	Bhiwani	Bhiwani	9050	8900	8450	8450
	Sirsa	Sirsa	9050	8800	8500	8700
		Dhabwali	9050	8750	8450	8900
		Ellanabad	9100	8900	8400	8900
	Fatehabad	Fatehabad	9000	8825	8410	8775

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			30th Mar to 05th Apr 2019	23rd to 29th Mar 2019	
Rajasthan	Jodhpur	Jodhpur	116	241	-125
	Sri-Ganganagar	Sri-Ganganagar	5500	12500	-7000
		Rawla	1000	900	100
		Gharsana	1000	950	50
		Raisinghnagar	3900	4400	-500
	Bikaner	Bikaner	3100	2400	700
		Nokha	3350	3450	-100
		Khajuwala	2000	2450	-450
		Lunkaransar	1700	1900	-200
	Hanumangarh	Hanumangarh	1000	1000	Unch
		Nohar	2800	5900	-3100
		Pilibanga	997	1646	-649
	Nagaur	Nagaur	850	500	350
	Churu	Churu	2200	2500	-300
	Alwar	Alwar	1050	800	250
Haryana	Hisar	Adampur	5300	7650	-2350
	Bhiwani	Bhiwani	5200	2500	2700
		Siwani	9300	7900	1400
	Sirsa	Sirsa	8700	12500	-3800
		Dhabwali	800	1350	-550
		Ellanabad	1650	1600	50
	Fatehabad	Fatehabad	650	600	50
Gujarat	Banaskantha	Deesa	410	Closed	410
	Patan	Patan	61	40	21
	Rajkot	Rajkot	390	Closed	390
	Jamnagar	Dhrol	1	Closed	1
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			63025	75677	-12652

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