



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 0.53 percent to Rs. 3887.84 per quintal during the week ended 31st April 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3908.48 per quintal during 16-23 April 2019. As compared to prices in the week 24-31 April 2018, the prices are firm by 4.11 percent. Prices are expected to remain steady to firm in coming days.

Some of the markets in Haryana and Rajasthan are reporting no arrival of guar due to high arrivals in other crops such as wheat and mustard. Lower arrivals of guar accompanied with good demand for churi/korma in domestic market and export demand for guar gum in foreign markets is likely to provide support to prices in domestic market. As of now, prices are hovering around Rs 4450 per quintal. Guar is likely to be bullish with small technical corrections in coming weeks and touch Rs 4550.00-4600.00 per quintal.

As per IMD, monsoon is likely to be 96% of the LPA whereas Skymet is expecting deficient rainfall at 93% of the LPA. Rajasthan is the largest producer of Guar in the world. In irrigated areas of Rajasthan, guar is sown in June; in non-irrigated areas, guar sowing is completely dependent on monsoon rains and is done accordingly. Market sources say farmers may shift to cotton in irrigated belts as it is fetching higher returns compared to guar.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 990 as on 03rd May 2019 down by 42 compared to 26th April 2019 and by 30 compared to 04th May 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 (410 quintals) compared to previous week arrivals of 1025 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1600 quintals) compared to previous week arrivals of 1950 quintals.

Previous Updates:

As per trade sources, export of guar gum has increased in the month of March-19 by 22.26 percent compared to previous month. India exported around 28907 tonnes of guar gum at an average FoB of \$ 1718.53 per tonne in the month of March-19 compared to 23643 tonnes in January-19 at an average FoB of \$ 1792.92 per tonne.

As per trade sources, export of guar split has increased in the month of March-19. Exports in the month of March-19 are up by around 16.38% compared to previous month. India exported around 10800 tonnes of guar split in the month of March-19 at an average FoB of \$ 1352.14 per tonne.

Recommendation:

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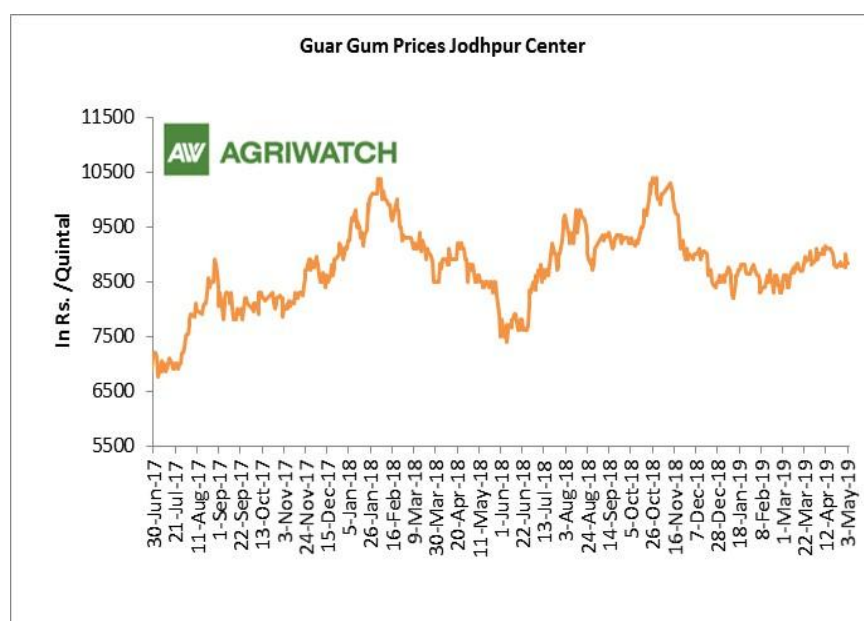
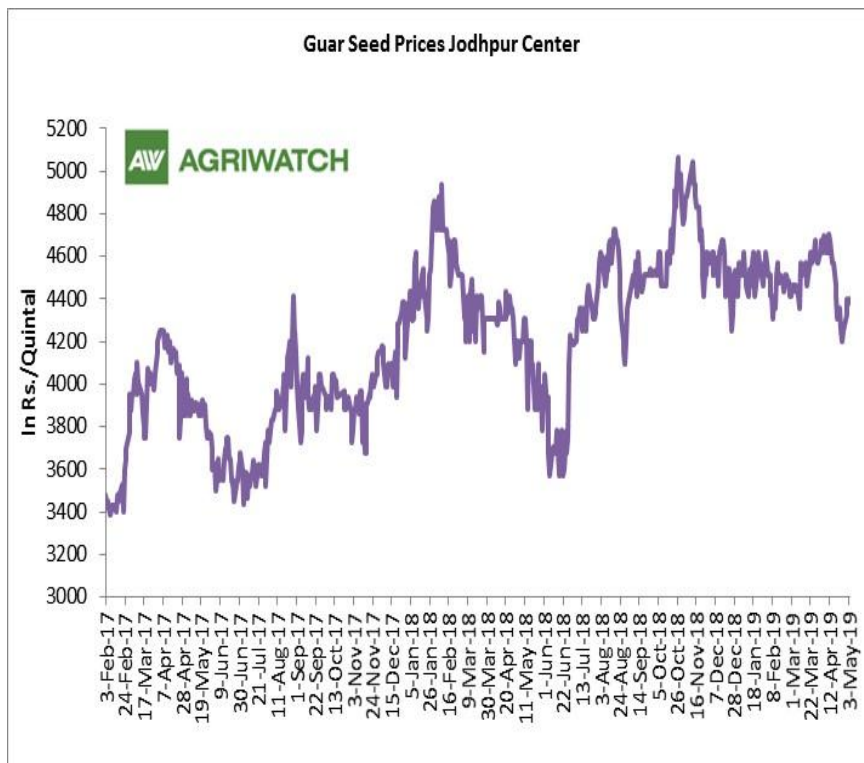
Weekly Call- : Market participants are advised to buy Guar seed at 4425 levels for a target of 4550 with a stop loss at 4350 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 03rd May'19, Guar seed weekly average prices increased by Rs 63.70/-qtl and settled at Rs 4351 per quintal.
- In addition, Guar gum weekly price increased by Rs 44.17 per quintal and settled at Rs. 8840 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.

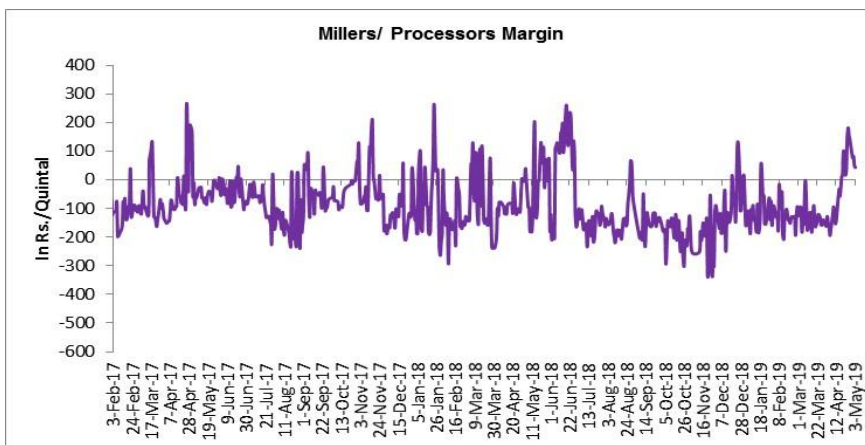


Millers/Processors Margin

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In the week ended 03rd May'19, average crush margin was Rs. 78.04/Quintal, compared to last week's 104.80/Quintal. Therefore, crushing is favorable for Millers/Processors.

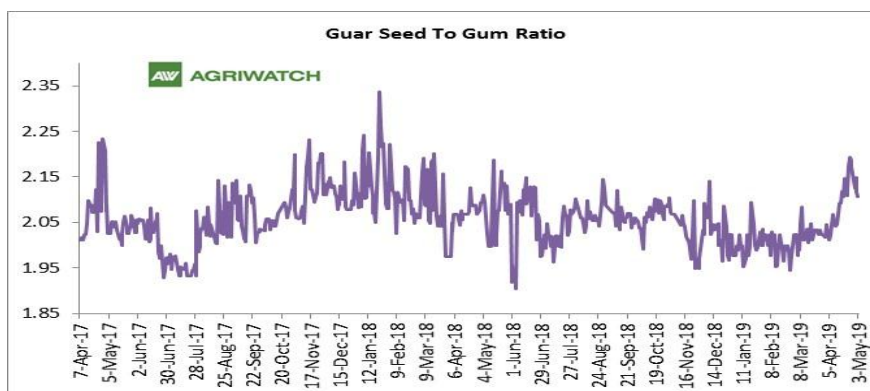
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 03rd May'19 is 2.13, higher compared to last week's 2.15

Overall, weak demand of gum from overseas 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 March-2019	7786.03	1715.71
09-16 March -2019	8868.24	1761.74
17-24 March -2019	5468.85	1660.41
25-31 March -2019	6784.15	1704.16
Total	28907.27	

Source: Trade

Technical Analysis (Guar Seed)

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Commodity: Guar Seed
Contract: June

Exchange: NCDEX
Expiry: June 20, 2019



Technical Commentary:

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

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	June	4260	4205	4430.50	4710	4765
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	June	Buy	Above 4425	4550	4635	4350

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: June

Exchange: NCDEX
Expiry: June 20, 2018



Technical Commentary:

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

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	June	8510	8405	8944	9495	9600
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	Buy	Above 8920	9175	9350	8767

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	27th Apr to 03rd May 2019	20th to 26th Apr 2019	Change
Churi	Jodhpur	1760	1729	31
Korma	Jodhpur	2438	2432	6
Churi	Sri-Ganganagar	1575	1575	Unch
Korma	Sri-Ganganagar	2200	2200	Unch

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	27th Apr to 03rd May 2019	20th to 26th Apr 2019	Change
Guargum Split		1273	1277	-4
Guargum Powder	200 Mesh 5000 CPS	1555	1564	-9
	200 Mesh 3500 CPS	1483	1492	-9
Guargum Meal	40%	345	344	1
	50%	488	487	1

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			27th Apr to 03rd May 2019	20th to 26th Apr 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4144	4083	61
		Jodhpur(Delivery)	4351	4288	64
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4140	4133	7
		Sri-Ganganagar (Delivery)	4290	4283	7
		Rawla (Loose)	4030	4070	-40
		Gharsana (Loose)	3992	4030	-38
		Raisinghnagar (Loose)	4108	4088	20
	Bikaner	Bikaner (Loose)	4068	4075	-7
		Bikaner (Delivery)	4272	4279	-7
		Nokha(Loose)	4059	4085	-26
		Nokha (Delivery)	4262	4289	-27
		Khajuwala (Loose)	4090	4054	36
		Khajuwala (Delivery)	4295	4257	38
		Lunkaransar (Loose)	4062	4054	8
	Hanumangarh	Hanumangarh (Loose)	NA	4060	-
		Hanumangarh (Delivery)	NA	4263	-
		Nohar (Loose)	4117	4113	4

		Pilibanga (Loose)	3988	4000	-13
	Nagaur	Nagaur (Loose)	4069	4027	42
	Churu	Churu (Delivery)	4170	4167	3
	Alwar	Alwar (Loose)	3930	3917	13
Haryana	Hisar	Adampur (Loose)	4089	4067	22
		Adampur (Delivery)	4293	4270	23
	Bhiwani	Bhiwani (Delivery)	4254	4208	46
		Siwani (Loose)	4219	4227	-8
	Sirsa	Sirsa (Loose)	NA	4063	-
		Dhabwali (Loose)	NA	NA	-
		Dhabwali (Delivery)	NA	NA	-
		Ellanabad (Loose)	NA	NA	-
	Fatehabad	Fatehabad (Loose)	NA	NA	-
Gujarat	Banaskantha	Deesa (Loose)	3958	3985	-27
	Patan	Patan (Loose)	3939	3939	Unch
	Rajkot	Rajkot (Loose)	3986	4003	-17
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8840	8796	44
	Alwar	Alwar	8780	8783	-3
	Hanumangarh	Nohar	8950	9000	-50
Haryana	Bhiwani	Bhiwani	8917	8910	7
	Sirsa	Sirsa	NA	8763	-
		Dhabwali	NA	NA	-
		Ellanabad	NA	NA	-
	Fatehabad	Fatehabad	NA	NA	-

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			3-May-19	26-Apr-19	3-Apr-19	3-May-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4190	4050	4450	4000
		Jodhpur(Delivery)	4400	4253	4673	4200
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4100	4150	4150	3750
		Sri-Ganganagar (Delivery)	4250	4300	4300	3900
		Rawla (Loose)	4030	4050	4120	NA
		Gharsana (Loose)	NR	3960	4100	NA
		Raisinghnagar (Loose)	4120	4100	4250	3600
	Bikaner	Bikaner (Loose)	4050	4080	4120	3700

		Bikaner (Delivery)	4253	4284	4326	3885
		Nokha(Loose)	4080	4100	4160	3710
		Nokha (Delivery)	4284	4305	4368	3896
		Khajuwala (Loose)	4090	4060	4228	3750
		Khajuwala (Delivery)	4295	4263	4439	3938
		Lunkaransar (Loose)	4150	4025	4200	3750
	Hanumangarh	Hanumangarh (Loose)	NA	3970	4150	3700
		Hanumangarh (Delivery)	NA	4169	4358	3885
		Nohar (Loose)	4200	4125	4150	3750
		Pilibanga (Loose)	NR	3970	4140	NA
	Nagaur	Nagaur (Loose)	4100	4050	4100	3500
	Churu	Churu (Delivery)	4250	4150	4250	3900
	Alwar	Alwar (Loose)	4000	3900	4000	3600
Haryana	Hisar	Adampur (Loose)	NA	4100	4140	3730
		Adampur (Delivery)	NA	4305	4347	3917
	Bhiwani	Bhiwani (Delivery)	4375	4200	4400	3910
		Siwani (Loose)	4300	4240	4225	3870
	Sirsa	Sirsa (Loose)	NA	NA	3960	NA
		Dhabwali (Loose)	NA	NA	4210	NA
		Dhabwali (Delivery)	NA	NA	4421	NA
		Ellanabad (Loose)	NA	NA	4175	NA
	Fatehabad	Fatehabad (Loose)	NA	NA	3900	NA
Gujarat	Banaskantha	Deesa (Loose)	4000	4000	4025	NA
	Patan	Patan (Loose)	3940	3935	4025	NA
	Rajkot	Rajkot (Loose)	4030	4000	4100	3650
	Jamnagar	Dhrol (Loose)	NA	NA	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8825	8850	9100	8800
	Alwar	Alwar	9000	8800	8800	8600
	Hanumangarh	Nohar	9000	9000	8800	8650
Haryana	Bhiwani	Bhiwani	9000	8900	9100	8500
	Sirsa	Sirsa	NA	NA	9000	NA
		Dhabwali	NA	NA	9000	NA
		Ellanabad	NA	NA	9000	NA
	Fatehabad	Fatehabad	NA	NA	8900	NA

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			27th Apr to 03rd May 2019	20th to 26th Apr 2019	
Rajasthan	Jodhpur	Jodhpur	85	120	-35
	Sri-Ganganagar	Sri-Ganganagar	1800	2000	-200
		Rawla	350	510	-160
		Gharsana	42	160	-118
		Raisinghnagar	950	950	Unch
	Bikaner	Bikaner	1600	1950	-350
		Nokha	2650	3100	-450
		Khajuwala	100	355	-255
		Lunkaransar	1200	1150	50
	Hanumangarh	Hanumangarh	NA	180	-
		Nohar	1000	950	50
		Pilibanga	738	7	731
	Nagaur	Nagaur	510	560	-50
	Churu	Churu	2500	3300	-800
	Alwar	Alwar	1000	1300	-300
Haryana	Hisar	Adampur	410	1025	-615
	Bhiwani	Bhiwani	1900	1250	650
		Siwani	6900	9300	-2400
	Sirsa	Sirsa	NA	NA	-
		Dhabwali	NA	NA	-
		Ellanabad	NA	NA	-
	Fatehabad	Fatehabad	NA	NA	-
Gujarat	Banaskantha	Deesa	55	20	35
	Patan	Patan	133	255	-122
	Rajkot	Rajkot	215	235	-20
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			24138	28677	-4539

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