



# 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 0.87 percent to Rs. 3986.14 per quintal during the week ended 15th May 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3951.59 per quintal during 01-08 May 2019. As compared to prices in the week 09-15 May 2018, the prices are firm by 14.23 percent. Prices are expected to remain steady to firm in coming days.

As per trade sources, export of guar gum has decreased in the month of April-19 by 8.02 percent compared to previous month. India exported around 26588 tonnes of guar gum at an average FoB of \$ 1871.23 per tonne in the month of April-19 compared to 28907 tonnes in March-19 at an average FoB of \$ 1718.53 per tonne. Exports are expected to remain at higher side in May-19 as well.

The wholesale price index of guar seed has increased from 97.3 in March-2019 to 100.6 in April- 2019. The WPI for April 2019 is up by 9.3 compared to last year for the same month and by 10.3 compared to April 2017. WPI is expected to stay slightly firm in May'19.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 987 as on 17th May 2019 down by 1 compared to 10th May 2019 and by 59 compared to 18th May 2018. The total number of oilrigs was recorded at 2140 worldwide in April'19 compared to 2087 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 per trade sources, export of guar split has decreased in the month of April-19. Exports in the month of April-19 are down by around 45.24% compared to previous month. India exported around 5914 tonnes of guar split in the month of April-19 at an average FoB of \$ 1396.73 per tonne. Of the total quantity, around 5140 tonnes have been exported to China.

Guar seed future June contract touched a low of Rs 4400.00 per quintal before closing at Rs 4406.00 per quintal during the week. As per trade sources, guar is likely to be bullish with small technical corrections in coming weeks and touch Rs 4500.00-4550.00 per quintal due to lower arrivals and good export demand.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (2500 quintals) compared to previous week arrivals of 1175 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (1400 quintals) compared to previous week arrivals of 750 quintals.

### Recommendation:

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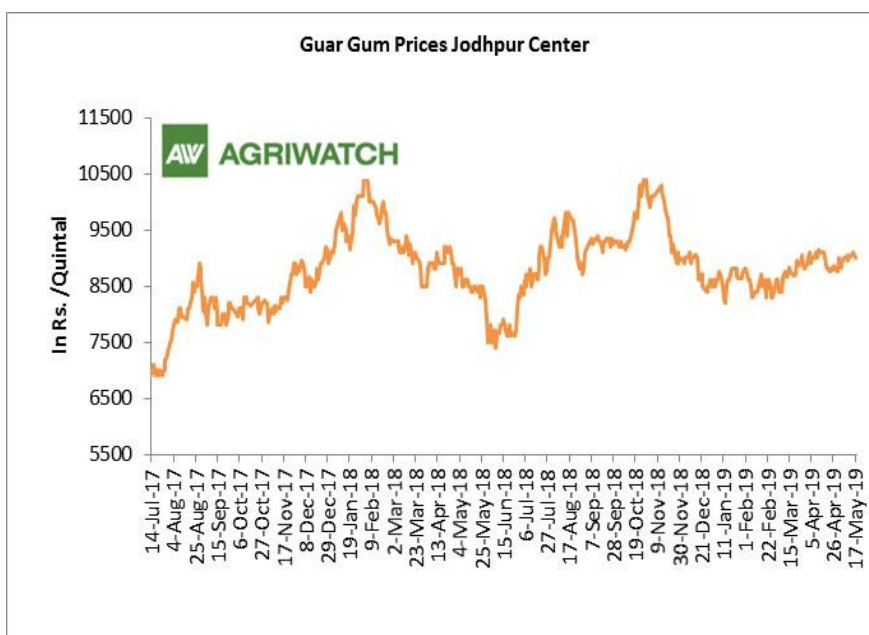
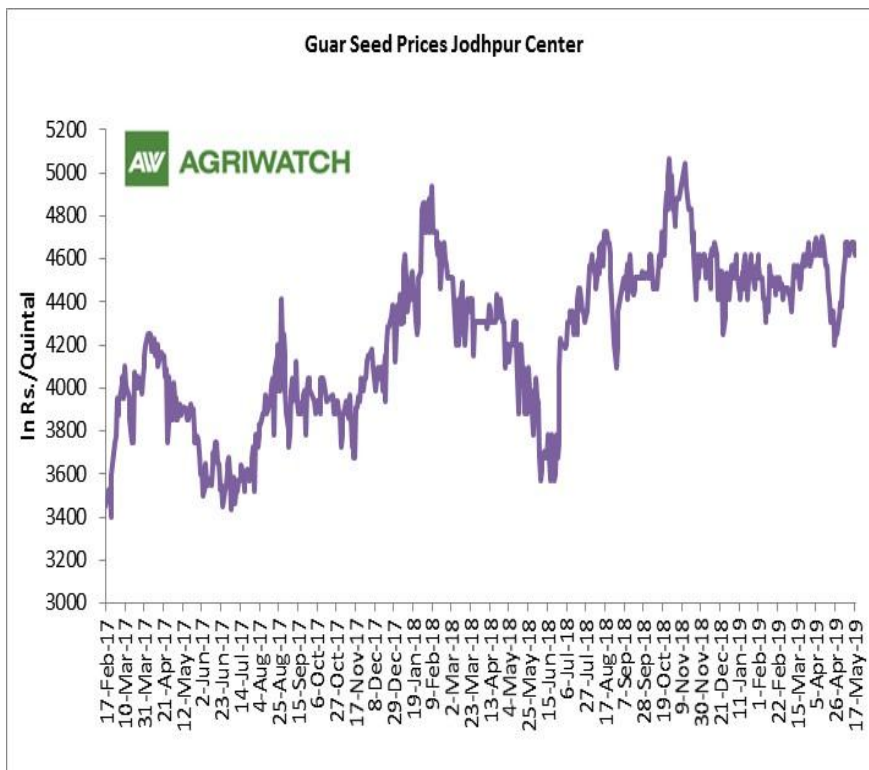
**Weekly Call- : Market participants are advised to buy Guar seed at 4390 levels for a target of 4505 with a stop loss at 4321 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 17<sup>th</sup> May'19, Guar seed weekly average prices increased by Rs 26.25/-qtl and settled at Rs 4655 per quintal.
- In addition, Guar gum weekly price increased by Rs 58.33 per quintal and settled at Rs. 9042 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.

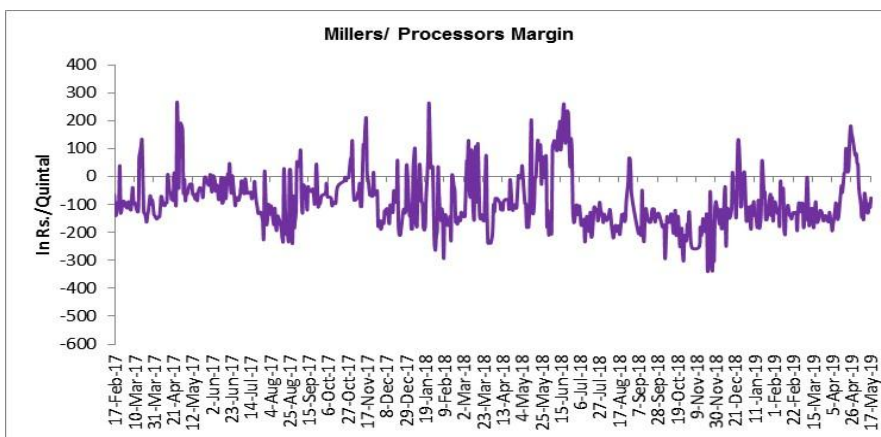


### Millers/Processors Margin

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In the week ended 17<sup>th</sup> May'19, average crush margin was Rs.-102.91/Quintal, compared to last week's -105.92/Quintal. Therefore, crushing is not favorable for Millers/Processors.

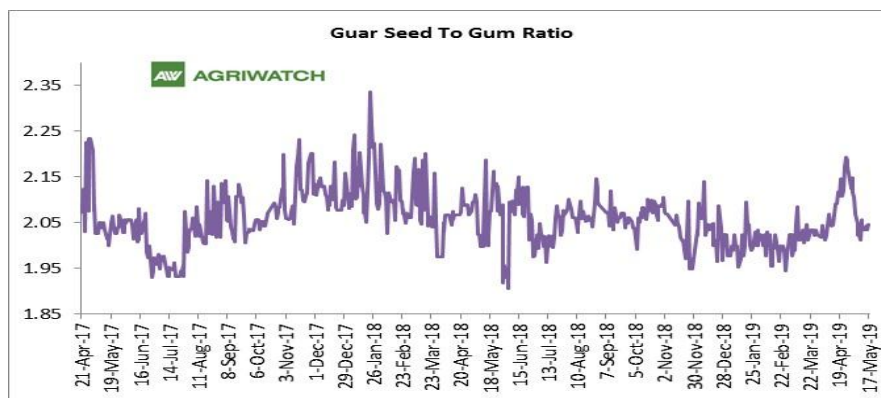
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 17<sup>th</sup> May'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)
01-08 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:**

- Fall in price and rise in open interest indicates short buildup.
- RSI is moving sideways 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	4225	4170	4406	4675	4730
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	June	Buy	Above 4390	4505	4600	4321

Technical Analysis (Guar Gum)

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Commodity: Guar Gum  
Contract: June

Exchange: NCDEX  
Expiry: June 20, 2018



**Technical Commentary:**

- Fall in price and open interest indicates long liquidation.
- RSI is moving sideways 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	8834	9310	9425
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	Buy	Above 8790	8995	9130	8667

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	11th to 17th May 2019	04th to 10th May 2019	Change
Churi	Jodhpur	1842	1825	17
Korma	Jodhpur	2469	2463	6
Churi	Sri-Ganganagar	1634	1613	21
Korma	Sri-Ganganagar	2282	2263	19

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	11th to 17th May 2019	04th to 10th May 2019	Change
Guargum Split		1281	1282	-1
Guargum Powder	200 Mesh 5000 CPS	1566	1558	8
	200 Mesh 3500 CPS	1495	1486	9
Guargum Meal	40%	342	345	-3
	50%	477	487	-10

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
			11th to 17th May 2019	04th to 10th May 2019	
Guar Seed	Jodhpur	Jodhpur (Loose)	4433	4408	25
		Jodhpur(Delivery)	4655	4629	26
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4192	4150	42
		Sri-Ganganagar (Delivery)	4342	4300	42
		Rawla (Loose)	4153	4128	25
		Gharsana (Loose)	4164	4090	74
		Raisinghnagar (Loose)	4203	4165	38
	Bikaner	Bikaner (Loose)	4192	4165	27
		Bikaner (Delivery)	4401	4373	28
		Nokha(Loose)	4173	4153	20
		Nokha (Delivery)	4381	4360	21
		Khajuwala (Loose)	4210	4165	45
		Khajuwala (Delivery)	4421	4373	47
		Lunkaransar (Loose)	4213	4100	113
	Hanumangarh	Hanumangarh (Loose)	NA	NA	-
		Hanumangarh (Delivery)	NA	NA	-
		Nohar (Loose)	4253	4223	30



		Pilibanga (Loose)	4050	4040	10
	Nagaur	Nagaur (Loose)	4118	4090	28
	Churu	Churu (Delivery)	4275	4260	15
	Alwar	Alwar (Loose)	4025	4000	25
Haryana	Hisar	Adampur (Loose)	4229	4220	9
		Adampur (Delivery)	4441	4431	10
	Bhiwani	Bhiwani (Delivery)	4404	4379	25
		Siwani (Loose)	4365	4301	64
	Sirsa	Sirsa (Loose)	4233	NA	-
		Dhabwali (Loose)	NA	NA	-
		Dhabwali (Delivery)	NA	NA	-
		Ellanabad (Loose)	NA	NA	-
	Fatehabad	Fatehabad (Loose)	NA	NA	-
Gujarat	Banaskantha	Deesa (Loose)	4063	4005	58
	Patan	Patan (Loose)	3973	3964	9
	Rajkot	Rajkot (Loose)	4082	4076	6
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9042	8983	58
	Alwar	Alwar	8992	9000	-8
	Hanumangarh	Nohar	9058	9050	8
Haryana	Bhiwani	Bhiwani	8995	9030	-35
	Sirsa	Sirsa	9050	3000	6050
		Dhabwali	NA	NA	-
		Ellanabad	NA	NA	-
	Fatehabad	Fatehabad	NA	8900	-

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			17-May-19	10-May-19	17-Apr-19	17-May-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4400	4400	Closed	4000
		Jodhpur(Delivery)	4620	4620	Closed	4200
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4200	4150	Closed	3750
		Sri-Ganganagar (Delivery)	4350	4300	Closed	3900
		Rawla (Loose)	4100	4170	NR	NA
		Gharsana (Loose)	NR	NR	Closed	NA
		Raisinghnagar (Loose)	4150	4150	Closed	NA
	Bikaner	Bikaner (Loose)	4200	4180	Closed	3770



		Bikaner (Delivery)	4410	4389	Closed	3959
		Nokha(Loose)	4125	4160	4100	3790
		Nokha (Delivery)	4331	4368	4305	3980
		Khajuwala (Loose)	NR	4200	Closed	3740
		Khajuwala (Delivery)	NR	4410	Closed	3927
		Lunkaransar (Loose)	4200	Closed	Closed	3750
	Hanumangarh	Hanumangarh (Loose)	NA	NA	Closed	3690
		Hanumangarh (Delivery)	NA	NA	Closed	3875
		Nohar (Loose)	4250	4200	4150	3730
		Pilibanga (Loose)	NR	NR	NR	NA
	Nagaur	Nagaur (Loose)	4075	4050	Closed	3600
	Churu	Churu (Delivery)	4250	4250	4150	3900
	Alwar	Alwar (Loose)	4000	4000	3900	3600
Haryana	Hisar	Adampur (Loose)	4150	4250	4050	3770
		Adampur (Delivery)	4358	4463	4253	3959
	Bhiwani	Bhiwani (Delivery)	4400	4350	Closed	3950
		Siwani (Loose)	4330	4325	4200	3900
	Sirsa	Sirsa (Loose)	4200	4200	4050	NA
		Dhabwali (Loose)	NA	NA	NA	NA
		Dhabwali (Delivery)	NA	NA	NA	NA
		Ellanabad (Loose)	NA	NA	NA	NA
	Fatehabad	Fatehabad (Loose)	NA	NA	Closed	NA
Gujarat	Banaskantha	Deesa (Loose)	4050	4050	Closed	NA
	Patan	Patan (Loose)	4010	3960	Closed	3390
	Rajkot	Rajkot (Loose)	4080	4080	4025	3675
	Jamnagar	Dhrol (Loose)	NA	NA	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9000	9050	Closed	8500
	Alwar	Alwar	9000	9000	8800	8500
	Hanumangarh	Nohar	9000	9000	9000	8450
Haryana	Bhiwani	Bhiwani	8920	8930	Closed	8500
	Sirsa	Sirsa	8950	9000	8800	NA
		Dhabwali	NA	NA	NA	NA
		Ellanabad	NA	NA	NA	NA
	Fatehabad	Fatehabad	NA	NA	Closed	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			11th to 17th May 2019	04th to 10th May 2019	
Rajasthan	Jodhpur	Jodhpur	127	88	39
	Sri-Ganganagar	Sri-Ganganagar	600	800	-200
		Rawla	600	350	250
		Gharsana	192	142	50
		Raisinghnagar	1350	1450	-100
	Bikaner	Bikaner	1400	750	650
		Nokha	2250	1900	350
		Khajuwala	90	250	-160
		Lunkaransar	700	100	600
	Hanumangarh	Hanumangarh	NA	NA	-
		Nohar	1400	1150	250
		Pilibanga	6	41	-35
	Nagaur	Nagaur	750	600	150
	Churu	Churu	3100	2600	500
	Alwar	Alwar	950	850	100
Haryana	Hisar	Adampur	2500	1175	1325
	Bhiwani	Bhiwani	2100	2000	100
		Siwani	8700	5500	3200
	Sirsa	Sirsa	4100	1000	3100
		Dhabwali	NA	NA	-
		Ellanabad	NA	NA	-
	Fatehabad	Fatehabad	NA	NA	-
Gujarat	Banaskantha	Deesa	50	100	-50
	Patan	Patan	132	44	88
	Rajkot	Rajkot	694	504	190
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			31791	21394	10397

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