



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 0.24 percent to Rs. 3976.54 per quintal during the week ended 23rd May 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3986.14 per quintal during 09-15 May 2019. As compared to prices in the week 16-23 May 2018, the prices are firm by 12.85 percent. Prices are expected to remain steady to firm in coming days.

Guar seed future June contract touched a low of Rs 4325.00 per quintal before closing at Rs 4419.00 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 4450.00-4500.00 per quintal due to lower arrivals and good export demand.

As per preliminary sentiments from market sources, acreage of guar is likely to decrease and farmers are likely to shift to other remunerative crops such as cotton and pulses. Increase in crude oil prices are not supporting gum prices as North American importers are using slick water for hydraulic fracturing.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 983 as on 24th May 2019 down by 4 compared to 17th May 2019 and by 76 compared to 25th 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 another alternative for guar gum. U.S. is 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 (2300 quintals) compared to previous week arrivals of 2500 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1100 quintals) compared to previous week arrivals of 1400 quintals.

Previous Updates:

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.

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.

Recommendation:
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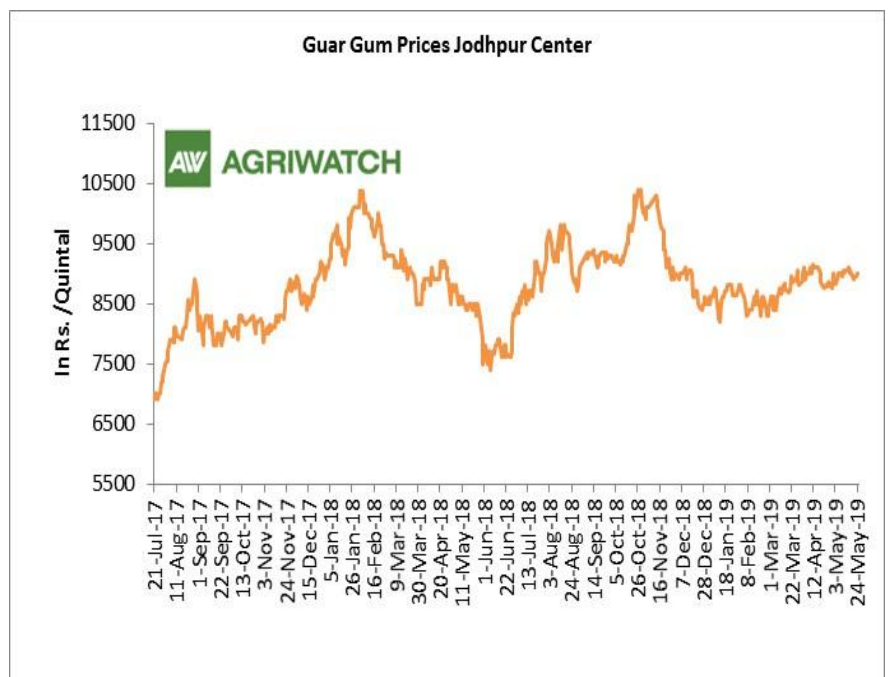
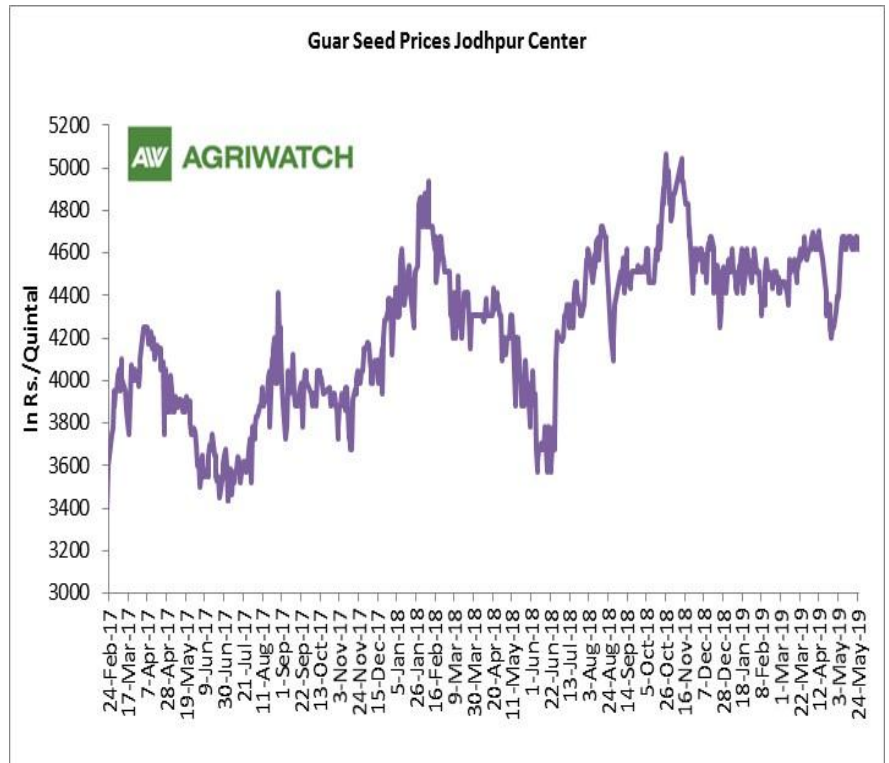
Weekly Call- : Market participants are advised to buy Guar seed at 4385 levels for a target of 4500 with a stop loss at 4316 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 24th May'19, Guar seed weekly average prices decreased by Rs 8.75/-qtl and settled at Rs 4646 per quintal.
- In addition, Guar gum weekly price decreased by Rs 83.33 per quintal and settled at Rs. 8958 per quintal. Weak demand for guar gum from domestic as well as overseas market kept prices at lower 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.

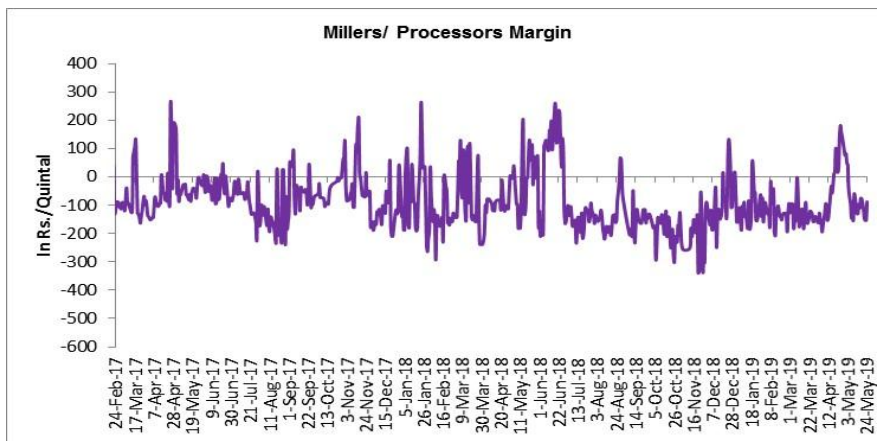


Millers/Processors Margin

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In the week ended 24th May'19, average crush margin was Rs.-121.43/Quintal, compared to last week's -102.91/Quintal. Therefore, crushing is not favorable for Millers/Processors.

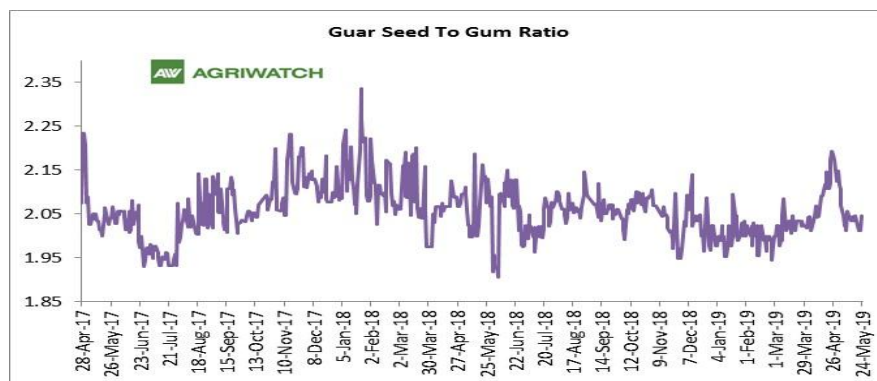
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 24th May'19 is 2.02, higher compared to last week's 2.04

Weak overseas demand of gum 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 April-2019	7976.52	1816.41
09-15 April-2019	6362.37	1880.47
16-23 April-2019	7334.40	1839.75
24-30 April-2019	4914.43	1886.11
Total	26587.72	

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 fall in open interest indicates short covering.
- 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	4220	4165	4419	4670	4725
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	June	Buy	Above 4385	4500	4595	4316

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 fall in open interest indicates short covering.
- 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	8500	8395	8856	9300	9415
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	Buy	Above 8780	8985	9120	8657

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	18th to 24th May 2019	11th to 17th May 2019	Change
Churi	Jodhpur	1829	1842	-13
Korma	Jodhpur	2481	2469	13
Churi	Sri-Ganganagar	1622	1634	-12
Korma	Sri-Ganganagar	2269	2282	-13

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	18th to 24th May 2019	11th to 17th May 2019	Change
Guargum Split		1285	1281	4
Guargum Powder	200 Mesh 5000 CPS	1572	1566	6
	200 Mesh 3500 CPS	1500	1495	5
Guargum Meal	40%	344	342	2
	50%	487	477	10

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			18th to 24th May 2019	11th to 17th May 2019	
Guar Seed	Jodhpur	Jodhpur (Loose)	4425	4433	-8
		Jodhpur(Delivery)	4646	4655	-9
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4192	4192	Unch
		Sri-Ganganagar (Delivery)	4342	4342	Unch
		Rawla (Loose)	4139	4153	-14
		Gharsana (Loose)	4138	4164	-26
		Raisinghnagar (Loose)	4176	4203	-28
	Bikaner	Bikaner (Loose)	4179	4192	-13
		Bikaner (Delivery)	4388	4401	-13
		Nokha(Loose)	4147	4173	-26
		Nokha (Delivery)	4354	4381	-27
		Khajuwala (Loose)	4173	4210	-37
		Khajuwala (Delivery)	4382	4421	-39
		Lunkaransar (Loose)	4175	4213	-38
	Hanumangarh	Hanumangarh (Loose)	NA	NA	-
		Hanumangarh (Delivery)	NA	NA	-
		Nohar (Loose)	4225	4253	-28

		Pilibanga (Loose)	4068	4050	18
	Nagaur	Nagaur (Loose)	4119	4118	1
	Churu	Churu (Delivery)	4250	4275	-25
	Alwar	Alwar (Loose)	4000	4025	-25
Haryana	Hisar	Adampur (Loose)	4197	4229	-33
		Adampur (Delivery)	4407	4441	-34
	Bhiwani	Bhiwani (Delivery)	4388	4404	-17
		Siwani (Loose)	4335	4365	-30
	Sirsa	Sirsa (Loose)	4208	4233	-25
		Dhabwali (Loose)	4050	NA	-
		Dhabwali (Delivery)	4253	NA	-
		Ellanabad (Loose)	4100	NA	-
	Fatehabad	Fatehabad (Loose)	4000	NA	-
Gujarat	Banaskantha	Deesa (Loose)	4070	4063	8
	Patan	Patan (Loose)	3963	3973	-9
	Rajkot	Rajkot (Loose)	4046	4082	-36
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8958	9042	-83
	Alwar	Alwar	9000	8992	8
	Hanumangarh	Nohar	8950	9058	-108
Haryana	Bhiwani	Bhiwani	9099	8995	104
	Sirsa	Sirsa	8940	9050	-110
		Dhabwali	8950	NA	-
		Ellanabad	8950	NA	-
	Fatehabad	Fatehabad	8944	NA	-

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			24-May-19	17-May-19	24-Apr-19	24-May-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4400	4400	4050	3700
		Jodhpur(Delivery)	4620	4620	4253	3885
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4200	4200	4150	3735
		Sri-Ganganagar (Delivery)	4350	4350	4300	3885
		Rawla (Loose)	4150	4100	4100	NA
		Gharsana (Loose)	NR	NR	4060	NA
		Raisinghnagar (Loose)	4200	4150	4100	NA
	Bikaner	Bikaner (Loose)	4200	4200	4070	3775

		Bikaner (Delivery)	4410	4410	4274	3964
		Nokha(Loose)	4175	4125	4070	3725
		Nokha (Delivery)	4384	4331	4274	3911
		Khajuwala (Loose)	4160	NR	4030	3730
		Khajuwala (Delivery)	4368	NR	4232	3917
		Lunkaransar (Loose)	4200	4200	4000	3725
	Hanumangarh	Hanumangarh (Loose)	NA	NA	4100	3680
		Hanumangarh (Delivery)	NA	NA	4305	3864
		Nohar (Loose)	4250	4250	4125	3725
		Pilibanga (Loose)	NR	NA	NA	NA
	Nagaur	Nagaur (Loose)	4140	4075	4000	3630
	Churu	Churu (Delivery)	4250	4250	4150	NA
	Alwar	Alwar (Loose)	4000	4000	3900	NA
Haryana	Hisar	Adampur (Loose)	4250	4150	4060	3750
		Adampur (Delivery)	4463	4358	4263	3938
	Bhiwani	Bhiwani (Delivery)	4425	4400	4200	3930
		Siwani (Loose)	4360	4330	4200	3875
	Sirsa	Sirsa (Loose)	4250	4200	4100	NA
		Dhabwali (Loose)	4050	NA	NA	NA
		Dhabwali (Delivery)	4253	NA	NA	NA
		Ellanabad (Loose)	4100	NA	NA	NA
	Fatehabad	Fatehabad (Loose)	4000	NA	NA	NA
Gujarat	Banaskantha	Deesa (Loose)	NA	4050	4000	NA
	Patan	Patan (Loose)	3900	4010	3980	3600
	Rajkot	Rajkot (Loose)	4030	4080	NA	3675
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3550
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9000	9000	8800	8300
	Alwar	Alwar	9000	9000	8800	NA
	Hanumangarh	Nohar	9000	9000	9000	8400
Haryana	Bhiwani	Bhiwani	9225	8920	8980	8300
	Sirsa	Sirsa	9000	8950	8800	NA
		Dhabwali	9000	NA	NA	NA
		Ellanabad	8900	NA	NA	NA
	Fatehabad	Fatehabad	9000	NA	NA	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			18th to 24th May 2019	11th to 17th May 2019	
Rajasthan	Jodhpur	Jodhpur	134	127	7
	Sri-Ganganagar	Sri-Ganganagar	1300	600	700
		Rawla	500	600	-100
		Gharsana	162	192	-30
		Raisinghnagar	2000	1350	650
	Bikaner	Bikaner	1100	1400	-300
		Nokha	1825	2250	-425
		Khajuwala	510	90	420
		Lunkaransar	900	700	200
	Hanumangarh	Hanumangarh	NA	NA	-
		Nohar	1500	1400	100
		Pilibanga	27	6	21
	Nagaur	Nagaur	725	750	-25
	Churu	Churu	3200	3100	100
	Alwar	Alwar	1200	950	250
Haryana	Hisar	Adampur	2300	2500	-200
	Bhiwani	Bhiwani	2900	2100	800
		Siwani	7000	8700	-1700
	Sirsa	Sirsa	4300	4100	200
		Dhabwali	450	NA	-
		Ellanabad	275	NA	-
	Fatehabad	Fatehabad	300	NA	-
Gujarat	Banaskantha	Deesa	2	50	-48
	Patan	Patan	90	132	-42
	Rajkot	Rajkot	455	694	-239
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			33155	31791	1364

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