



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 2.29 percent to Rs. 3885.58 per quintal during the week ended 30th May 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3976.54 per quintal during 16-23 May 2019. As compared to prices in the week 24-30 May 2018, the prices are firm by 11.11 percent. Prices are expected to remain steady to weak in coming days.

Guar prices are not able to get any support due to low export demand and fall in crude oil prices. Guar future June contract fell by around Rs 153.50 per quintal in past week. As per trade sources guar is likely to remain bearish with small technical recoveries.

Guar seed future June contract touched a low of Rs 4225 per quintal before closing at Rs 4265.50 per quintal during the week. As per trade sources, guar is likely to touch Rs 4100-4150 per quintal due to weak export demand.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 984 as on 31st May 2019 up by 1 compared to 24th May 2019 and down by 76 compared to 01st June 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 far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (2800 quintals) compared to previous week arrivals of 2300 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1650 quintals) compared to previous week arrivals of 1100 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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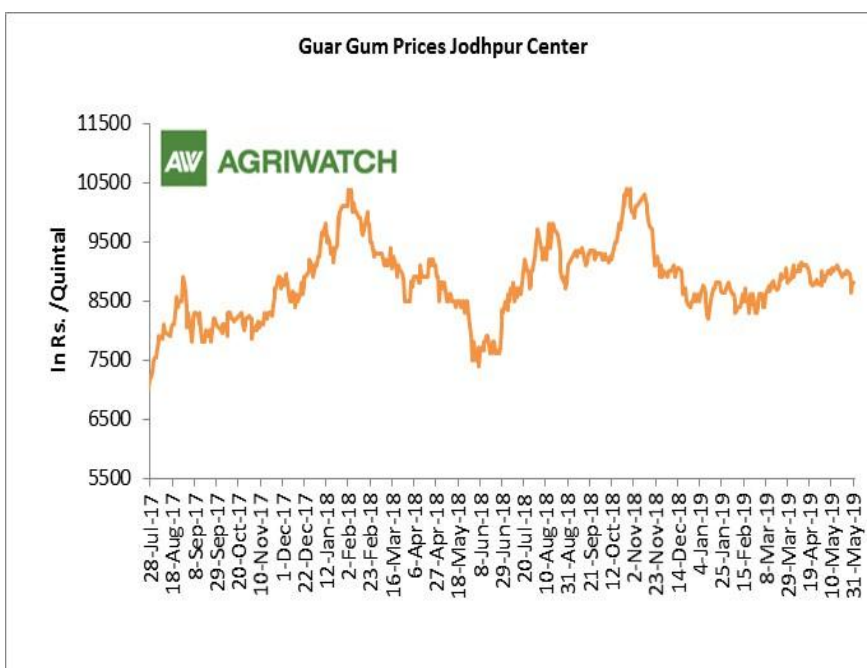
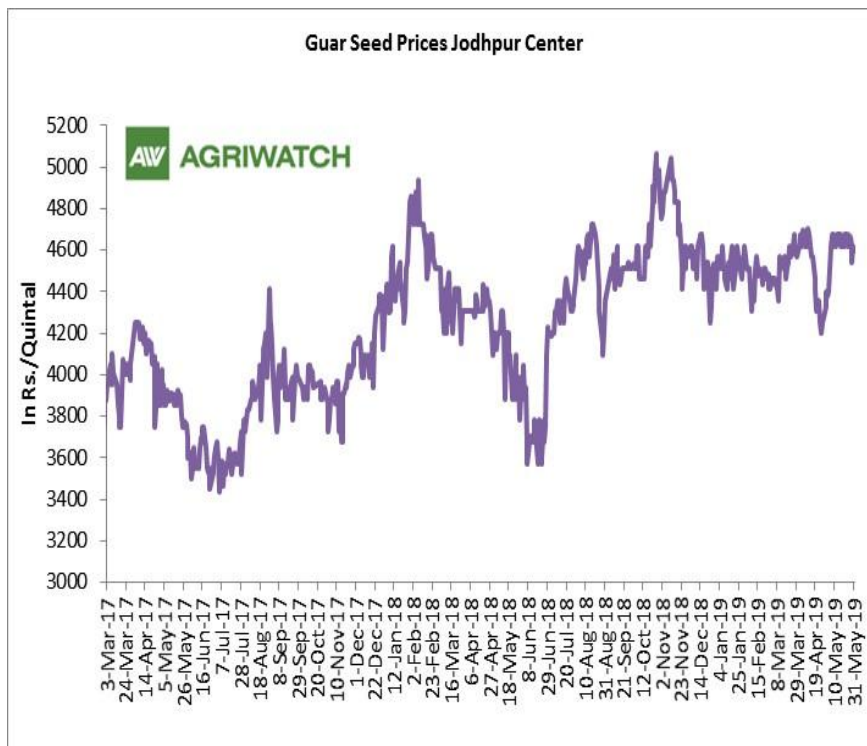
Weekly Call- : Market participants are advised to sell Guar seed at 4285 levels for a target of 4180 with a stop loss at 4348 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 31st May'19, Guar seed weekly average prices decreased by Rs 28.00/-qtl and settled at Rs 4618 per quintal.
- In addition, Guar gum weekly price decreased by Rs 129.17 per quintal and settled at Rs. 8829 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.

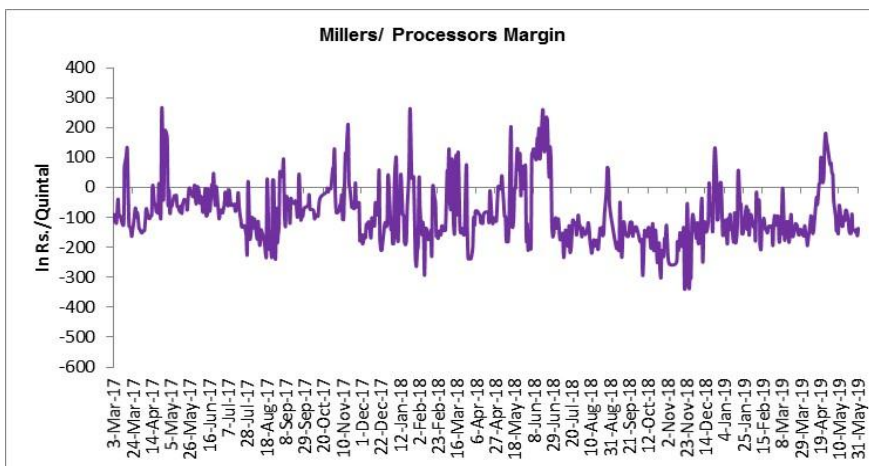


Millers/Processors Margin

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In the week ended 31st May'19, average crush margin was Rs.-144.44/Quintal, compared to last week's -121.43/Quintal. Therefore, crushing is not favorable for Millers/Processors.

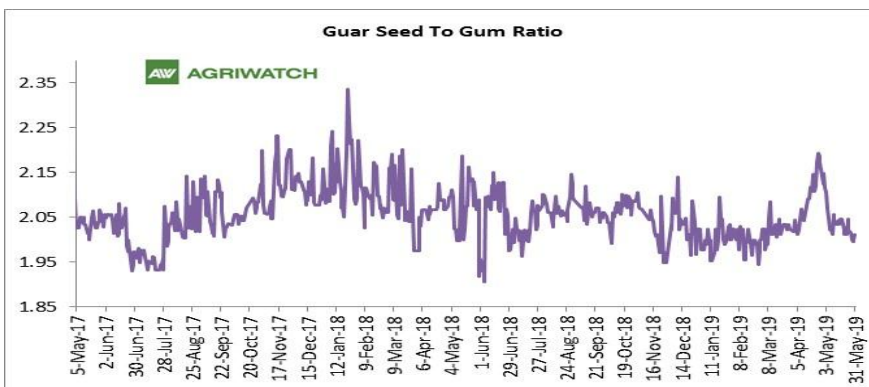
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 31st May'19 is 2.01, lower compared to last week's 2.02

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:

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

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	June	4065	4025	4265.5	4400	4435
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	June	Sell	Below 4285	4180	4115	4348

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 in oversold region.
- Prices closed below 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	June	8500	8395	8504	9300	9415
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	Sell	Below 8535	8350	8205	8646

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	25th to 31st May 2019	18th to 24th May 2019	Change
Churi	Jodhpur	1813	1829	-17
Korma	Jodhpur	2475	2481	-6
Churi	Sri-Ganganagar	1569	1622	-53
Korma	Sri-Ganganagar	2250	2269	-19

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	25th to 31st May 2019	18th to 24th May 2019	Change
Guargum Split		1281	1285	-4
Guargum Powder	200 Mesh 5000 CPS	1568	1572	-4
	200 Mesh 3500 CPS	1496	1500	-4
Guargum Meal	40%	347	344	3
	50%	490	487	3

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			25th to 31st May 2019	18th to 24th May 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4398	4425	-27
		Jodhpur(Delivery)	4618	4646	-28
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4154	4192	-38
		Sri-Ganganagar (Delivery)	4304	4342	-38
		Rawla (Loose)	4085	4139	-54
		Gharsana (Loose)	4067	4138	-71
		Raisinghnagar (Loose)	4121	4176	-55
	Bikaner	Bikaner (Loose)	4130	4179	-49
		Bikaner (Delivery)	4337	4388	-51
		Nokha(Loose)	4107	4147	-40
		Nokha (Delivery)	4312	4354	-42
		Khajuwala (Loose)	4109	4173	-64
		Khajuwala (Delivery)	4314	4382	-68
		Lunkaransar (Loose)	4129	4175	-46
	Hanumangarh	Hanumangarh (Loose)	3793	NA	-
		Hanumangarh (Delivery)	4056	NA	-
		Nohar (Loose)	4120	4225	-105

		Pilibanga (Loose)	4077	4068	9
	Nagaur	Nagaur (Loose)	4079	4119	-40
	Churu	Churu (Delivery)	4233	4250	-17
	Alwar	Alwar (Loose)	4007	4000	7
Haryana	Hisar	Adampur (Loose)	4151	4197	-46
		Adampur (Delivery)	4358	4407	-48
	Bhiwani	Bhiwani (Delivery)	4325	4388	-63
		Siwani (Loose)	4286	4335	-49
	Sirsa	Sirsa (Loose)	4148	4208	-60
		Dhabwali (Loose)	3983	4050	-67
		Dhabwali (Delivery)	4183	4253	-70
		Ellanabad (Loose)	4033	4100	-67
	Fatehabad	Fatehabad (Loose)	3975	4000	-25
Gujarat	Banaskantha	Deesa (Loose)	3995	4070	-75
	Patan	Patan (Loose)	3980	3963	17
	Rajkot	Rajkot (Loose)	3996	4046	-50
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8829	8958	-129
	Alwar	Alwar	8900	9000	-100
	Hanumangarh	Nohar	8720	8950	-230
Haryana	Bhiwani	Bhiwani	9023	9099	-76
	Sirsa	Sirsa	8775	8940	-165
		Dhabwali	8783	8950	-167
		Ellanabad	8758	8950	-192
	Fatehabad	Fatehabad	8775	8944	-169

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			31-May-19	24-May-19	1-May-19	31-May-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4375	4400	4190	3725
		Jodhpur(Delivery)	4594	4620	4400	3911
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4150	4200	Closed	3875
		Sri-Ganganagar (Delivery)	4300	4350	Closed	4025
		Rawla (Loose)	4020	4150	Closed	3525
		Gharsana (Loose)	NR	4151	Closed	3500
		Raisinghnagar (Loose)	4100	4200	Closed	NA
	Bikaner	Bikaner (Loose)	4080	4200	4050	3550

		Bikaner (Delivery)	4284	4410	4253	3728
		Nokha(Loose)	4150	4175	4050	3660
		Nokha (Delivery)	4358	4384	4253	3843
		Khajuwala (Loose)	4100	4160	NA	NA
		Khajuwala (Delivery)	4305	4368	NA	NA
		Lunkaransar (Loose)	4050	4200	4050	3550
	Hanumangarh	Hanumangarh (Loose)	NA	4050	NA	3625
		Hanumangarh (Delivery)	NA	4253	NA	3806
		Nohar (Loose)	4050	4250	4050	3550
		Pilibanga (Loose)	NR	NR	NR	NR
	Nagaur	Nagaur (Loose)	4050	4140	Closed	3400
	Churu	Churu (Delivery)	4250	4250	Closed	3800
	Alwar	Alwar (Loose)	4020	4000	Closed	3500
Haryana	Hisar	Adampur (Loose)	4130	4250	4100	3550
		Adampur (Delivery)	4337	4463	4305	3728
	Bhiwani	Bhiwani (Delivery)	4250	4425	4250	3720
		Siwani (Loose)	4250	4360	4200	3760
	Sirsa	Sirsa (Loose)	4140	4250	NA	3525
		Dhabwali (Loose)	4050	4050	NA	3675
		Dhabwali (Delivery)	4253	4253	NA	3859
		Ellanabad (Loose)	4000	4100	NA	3500
	Fatehabad	Fatehabad (Loose)	4000	4000	NA	3550
Gujarat	Banaskantha	Deesa (Loose)	3950	NA	3875	NA
	Patan	Patan (Loose)	3950	3900	3985	3400
	Rajkot	Rajkot (Loose)	3980	4030	3975	3550
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3460
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8800	9000	9000	7500
	Alwar	Alwar	8900	9000	Closed	7900
	Hanumangarh	Nohar	8500	9000	8900	7450
Haryana	Bhiwani	Bhiwani	8920	9225	8900	8050
	Sirsa	Sirsa	8700	9000	NA	7650
		Dhabwali	8600	9000	NA	8300
		Ellanabad	8650	8900	NA	7700
	Fatehabad	Fatehabad	8600	9000	NA	7554

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			25th to 31st May 2019	18th to 24th May 2019	
Rajasthan	Jodhpur	Jodhpur	313	134	179
	Sri-Ganganagar	Sri-Ganganagar	1350	1300	50
		Rawla	520	500	20
		Gharsana	234	162	72
		Raisinghnagar	2300	2000	300
	Bikaner	Bikaner	1650	1100	550
		Nokha	1875	1825	50
		Khajuwala	610	510	100
		Lunkaransar	650	900	-250
	Hanumangarh	Hanumangarh	368	NA	-
		Nohar	2000	1500	500
		Pilibanga	130	27	103
	Nagaur	Nagaur	720	725	-5
	Churu	Churu	3500	3200	300
	Alwar	Alwar	1150	1200	-50
Haryana	Hisar	Adampur	2800	2300	500
	Bhiwani	Bhiwani	2900	2900	Unch
		Siwani	7300	7000	300
	Sirsa	Sirsa	5600	4300	1300
		Dhabwali	520	450	70
		Ellanabad	420	275	145
	Fatehabad	Fatehabad	350	300	50
Gujarat	Banaskantha	Deesa	35	2	33
	Patan	Patan	102	90	12
	Rajkot	Rajkot	208	455	-247
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			37605	33155	4450

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