



Guar Weekly Research Report

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Executive Summary([Back to Table of Contents](#))

Domestic Guar Seed Market Summary

All India weekly average prices increased by 2.03 percent to Rs. 3964.37 per quintal during the week ended 08th June 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3885.58 per quintal during 24-31 May 2019. As compared to prices in the week 01-08 June 2018, the prices are firm by 18.05 percent. Prices are expected to remain steady to weak in coming days.

Guar gum future July contract remained weak and touched a low of Rs4221.00 per quintal before closing at Rs4250.00 per quintal in the previous week. Guar prices are likely to remain weak due to low export demand and fall in crude oil prices. Downtrend is likely to continue although small technical recoveries can be expected.

India has received 51.00 mm of actual rainfall against 62.30 mm of normal rainfall during the month of May-2019. The normal arrival time for monsoon at Kerala is 01 June. Monsoon has hit Kerala coast on 08 June. Farmers were already advised to slightly delay their Kharif sowing. IMD has given forecast for normal monsoon this year.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 975 as on 07th June 2019 down by 7 compared to 31st May 2019 and by 87 compared to 08th June 2018. The total number of oilrigs was recorded at 2182 worldwide in May'19 compared to 2096 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 higher arrivals (3800 quintals) compared to previous week arrivals of 2800 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1300quintals) compared to previous week arrivals of 1650 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.

The wholesale price index of guar seed has increased from 97.3 in March-2019 to 100.6 in April- 2019.

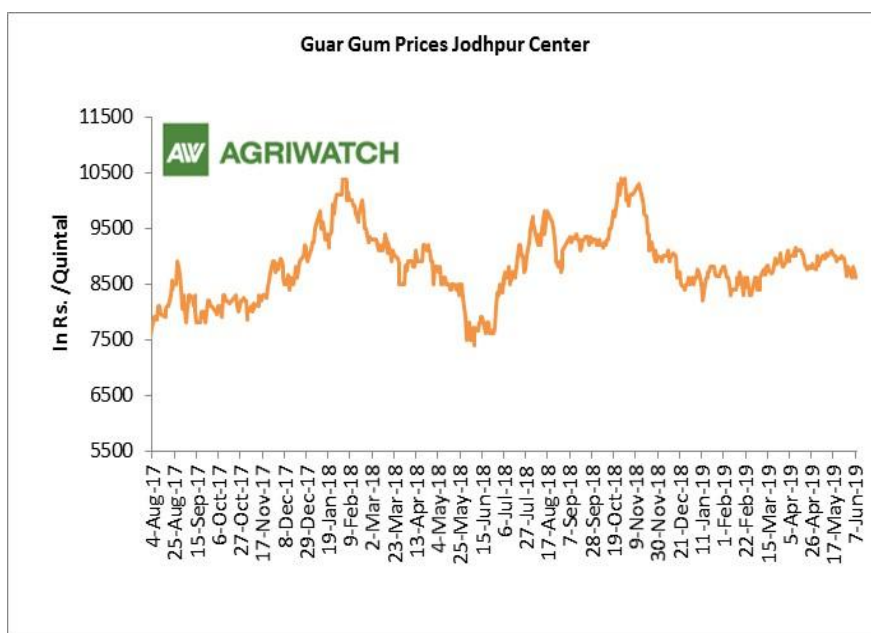
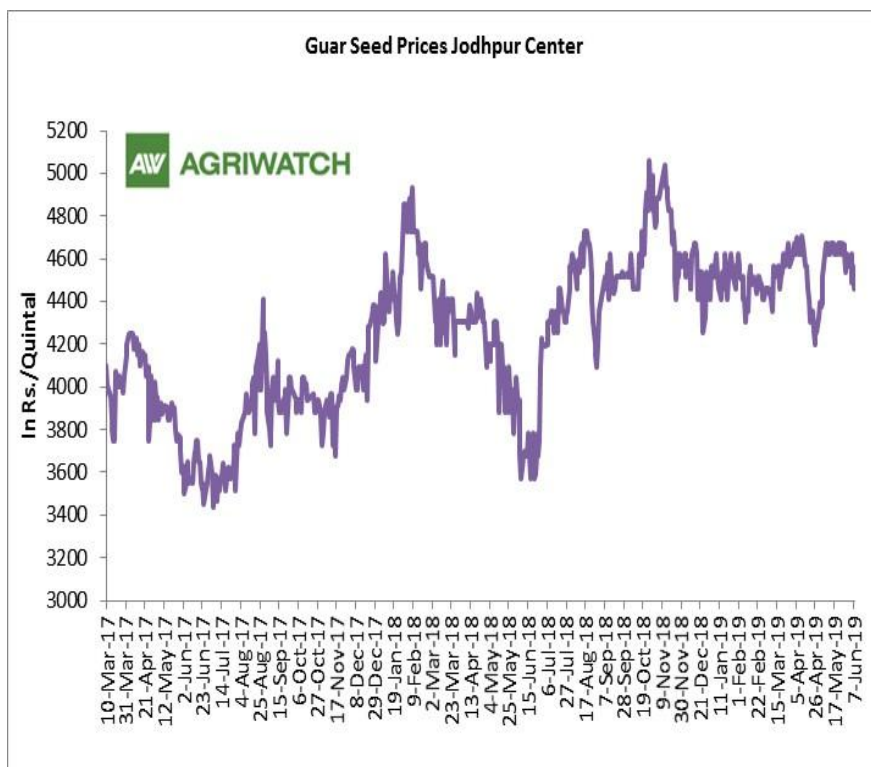
Recommendation:([Back to Table of Contents](#))

Weekly Call- : Market participants are advised to sell Guar seed at 4270 levels for a target of 4165 with a stop loss at 4333 on closing basis.

Guar Seed Fundamental Analysis and Outlook-:(Back to Table of Contents)

Domestic Front

- In the week ended 07th June'19, Guar seed weekly average prices decreased by Rs72.63/-qtl and settled at Rs4546 per quintal.
- In addition, Guar gum weekly price decreased by Rs120.83per quintal and settled at Rs.8708 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 [\(Back to Table of Contents\)](#)

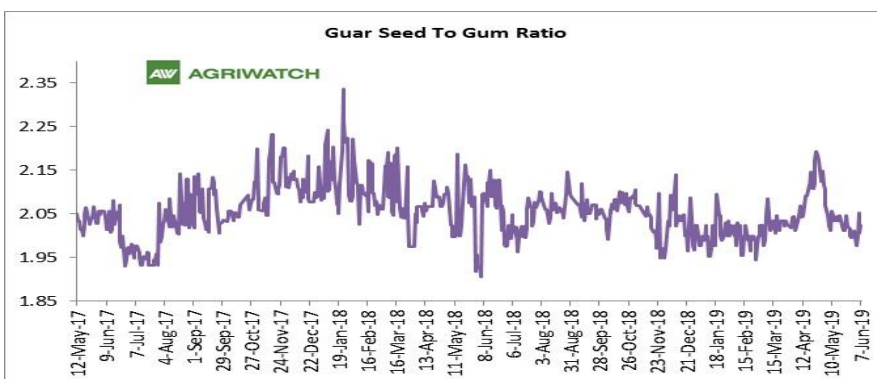
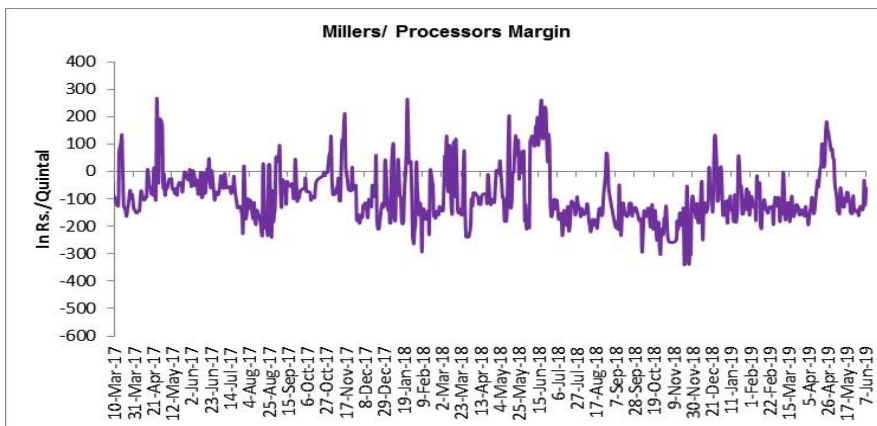
In the week ended 07th June'19, average crush margin was Rs.-101.49/Quintal, compared to last week's -144.44/Quintal. Therefore, crushing is not favorable for Millers/Processors.

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 07th June'19 is 2.01, higher compared to last week's 2.00

Overall, buoyant demand of gum from overseas and good demand of seed from millers has increased the overall ratio.



Guar gum Weekly Export [\(Back to Table of Contents\)](#)

Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08April-2019	7976.52	1816.41
09-15April-2019	6362.37	1880.47
16-23April-2019	7334.40	1839.75
24-30April-2019	4914.43	1886.11
Total	26587.72	

Source: Trade

Technical Analysis (Guar Seed) [\(Back to Table of Contents\)](#)
Commodity: Guar Seed
Contract: July
Exchange: NCDEX
Expiry: July20, 2019
Guar Seed (JulyWeekly Chart)

Technical Commentary:

- Fall in price and rise in open interest indicates short buildup.
- RSI is moving down in neutral region.
- Prices closed below 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	July	4050	4010	4250	4410	4465
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	July	Sell	Below 4270	4165	4100	4333

Technical Analysis (Guar Gum) [\(Back to Table of Contents\)](#)

Commodity: Guar Gum
Contract: July

Exchange: NCDEX
Expiry: July20, 2018



Technical Commentary:

- Fall in price and rise in open interest indicates short buildup.
- RSI is moving down in neutral region.
- Prices closed below 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	July	8150	8065	8555	8885	8990
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	Sell	Below 8590	8370	8255	8722

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	01st to 07th June 2019	25th to 31st May 2019	Change
Churi	Jodhpur	1825	1813	13
Korma	Jodhpur	2488	2475	13
Churi	Sri-Ganganagar	1600	1569	31
Korma	Sri-Ganganagar	2275	2250	25

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	01st to 07th June 2019	25th to 31st May 2019	Change
Guargum Split		1269	1281	-12
Guargum Powder	200 Mesh 5000 CPS	1557	1568	-11
	200 Mesh 3500 CPS	1485	1496	-11
Guargum Meal	40%	346	347	-1
	50%	490	489	1

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			01st to 07th June 2019	25th to 31st May 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4329	4398	-69
		Jodhpur(Delivery)	4546	4618	-73
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4108	4154	-46
		Sri-Ganganagar (Delivery)	4258	4304	-46
		Rawla (Loose)	4017	4085	-68
		Gharsana (Loose)	4014	4067	-53
		Raisinghnagar (Loose)	4049	4121	-72
	Bikaner	Bikaner (Loose)	4093	4130	-37
		Bikaner (Delivery)	4298	4337	-39
		Nokha(Loose)	4112	4107	5
		Nokha (Delivery)	4317	4312	5
		Khajuwala (Loose)	4055	4109	-54
		Khajuwala (Delivery)	4258	4314	-57
		Lunkaransar (Loose)	4083	4129	-46
	Hanumangarh	Hanumangarh (Loose)	4031	4034	-3
		Hanumangarh (Delivery)	4233	4235	-2
		Nohar (Loose)	4072	4120	-48

		Pilibanga (Loose)	4005	4077	-72
	Nagaur	Nagaur (Loose)	4038	4079	-42
	Churu	Churu (Delivery)	4175	4233	-58
	Alwar	Alwar (Loose)	3942	4007	-65
Haryana	Hisar	Adampur (Loose)	4127	4151	-24
		Adampur (Delivery)	4333	4358	-25
	Bhiwani	Bhiwani (Delivery)	4254	4325	-71
		Siwani (Loose)	4241	4286	-45
	Sirsa	Sirsa (Loose)	4120	4148	-28
		Dhabwali (Loose)	4063	3983	79
		Dhabwali (Delivery)	4266	4183	83
		Ellanabad (Loose)	4033	4033	Unch
	Fatehabad	Fatehabad (Loose)	3983	3975	8
Gujarat	Banaskantha	Deesa (Loose)	3969	3995	-26
	Patan	Patan (Loose)	3933	3980	-48
	Rajkot	Rajkot (Loose)	3953	3996	-43
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8708	8829	-121
	Alwar	Alwar	8700	8900	-200
	Hanumangarh	Nohar	8720	8720	Unch
Haryana	Bhiwani	Bhiwani	8743	9023	-280
	Sirsa	Sirsa	8663	8775	-113
		Dhabwali	8633	8783	-151
		Ellanabad	8667	8758	-92
	Fatehabad	Fatehabad	8627	8775	-148

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			7-Jun-19	31-May-19	8-May-19	7-Jun-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4250	4375	4450	3400
		Jodhpur(Delivery)	4463	4594	4673	3570
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4100	4150	4150	NA
		Sri-Ganganagar (Delivery)	4250	4300	4300	NA
		Rawla (Loose)	4000	4020	4150	NA
		Gharsana (Loose)	NR	NA	4160	3580
		Raisinghnagar (Loose)	4050	4100	4200	NA
	Bikaner	Bikaner (Loose)	4100	4080	4200	3500

		Bikaner (Delivery)	4305	4284	4410	3675
		Nokha(Loose)	4110	4150	4150	3480
		Nokha (Delivery)	4316	4358	4358	3654
		Khajuwala (Loose)	4000	4100	4140	3400
		Khajuwala (Delivery)	4200	4305	4347	3570
		Lunkaransar (Loose)	4100	4050	Closed	3500
	Hanumangarh	Hanumangarh (Loose)	NA	NA	4150	3500
		Hanumangarh (Delivery)	NA	NA	4358	3675
		Nohar (Loose)	4100	4050	4250	3550
		Pilibanga (Loose)	NR	4000	4050	3300
	Nagaur	Nagaur (Loose)	4050	4050	4100	3400
	Churu	Churu (Delivery)	4150	4250	4250	3900
	Alwar	Alwar (Loose)	3900	4020	4000	3650
Haryana	Hisar	Adampur (Loose)	4125	4130	4200	3540
		Adampur (Delivery)	4331	4337	4410	3717
	Bhiwani	Bhiwani (Delivery)	4250	4250	4400	3700
		Siwani (Loose)	4230	4250	4300	NA
	Sirsa	Sirsa (Loose)	4085	4140	NA	NA
		Dhabwali (Loose)	4050	4050	NA	NA
		Dhabwali (Delivery)	4253	4253	NA	NA
		Ellanabad (Loose)	4050	4000	NA	NA
	Fatehabad	Fatehabad (Loose)	3950	4000	NA	NA
Gujarat	Banaskantha	Deesa (Loose)	4000	3950	4000	NA
	Patan	Patan (Loose)	3890	3950	3985	3280
	Rajkot	Rajkot (Loose)	3975	3980	4105	3450
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3460
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8600	8800	9000	7400
	Alwar	Alwar	8600	8900	9000	7600
	Hanumangarh	Nohar	8800	8500	9150	7600
Haryana	Bhiwani	Bhiwani	8710	8920	9000	7450
	Sirsa	Sirsa	8650	8700	NA	NA
		Dhabwali	8660	8600	NA	NA
		Ellanabad	8650	8650	NA	NA
	Fatehabad	Fatehabad	8600	8600	NA	NA

Guar Seed Arrivals at Key Spot Markets(Back to Table of Contents)

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			01st to 07th June 2019	25th to 31st May 2019	
Rajasthan	Jodhpur	Jodhpur	145	313	-168
	Sri-Ganganagar	Sri-Ganganagar	1900	1350	550
		Rawla	480	520	-40
		Gharsana	212	234	-22
		Raisinghnagar	1600	2300	-700
	Bikaner	Bikaner	1300	1650	-350
		Nokha	1675	1875	-200
		Khajuwala	740	610	130
		Lunkaransar	960	650	310
	Hanumangarh	Hanumangarh	326	368	-42
		Nohar	2100	2000	100
		Pilibanga	157	130	27
	Nagaur	Nagaur	605	720	-115
	Churu	Churu	1100	3500	-2400
	Alwar	Alwar	375	1150	-775
Haryana	Hisar	Adampur	3800	2800	1000
	Bhiwani	Bhiwani	2500	2900	-400
		Siwani	5400	7300	-1900
	Sirsa	Sirsa	5700	5600	100
		Dhabwali	620	520	100
		Ellanabad	575	420	155
	Fatehabad	Fatehabad	275	350	-75
Gujarat	Banaskantha	Deesa	NA	35	-
	Patan	Patan	134	102	32
	Rajkot	Rajkot	445	208	237
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			33124	37605	-4481

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