



# 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 1.30 percent to Rs. 3912.90 per quintal during the week ended 15th June 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3964.37 per quintal during 01-08 June 2019. As compared to prices in the week 09-15 June 2018, the prices are firm by 16.14 percent. Prices are expected to remain steady to weak in coming days.

As per latest update, Guar is likely to remain weak due to low export demand and fall in crude oil prices with small technical recoveries in upcoming season. Guar future July contract touched a low of Rs 4205.00 per quintal before closing at Rs 4239.00 per quintal. Downtrend is likely to continue.

The wholesale price index of guar seed has decreased from 100.6 in April -2019 to 100.00 in May- 2019. The WPI for May 2019 is up by 11.3 compared to last year for the same month and by 15.1 compared to May 2017. WPI is expected to stay slightly weak in June'19.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 969 as on 14th June 2019 down by 6 compared to 07th June 2019 and by 90 compared to 15th 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 per trade sources, recovery of guar gum from guar seed is coming around 29.50 -30.00 kg respectively. Guar prices are not getting much support due to low export demand and fall in crude oil prices. As of now guar gum prices in Jodhpur are hovering around Rs 8700 per quintal.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (4100 quintals) compared to previous week arrivals of 3800 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1250 quintals) compared to previous week arrivals of 1300 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.

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.

#### Recommendation:

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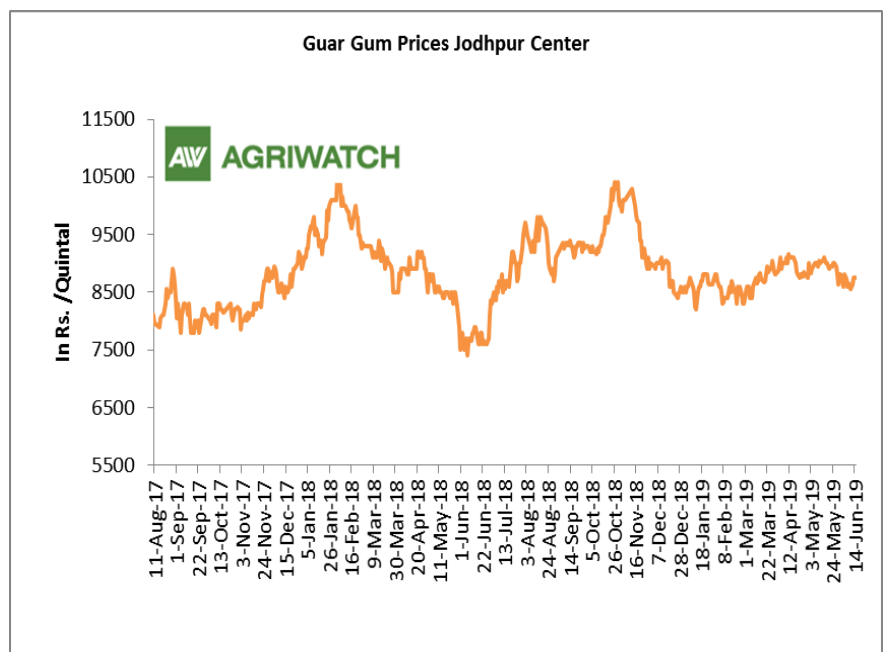
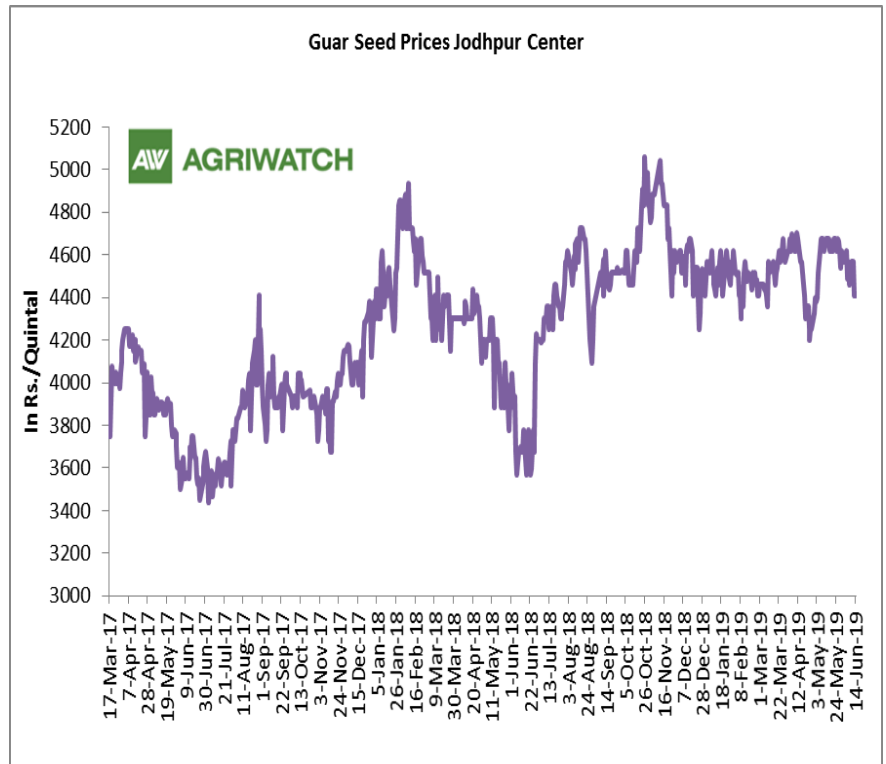
**Weekly Call- : Market participants are advised to sell Guar seed at 4285 levels for a target of 4180 with a stop loss at 4348 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 14<sup>th</sup> June'19, Guar seed weekly average prices decreased by Rs 51.63/-qtl and settled at Rs 4494 per quintal.
- In addition, Guar gum weekly price decreased by Rs 43.33 per quintal and settled at Rs. 8665 per quintal. Weak demand for guar gum from domestic as well as overseas market kept prices at lower side in previous week.
- According to third advance estimate for 2018-19, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 134660 hectares, 73740 tonnes and 547.59 kg/hectare respectively. As per second 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.
- According to third advance estimate for 2018-19, issued by Rajasthan's Department of Agriculture for Guar seed, the area, production and yield are 3087769 hectares, 1031415 tonnes and 334 kg/hectare respectively. As per second advance estimate for 2018-19 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.

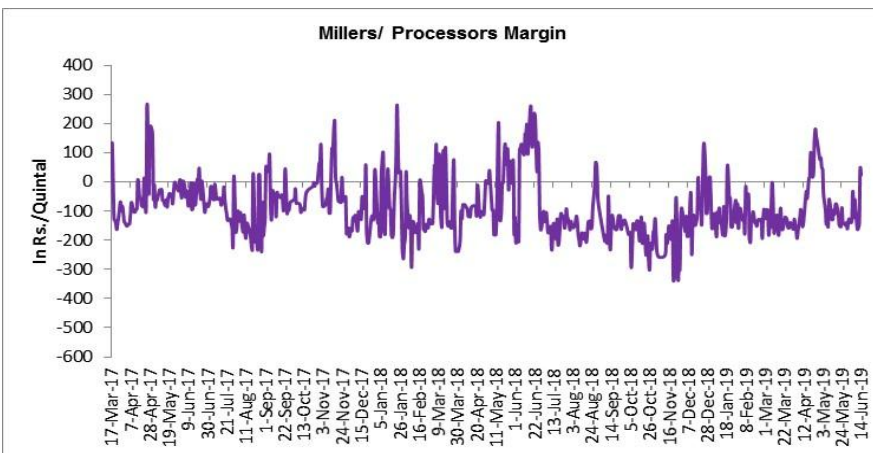


### Millers/Processors Margin

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In the week ended 14<sup>th</sup> June'19, average crush margin was Rs.-65.38/Quintal, compared to last week's -101.49/Quintal. Therefore, crushing is not favorable for Millers/Processors.

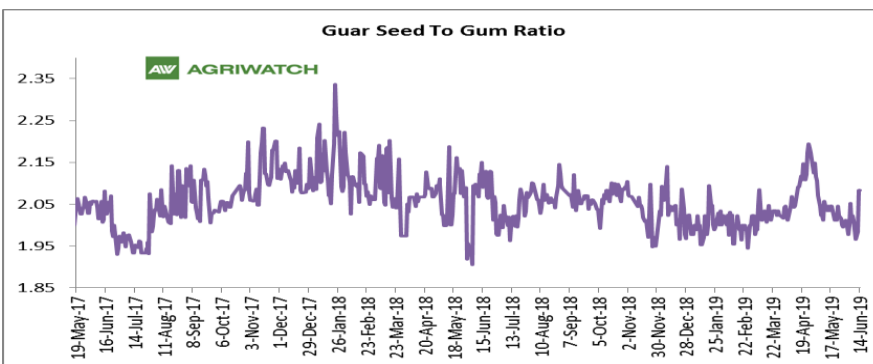
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 14<sup>th</sup> June'19 is 2.03, higher compared to last week's 2.01

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 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: July

Exchange: NCDEX  
Expiry: July 20, 2019



**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	4065	4025	4251	4425	4480
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	July	<b>Sell</b>	Below 4285	4180	4115	4348

Technical Analysis (Guar Gum)
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**Commodity: Guar Gum**  
**Contract: July**
**Exchange: NCDEX**  
**Expiry: July 20, 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	8210	8125	8582	8945	9050
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	<b>Sell</b>	Below 8650	8430	8305	8782

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	08th to 14th June 2019	01st to 07th June 2019	Change
Churi	Jodhpur	1838	1825	12
Korma	Jodhpur	2475	2488	-13
Churi	Sri-Ganganagar	1625	1600	25
Korma	Sri-Ganganagar	2294	2275	19

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	08th to 14th June 2019	01st to 07th June 2019	Change
Guargum Split		1236	1269	-32
Guargum Powder	200 Mesh 5000 CPS	1524	1557	-33
	200 Mesh 3500 CPS	1452	1485	-33
Guargum Meal	40%	350	346	4
	50%	490	490	Unch

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
			08th to 14th June 2019	01st to 07th June 2019	
Guar Seed	Jodhpur	Jodhpur (Loose)	4280	4329	-49
		Jodhpur(Delivery)	4494	4546	-52
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4100	4108	-8
		Sri-Ganganagar (Delivery)	4250	4258	-8
		Rawla (Loose)	4029	4017	13
		Gharsana (Loose)	3953	4014	-61
		Raisinghnagar (Loose)	4042	4049	-8
	Bikaner	Bikaner (Loose)	4088	4093	-5
		Bikaner (Delivery)	4292	4298	-6
		Nokha(Loose)	4082	4112	-30
		Nokha (Delivery)	4286	4317	-32
		Khajuwala (Loose)	4063	4055	8
		Khajuwala (Delivery)	4267	4258	9
		Lunkaransar (Loose)	4108	4083	25
	Hanumangarh	Hanumangarh (Loose)	3996	4031	-35
		Hanumangarh (Delivery)	4196	4233	-37
		Nohar (Loose)	4092	4072	20

		Pilibanga (Loose)	3974	4005	-31
	Nagaur	Nagaur (Loose)	4076	4038	39
	Churu	Churu (Delivery)	4175	4175	Unch
	Alwar	Alwar (Loose)	3925	3942	-17
Haryana	Hisar	Adampur (Loose)	4142	4127	15
		Adampur (Delivery)	4349	4333	16
	Bhiwani	Bhiwani (Delivery)	4242	4254	-13
		Siwani (Loose)	4243	4241	3
	Sirsa	Sirsa (Loose)	4105	4120	-15
		Dhabwali (Loose)	4092	4063	29
		Dhabwali (Delivery)	4296	4266	31
		Ellanabad (Loose)	3992	4033	-42
	Fatehabad	Fatehabad (Loose)	3975	3983	-8
Gujarat	Banaskantha	Deesa (Loose)	3933	3969	-35
	Patan	Patan (Loose)	3909	3933	-24
	Rajkot	Rajkot (Loose)	3910	3953	-43
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8665	8708	-43
	Alwar	Alwar	8575	8700	-125
	Hanumangarh	Nohar	8917	8720	197
Haryana	Bhiwani	Bhiwani	8552	8743	-192
	Sirsa	Sirsa	8658	8663	-4
		Dhabwali	8634	8633	1
		Ellanabad	8642	8667	-25
	Fatehabad	Fatehabad	8608	8627	-18

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			14-Jun-19	7-Jun-19	14-May-19	14-Jun-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4200	4250	4450	3500
		Jodhpur(Delivery)	4410	4463	4673	3675
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4100	4100	4250	3750
		Sri-Ganganagar (Delivery)	4250	4250	4400	3900
		Rawla (Loose)	4050	4000	4200	NA
		Gharsana (Loose)	NR	NR	4150	3550
		Raisinghnagar (Loose)	4100	4050	4250	NR
	Bikaner	Bikaner (Loose)	4080	4100	4200	3600



		Bikaner (Delivery)	4284	4305	4410	3780
		Nokha(Loose)	4075	4110	4200	3580
		Nokha (Delivery)	4279	4316	4410	3759
		Khajuwala (Loose)	4100	4000	NA	3550
		Khajuwala (Delivery)	4305	4200	NA	3728
		Lunkaransar (Loose)	4100	4100	4200	3600
	Hanumangarh	Hanumangarh (Loose)	NA	4031	NA	3600
		Hanumangarh (Delivery)	NA	4233	NA	3780
		Nohar (Loose)	4125	4100	4300	3650
		Pilibanga (Loose)	NR	3950	4050	NA
	Nagaur	Nagaur (Loose)	4080	4050	4150	3450
	Churu	Churu (Delivery)	4250	4150	4300	3800
	Alwar	Alwar (Loose)	4000	3900	4050	3550
Haryana	Hisar	Adampur (Loose)	4150	4125	4250	3610
		Adampur (Delivery)	4358	4331	4463	3791
	Bhiwani	Bhiwani (Delivery)	4300	4250	4400	3800
		Siwani (Loose)	4280	4230	4400	3750
	Sirsa	Sirsa (Loose)	4140	4085	4250	3550
		Dhabwali (Loose)	4125	4050	NA	NA
		Dhabwali (Delivery)	4331	4253	NA	NA
		Ellanabad (Loose)	4000	4050	NA	3600
	Fatehabad	Fatehabad (Loose)	4000	3950	NA	3600
Gujarat	Banaskantha	Deesa (Loose)	3950	4000	4150	NA
	Patan	Patan (Loose)	3950	3890	3950	3475
	Rajkot	Rajkot (Loose)	NA	3975	4095	3550
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3420
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8750	8600	9050	7900
	Alwar	Alwar	8700	8600	9000	7700
	Hanumangarh	Nohar	9000	8800	9150	7800
Haryana	Bhiwani	Bhiwani	8550	8710	9000	7550
	Sirsa	Sirsa	8700	8650	9100	7750
		Dhabwali	8750	8660	NA	NA
		Ellanabad	8600	8650	NA	7700
	Fatehabad	Fatehabad	8600	8600	NA	7700

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			08th to 14th June 2019	01st to 07th June 2019	
Rajasthan	Jodhpur	Jodhpur	303	145	158
	Sri-Ganganagar	Sri-Ganganagar	2100	1900	200
		Rawla	470	480	-10
		Gharsana	945	212	733
		Raisinghnagar	1800	1600	200
	Bikaner	Bikaner	1250	1300	-50
		Nokha	1650	1675	-25
		Khajuwala	810	740	70
		Lunkaransar	1450	960	490
	Hanumangarh	Hanumangarh	541	326	215
		Nohar	2300	2100	200
		Pilibanga	389	157	232
	Nagaur	Nagaur	520	605	-85
	Churu	Churu	1600	1100	500
	Alwar	Alwar	750	375	375
Haryana	Hisar	Adampur	4100	3800	300
	Bhiwani	Bhiwani	1700	2500	-800
		Siwani	5600	5400	200
	Sirsa	Sirsa	6000	5700	300
		Dhabwali	1070	620	450
		Ellanabad	430	575	-145
	Fatehabad	Fatehabad	375	275	100
Gujarat	Banaskantha	Deesa	60	NA	-
	Patan	Patan	49	134	-85
	Rajkot	Rajkot	235	445	-210
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			36497	33124	3373

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