



# Guar Weekly Research Report

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#### Executive Summary

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#### Domestic Guar Seed Market Summary

Guar prices may move upwards on sentiments of technical buying, lower sowing and reduction in stocks compared to last year. Guar future July contract touched a low of Rs 4152.00 per quintal before closing at Rs 4183.50 per quintal. Prices are likely to remain steady to firm and touch Rs 4350 per quintal in the week.

As per trade sources, export of guar gum has decreased in the month of May-19 by 4.06 percent compared to previous month. India exported around 25507 tonnes of guar gum at an average FoB of \$ 1890.07 per tonne in the month of May-19 compared to 26588 tonnes in April-19 at an average FoB of \$ 1871.23 per tonne. Exports are expected to remain at slightly higher in June-19.

As per trade sources, export of guar split has increased in the month of May-19. Exports in the month of May-19 are up by around 30.86% compared to previous month. India exported around 7739 tonnes of guar split in the month of May-19 at an average FoB of \$ 1417.70 per tonne. Of the total quantity, around 6460 tonnes have been exported to China.

As per data released by Baker Hughes the number of oil rigs in USA have remained same at 967 as on 28th June 2019 compared to 21st June 2019 and down by 80 compared to 29th June 2018. 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 latest update, area sown in Rajasthan until 24<sup>th</sup> June 2019 is 159.4 thousand hectares compared to 53.0 thousand hectares for 2018 Kharif season. Sowing is in initial stages. Area of guar is expected to be lower this season as farmers are shifting to Pulses and cotton this year due to better prices.

According to latest update, area sown in Gujarat until 24<sup>th</sup> June 2019 is 280 hectares compared to 18 hectares in the previous Kharif season. Sowing is in initial stages. Area of guar is expected to be lower this season as farmers are shifting to paddy as it is fetching more returns. The last three year average normal area for guar seed in Gujarat is 186650 hectares. Acreage is expected to be slightly lower in Gujarat.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (3600 quintals) compared to previous week arrivals of 5200 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1650 quintals) compared to previous week arrivals of 2100 quintals.

#### Previous Updates:

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.

#### Recommendation:

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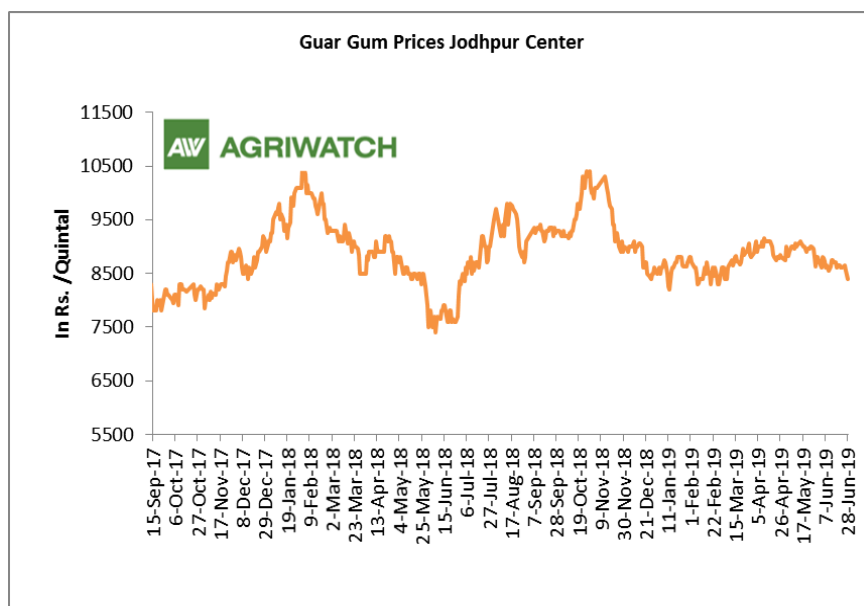
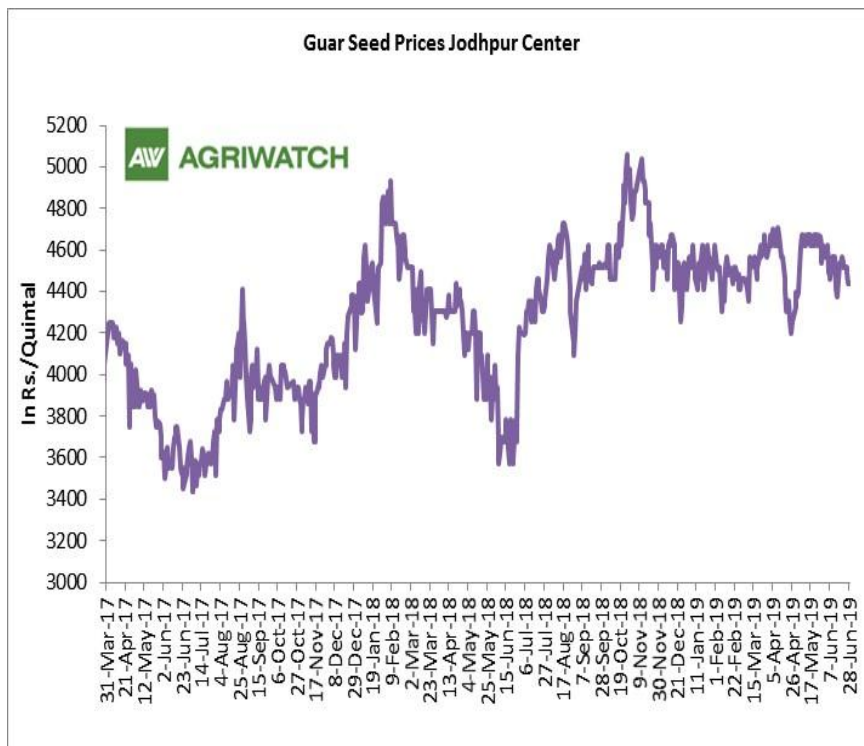
**Weekly Call- : Market participants are advised to buy Guar seed at 4180 levels for a target of 4330 with a stop loss at 4090 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 28<sup>th</sup> June'19, Guar seed weekly average prices decreased by Rs 28.83/-qtl and settled at Rs 4485 per quintal.
- In addition, Guar gum weekly price decreased by Rs 100.00 per quintal and settled at Rs. 8550 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.

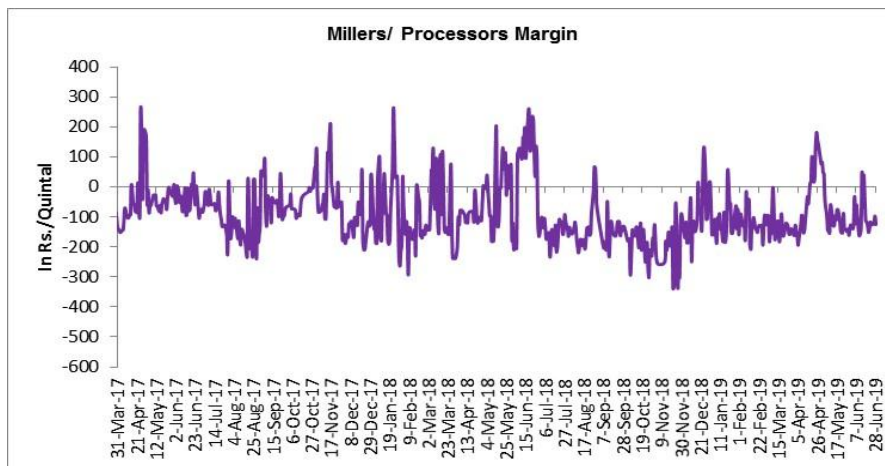


#### Millers/Processors Margin

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In the week ended 28<sup>th</sup> June'19, average crush margin was Rs.-118.02/Quintal, compared to last week's -101.42/Quintal. Therefore, crushing is not favorable for Millers/Processors.

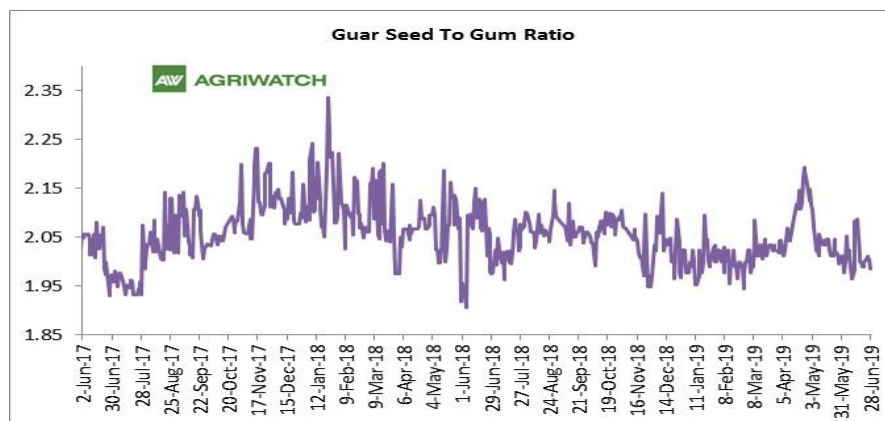
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



#### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 28<sup>th</sup> June'19 is 2.00, lower compared to last week's 2.01

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)
01-07 May -2019	5465.46	1818.49
08-16 May -2019	7222.98	1943.45
17-23 May -2019	6853.80	1830.16
24-31 May -2019	5965.03	1754.50
Total	25507.27	

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

**Strategy: Buy**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	July	4010	3945	4183.5	4550	4650
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	July	Buy	Above 4180	4330	4435	4090

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

**Strategy: Buy**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	July	8010	7915	8318	9050	9145
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	Buy	Above 8315	8645	8910	8117

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	22nd to 28th June 2019	15th to 21st June 2019	Change
Churi	Jodhpur	1779	1800	-21
Korma	Jodhpur	2478	2488	-10
Churi	Sri-Ganganagar	1581	1607	-25
Korma	Sri-Ganganagar	2256	2288	-32

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	22nd to 28th June 2019	15th to 21st June 2019	Change
Guargum Split		1239	1231	8
Guargum Powder	200 Mesh 5000 CPS	1527	1518	9
	200 Mesh 3500 CPS	1455	1451	4
Guargum Meal	40%	346	344	2
	50%	491	488	3

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
			22nd to 28th June 2019	15th to 21st June 2019	
Guar Seed	Jodhpur	Jodhpur (Loose)	4272	4299	-28
		Jodhpur(Delivery)	4485	4514	-29
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4078	4113	-35
		Sri-Ganganagar (Delivery)	4228	4263	-35
		Rawla (Loose)	4018	4050	-32
		Gharsana (Loose)	4035	4057	-22
		Raisinghnagar (Loose)	4092	4114	-23
	Bikaner	Bikaner (Loose)	4033	4087	-53
		Bikaner (Delivery)	4235	4291	-56
		Nokha(Loose)	4090	4121	-31
		Nokha (Delivery)	4295	4327	-32
		Khajuwala (Loose)	4020	4062	-42
		Khajuwala (Delivery)	4221	4265	-44
		Lunkaransar (Loose)	4042	4088	-47
	Hanumangarh	Hanumangarh (Loose)	3982	4027	-45
		Hanumangarh (Delivery)	4181	4228	-47
		Nohar (Loose)	4038	4109	-71



		Pilibanga (Loose)	3945	4016	-71
	Nagaur	Nagaur (Loose)	4012	4069	-58
	Churu	Churu (Delivery)	4150	4200	-50
	Alwar	Alwar (Loose)	3906	3920	-14
Haryana	Hisar	Adampur (Loose)	4094	4118	-24
		Adampur (Delivery)	4299	4324	-25
	Bhiwani	Bhiwani (Delivery)	4223	4295	-72
		Siwani (Loose)	4202	4253	-51
	Sirsa	Sirsa (Loose)	4037	4109	-73
		Dhabwali (Loose)	3995	4045	-50
		Dhabwali (Delivery)	4195	4247	-53
		Ellanabad (Loose)	3979	4050	-71
	Fatehabad	Fatehabad (Loose)	3967	3983	-17
Gujarat	Banaskantha	Deesa (Loose)	3942	3933	8
	Patan	Patan (Loose)	3988	4027	-39
	Rajkot	Rajkot (Loose)	3956	3966	-10
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8550	8650	-100
	Alwar	Alwar	8600	8620	-20
	Hanumangarh	Nohar	8767	8883	-117
Haryana	Bhiwani	Bhiwani	8515	8547	-32
	Sirsa	Sirsa	8558	8692	-133
		Dhabwali	8533	8601	-68
		Ellanabad	8600	8630	-30
	Fatehabad	Fatehabad	8544	8601	-57

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			28-Jun-19	21-Jun-19	28-May-19	28-Jun-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4230	4325	4400	3900
		Jodhpur(Delivery)	4442	4541	4620	4095
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4050	4080	4150	3650
		Sri-Ganganagar (Delivery)	4200	4230	4300	3800
		Rawla (Loose)	3970	4020	4080	3620
		Gharsana (Loose)	NR	NA	4065	NA
		Raisinghnagar (Loose)	4100	4100	4100	3730
	Bikaner	Bikaner (Loose)	3990	4080	4160	3725



		Bikaner (Delivery)	4190	4284	4368	3911
		Nokha(Loose)	4015	4110	4080	3700
		Nokha (Delivery)	4216	4316	4284	3885
		Khajuwala (Loose)	4000	4060	4150	3600
		Khajuwala (Delivery)	4200	4263	4358	3780
		Lunkaransar (Loose)	4000	4080	4150	3800
	Hanumangarh	Hanumangarh (Loose)	3960	4044	4069	3700
		Hanumangarh (Delivery)	4158	4246	4272	3885
		Nohar (Loose)	4000	4100	4100	3750
		Pilibanga (Loose)	NR	NA	NA	NA
	Nagaur	Nagaur (Loose)	4000	4050	4100	3600
	Churu	Churu (Delivery)	NR	4150	4200	4000
	Alwar	Alwar (Loose)	NR	3900	4000	3700
Haryana	Hisar	Adampur (Loose)	4040	4080	4150	3750
		Adampur (Delivery)	4242	4284	4358	3938
	Bhiwani	Bhiwani (Delivery)	4200	4270	4325	3950
		Siwani (Loose)	4160	4225	4275	3850
	Sirsa	Sirsa (Loose)	3950	4080	4150	3775
		Dhabwali (Loose)	3900	4000	3950	3800
		Dhabwali (Delivery)	4095	4200	4148	3990
		Ellanabad (Loose)	3925	4100	4000	3650
	Fatehabad	Fatehabad (Loose)	3950	4000	4000	3750
Gujarat	Banaskantha	Deesa (Loose)	3900	3900	4025	NA
	Patan	Patan (Loose)	3885	4255	3975	NA
	Rajkot	Rajkot (Loose)	3920	4000	4000	3705
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3540
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8400	8600	8800	8100
	Alwar	Alwar	NR	8600	8800	8100
	Hanumangarh	Nohar	8700	8800	8800	8000
Haryana	Bhiwani	Bhiwani	8350	8640	9050	8050
	Sirsa	Sirsa	8450	8600	8800	8100
		Dhabwali	8400	8600	8800	8000
		Ellanabad	8550	8600	8700	8000
	Fatehabad	Fatehabad	8450	8600	8800	8000

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			22nd to 28th June 2019	15th to 21st June 2019	
Rajasthan	Jodhpur	Jodhpur	171	397	-226
	Sri-Ganganagar	Sri-Ganganagar	2200	2200	Unch
		Rawla	695	430	265
		Gharsana	504	81	423
		Raisinghnagar	1400	1650	-250
	Bikaner	Bikaner	1650	2100	-450
		Nokha	1450	1725	-275
		Khajuwala	900	750	150
		Lunkaransar	800	2000	-1200
	Hanumangarh	Hanumangarh	405	650	-245
		Nohar	2550	1650	900
		Pilibanga	71	132	-61
	Nagaur	Nagaur	680	700	-20
	Churu	Churu	650	1700	-1050
	Alwar	Alwar	624	900	-276
Haryana	Hisar	Adampur	3600	5200	-1600
	Bhiwani	Bhiwani	1850	1650	200
		Siwani	4200	5600	-1400
	Sirsa	Sirsa	6900	5800	1100
		Dhabwali	1000	850	150
		Ellanabad	470	580	-110
	Fatehabad	Fatehabad	300	450	-150
Gujarat	Banaskantha	Deesa	95	40	55
	Patan	Patan	269	92	177
	Rajkot	Rajkot	291	176	115
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			33725	37503	-3778

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