



Guar Weekly Research Report

Table of Contents

- ❖ **Executive Summary**
- ❖ **Recommendations**
- ❖ **Domestic Market Fundamentals**
- ❖ **Processing Margins**
- ❖ **Guar Seed to Gum Ratio**
- ❖ **Guar Gum Weekly Exports**
- ❖ **Technical Analysis (Guar Seed)**
- ❖ **Technical Analysis (Guar Gum)**
- ❖ **Guar Seed & Gum Prices at Key Spot Markets**
- ❖ **Guar Seed Arrivals at Key Centers**

Executive Summary

[\(Back to Table of Contents\)](#)

Domestic Guar Seed Market Summary

All India weekly average prices decreased by 0.34 percent to Rs. 3878.92 per quintal during the week ended 15th July 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3892.12 per quintal during 01-08 July 2019. As compared to prices in the week 09-15 July 2018, the prices are firm by 5.97 percent. Prices are expected to remain steady to firm in coming days.

Guar prices are likely to remain firm in the week due to good export demand and lower sowing. Guar August contract touched a high of Rs 4471 per quintal before closing at Rs 4429.50 per quintal in the previous week. Prices are likely to remain firm and touch Rs 4500-4550 per quintal.

As per latest update, area sown in Rajasthan until 12th July 2019 is 672.9 thousand hectares compared to of 1082.2 thousand hectares for 2018 Kharif season. Area of guar is expected to be lower this season as farmers are shifting to Pulses this year due to better prices.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 958 as on 12th July 2019 down by 5 compared to 03rd July 2019 and by 96 compared to 13th July 2018. The total number of oilrigs was recorded at 2221 worldwide in June'19 compared to 2152 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 (3700 quintals) compared to previous week arrivals of 4900 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (1550 quintals) compared to previous week arrivals of 1300 quintals.

Previous Updates:

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.

Recommendation:

[\(Back to Table of Contents\)](#)

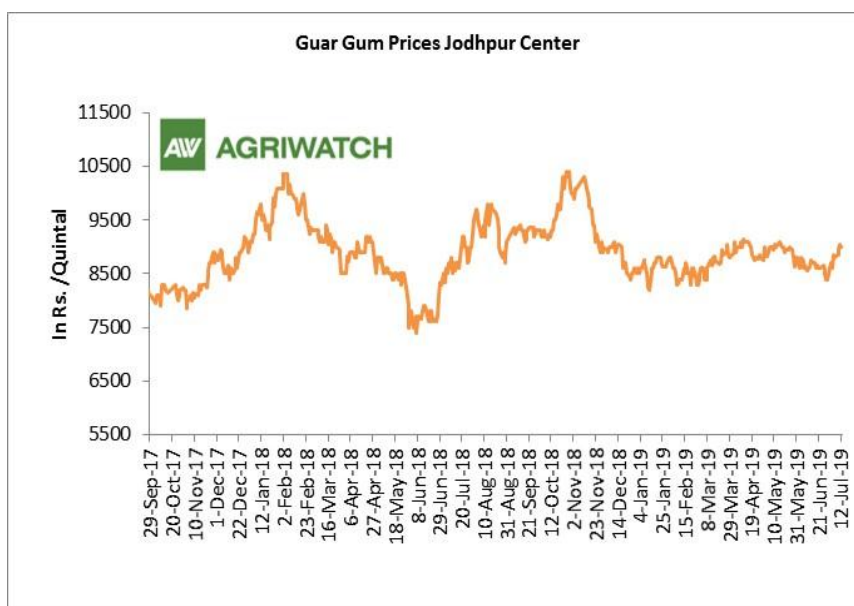
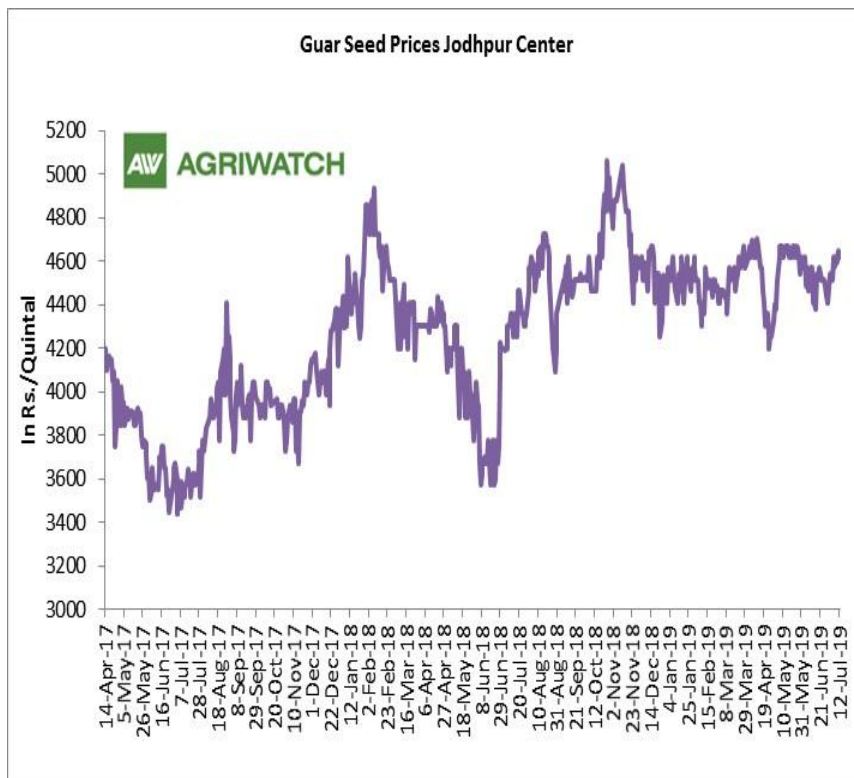
Weekly Call- : Market participants are advised to buy Guar seed at 4400 levels for a target of 4500 with a stop loss at 4340 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

[\(Back to Table of Contents\)](#)

Domestic Front

- In the week ended 12th July, Guar seed weekly average prices increased by Rs 84.00/-qtl and settled at Rs 4608 per quintal.
- In addition, Guar gum weekly price increased by Rs 279.17 per quintal and settled at Rs. 8921 per quintal. Good demand for guar gum from domestic as well as overseas market kept prices at higher 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.

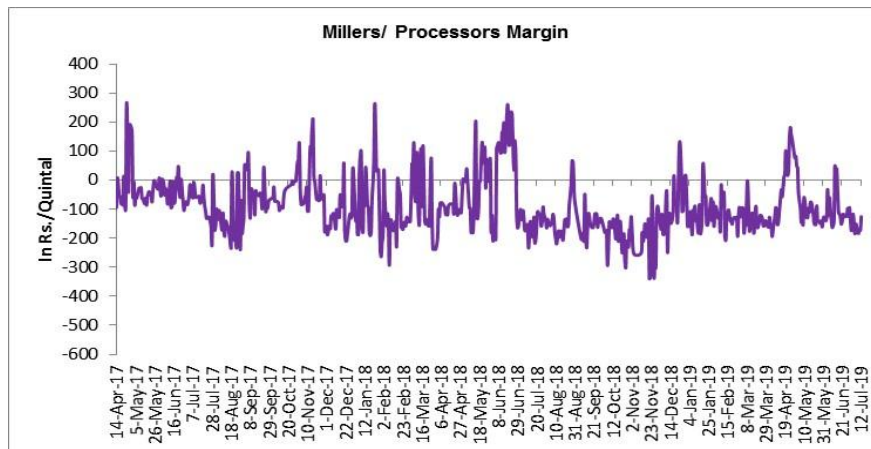


Millers/Processors Margin

[\(Back to Table of Contents\)](#)

In the week ended 12th July'19, average crush margin was Rs.-163.40/Quintal, compared to last week's -143.01/Quintal. Therefore, crushing is not favorable for Millers/Processors.

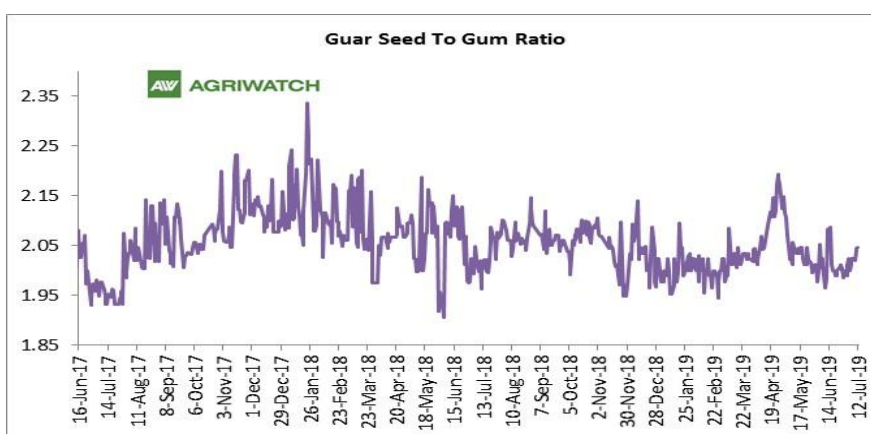
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 12th July'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

[\(Back to Table of Contents\)](#)

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)

[\(Back to Table of Contents\)](#)

Commodity: Guar Seed
Contract: August

Exchange: NCDEX
Expiry: August 20, 2019

Guar Seed (August Weekly Chart)



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- RSI is moving up in neutral region.
- Prices closed above 9 and 18 day EMAs.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	August	4300	4270	4429.5	4620	4655
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	August	Buy	Above 4400	4500	4565	4340

Technical Analysis (Guar Gum)
[\(Back to Table of Contents\)](#)
Commodity: Guar Gum
Contract: August
Exchange: NCDEX
Expiry: August 20, 2018

Technical Commentary:

- Rise in price and open interest indicates long buildup.
- RSI is moving up in neutral region.
- Prices closed above 9 and 18 day EMAs.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	August	8720	8645	9017	9370	9450
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	August	Buy	Above 8940	9155	9270	8811

Guar Seed & Gum Prices at Key Spot Markets

[\(Back to Table of Contents\)](#)

Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	06th to 12th July 2019	29th June to 05th July 2019	Change
Churi	Jodhpur	1742	1775	-33
Korma	Jodhpur	2411	2438	-27
Churi	Sri-Ganganagar	1543	1569	-26
Korma	Sri-Ganganagar	2181	2225	-44

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	06th to 12th July 2019	29th June to 05th July 2019	Change
Guargum Split		1289	1239	49
Guargum Powder	200 Mesh 5000 CPS	1580	1530	50
	200 Mesh 3500 CPS	1507	1457	50
Guargum Meal	40%	350	349	2
	50%	494	487	7

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			06th to 12th July 2019	29th June to 05th July 2019	
Guar Seed	Jodhpur	Jodhpur (Loose)	4388	4308	80
		Jodhpur(Delivery)	4608	4524	84
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4133	4087	47
		Sri-Ganganagar (Delivery)	4283	4237	47
		Rawla (Loose)	4088	4050	38
		Gharsana (Loose)	4099	4056	43
		Raisinghnagar (Loose)	4153	4083	70
	Bikaner	Bikaner (Loose)	4141	4079	62
		Bikaner (Delivery)	4348	4283	65
		Nokha(Loose)	4151	4116	35
		Nokha (Delivery)	4358	4322	37
		Khajuwala (Loose)	4127	4027	100
		Khajuwala (Delivery)	4333	4228	105
		Lunkaransar (Loose)	4150	4093	57
	Hanumangarh	Hanumangarh (Loose)	3987	3998	-11
		Hanumangarh (Delivery)	4186	4197	-11
		Nohar (Loose)	4100	4057	43

		Pilibanga (Loose)	3816	3966	-150
	Nagaur	Nagaur (Loose)	4083	4065	18
	Churu	Churu (Delivery)	4250	4208	42
	Alwar	Alwar (Loose)	3950	3950	Unch
Haryana	Hisar	Adampur (Loose)	4123	4099	23
		Adampur (Delivery)	4329	4304	25
	Bhiwani	Bhiwani (Delivery)	4333	4265	68
		Siwani (Loose)	4248	4213	34
	Sirsa	Sirsa (Loose)	4114	4070	44
		Dhabwali (Loose)	4077	4003	73
		Dhabwali (Delivery)	4281	4204	77
		Ellanabad (Loose)	4095	4015	80
	Fatehabad	Fatehabad (Loose)	4000	3983	17
Gujarat	Banaskantha	Deesa (Loose)	3920	3940	-20
	Patan	Patan (Loose)	3933	3898	35
	Rajkot	Rajkot (Loose)	4009	3958	52
	Jamnagar	Dhrol (Loose)	3910	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8921	8642	279
	Alwar	Alwar	8800	8717	83
	Hanumangarh	Nohar	8817	8750	67
Haryana	Bhiwani	Bhiwani	8838	8573	264
	Sirsa	Sirsa	8858	8625	233
		Dhabwali	8867	8592	275
		Ellanabad	8930	8675	255
	Fatehabad	Fatehabad	8866	8600	266

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			12-Jul-19	5-Jul-19	12-Jun-19	12-Jul-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4400	4400	4350	4150
		Jodhpur(Delivery)	4620	4620	4568	4358
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4150	4150	4100	3850
		Sri-Ganganagar (Delivery)	4300	4300	4250	4000
		Rawla (Loose)	4120	4075	4060	3900
		Gharsana (Loose)	NR	NR	4046	3860
		Raisinghnagar (Loose)	4150	4100	4000	3900
	Bikaner	Bikaner (Loose)	4170	4100	4050	3900

		Bikaner (Delivery)	4379	4305	4253	4095
		Nokha(Loose)	4175	4175	4050	3970
		Nokha (Delivery)	4384	4384	4253	4169
		Khajuwala (Loose)	4200	NR	4050	3950
		Khajuwala (Delivery)	4410	NR	4253	4148
		Lunkaransar (Loose)	4150	4150	4100	3950
	Hanumangarh	Hanumangarh (Loose)	4050	4020	4045	3910
		Hanumangarh (Delivery)	4253	4221	4247	4106
		Nohar (Loose)	4150	4100	4000	3960
		Pilibanga (Loose)	NR	NR	NR	NR
	Nagaur	Nagaur (Loose)	4000	4100	4050	3800
	Churu	Churu (Delivery)	NR	4250	NR	3950
	Alwar	Alwar (Loose)	NR	4000	3900	3700
Haryana	Hisar	Adampur (Loose)	4125	4140	4150	3920
		Adampur (Delivery)	4331	4347	4358	4116
	Bhiwani	Bhiwani (Delivery)	4325	4350	4250	4100
		Siwani (Loose)	4270	4250	4250	4050
	Sirsa	Sirsa (Loose)	4150	4120	4090	3900
		Dhabwali (Loose)	4150	4070	4100	3870
		Dhabwali (Delivery)	4358	4274	4305	4064
		Ellanabad (Loose)	4125	4050	4000	3875
	Fatehabad	Fatehabad (Loose)	4000	4000	3950	3840
Gujarat	Banaskantha	Deesa (Loose)	3975	3975	3950	3775
	Patan	Patan (Loose)	3930	3950	3900	NA
	Rajkot	Rajkot (Loose)	3985	4010	3900	3720
	Jamnagar	Dhrol (Loose)	3910	NA	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	9000	8850	8625	8700
	Alwar	Alwar	NR	8800	8600	8700
	Hanumangarh	Nohar	8900	8800	8900	8800
Haryana	Bhiwani	Bhiwani	8950	8750	8500	8700
	Sirsa	Sirsa	9000	8700	8650	8700
		Dhabwali	9000	8700	8600	8700
		Ellanabad	9000	8700	8650	8850
	Fatehabad	Fatehabad	8975	8700	8600	8620

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			06th to 12th July 2019	29th June to 05th July 2019	
Rajasthan	Jodhpur	Jodhpur	63	218	-155
	Sri-Ganganagar	Sri-Ganganagar	2000	2300	-300
		Rawla	800	557	243
		Gharsana	209	398	-189
		Raisinghnagar	1400	1500	-100
	Bikaner	Bikaner	1550	1300	250
		Nokha	1800	1575	225
		Khajuwala	900	350	550
		Lunkaransar	1700	1750	-50
	Hanumangarh	Hanumangarh	120	425	-305
		Nohar	750	1550	-800
		Pilibanga	156	177	-21
	Nagaur	Nagaur	950	670	280
	Churu	Churu	150	2000	-1850
	Alwar	Alwar	181	1200	-1019
Haryana	Hisar	Adampur	3700	4900	-1200
	Bhiwani	Bhiwani	2600	2400	200
		Siwani	4600	4000	600
	Sirsa	Sirsa	7600	5700	1900
		Dhabwali	745	950	-205
		Ellanabad	300	305	-5
	Fatehabad	Fatehabad	350	350	Unch
Gujarat	Banaskantha	Deesa	150	75	75
	Patan	Patan	197	230	-33
	Rajkot	Rajkot	410	383	27
	Jamnagar	Dhrol	9	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			33390	35263	-1873

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