



Guar Weekly Research Report

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Executive Summary

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Domestic Guar Seed Market Summary

All India weekly average prices increased by 0.26 percent to Rs. 3889.16 per quintal during the week ended 22nd July 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3878.92 per quintal during 09-15 July 2019. As compared to prices in the week 16-22 July 2018, the prices are firm by 4.85 percent. Prices are expected to remain steady to weak in coming days.

Guar is likely to remain weak due to low export demand. Guar future August contract touched a low of Rs 4296.00 per quintal before closing at Rs 4306.00 per quintal. Prices are likely to remain steady to weak and touch Rs 4220-4230 per quintal in the week.

As per trade sources, export of guar split has decreased in the month of June-19. Exports in the month of June-19 are down by around 35.92% compared to previous month. India exported around 4959 tonnes of guar split in the month of June-19 at an average FoB of \$ 1413.45 per tonne. Of the total quantity, around 4000 tonnes have been exported to China.

As per trade sources, export of guar gum has decreased in the month of June-19 by 30.12 percent compared to previous month. India exported around 17823 tonnes of guar gum at an average FoB of \$ 1880.33 per tonne in the month of June-19 compared to 25507 tonnes in May-19 at an average FoB of \$ 1890.07 per tonne. Exports are expected to remain at slightly higher in July-19.

As per latest update, area sown in Rajasthan until 18th July 2019 is 865.9 thousand hectares compared to of 1455.0 thousand hectares for 2018 Kharif season. Area of guar is expected to be lower this season as farmers are shifting to pulses and cereals this year due to better prices.

The wholesale price index of guar seed has decreased from 100.00 in May -2019 to 98.50 in June- 2019. The WPI for June 2019 is up by 13.4 compared to last year for the same month and by 20.0 compared to June 2017. WPI is expected to stay slightly firm in July'19.

According to latest update, area sown in Gujarat until 15th July 2019 is 36806 hectares compared to 14269 hectares in the previous Kharif season. Area of guar is expected to be lower this season as farmers are shifting to cotton as it is fetching more returns. The last three year average normal area for guar seed in Gujarat is 186650 hectares.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals (3100 quintals) compared to previous week arrivals of 3700 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (1250 quintals) compared to previous week arrivals of 1550 quintals.

Recommendation:

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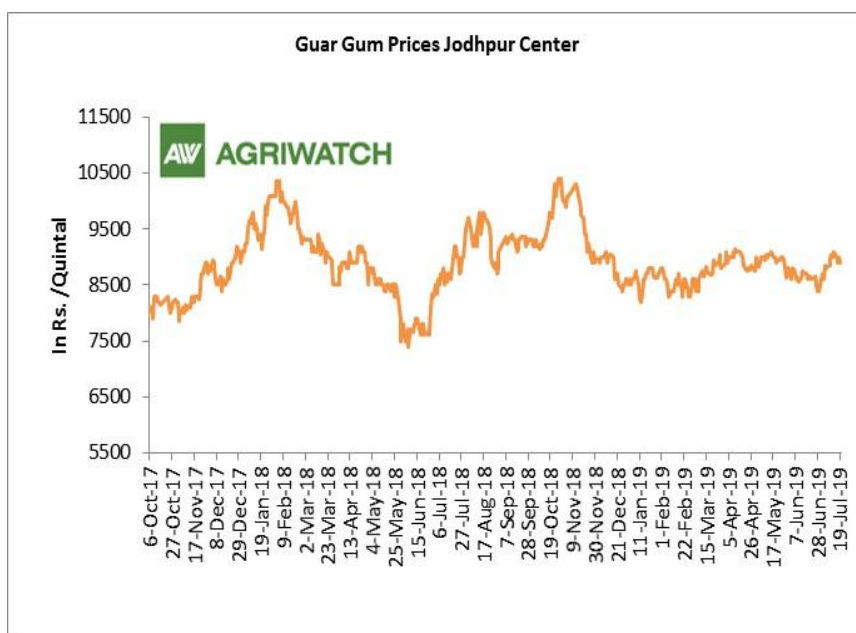
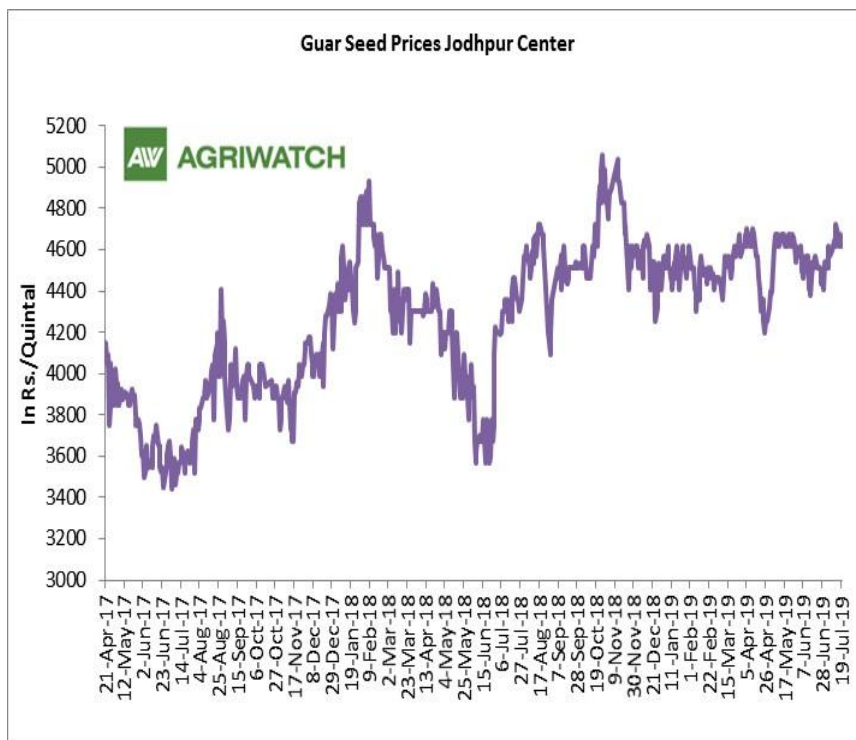
Weekly Call- : Market participants are advised to sell Guar seed at 4310 levels for a target of 4230 with a stop loss at 4358 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 19th July, Guar seed weekly average prices increased by Rs 47.25/-qtl and settled at Rs 4655 per quintal.
- In addition, Guar gum weekly price increased by Rs 62.50 per quintal and settled at Rs. 8983 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.

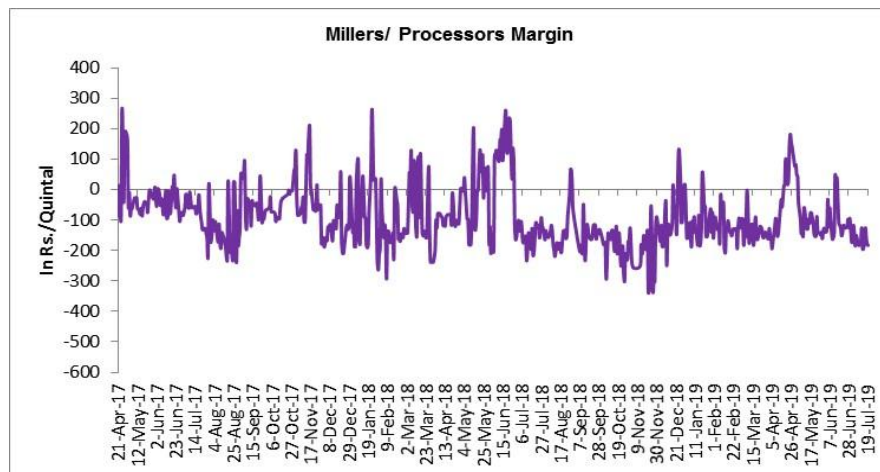


Millers/Processors Margin

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In the week ended 19th July'19, average crush margin was Rs.-169.67/Quintal, compared to last week's -163.40/Quintal. Therefore, crushing is not favorable for Millers/Processors.

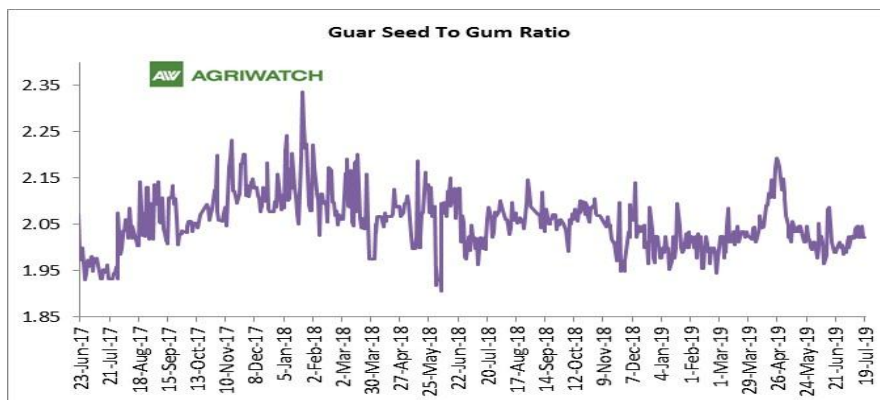
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 19th July'19 is 2.02, higher compared to last week's 2.03

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 June -2019	4180.71	1699.92
08-15 June -2019	4490.96	1863.17
16-23 June -2019	4997.27	1665.57
24-30 June -2019	4154.13	1648.67
Total	17823.07	

Source: Trade

Technical Analysis (Guar Seed)
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Commodity: Guar Seed
Contract: August
Exchange: NCDEX
Expiry: August 20, 2019
Guar Seed (August Weekly Chart)

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: Sell

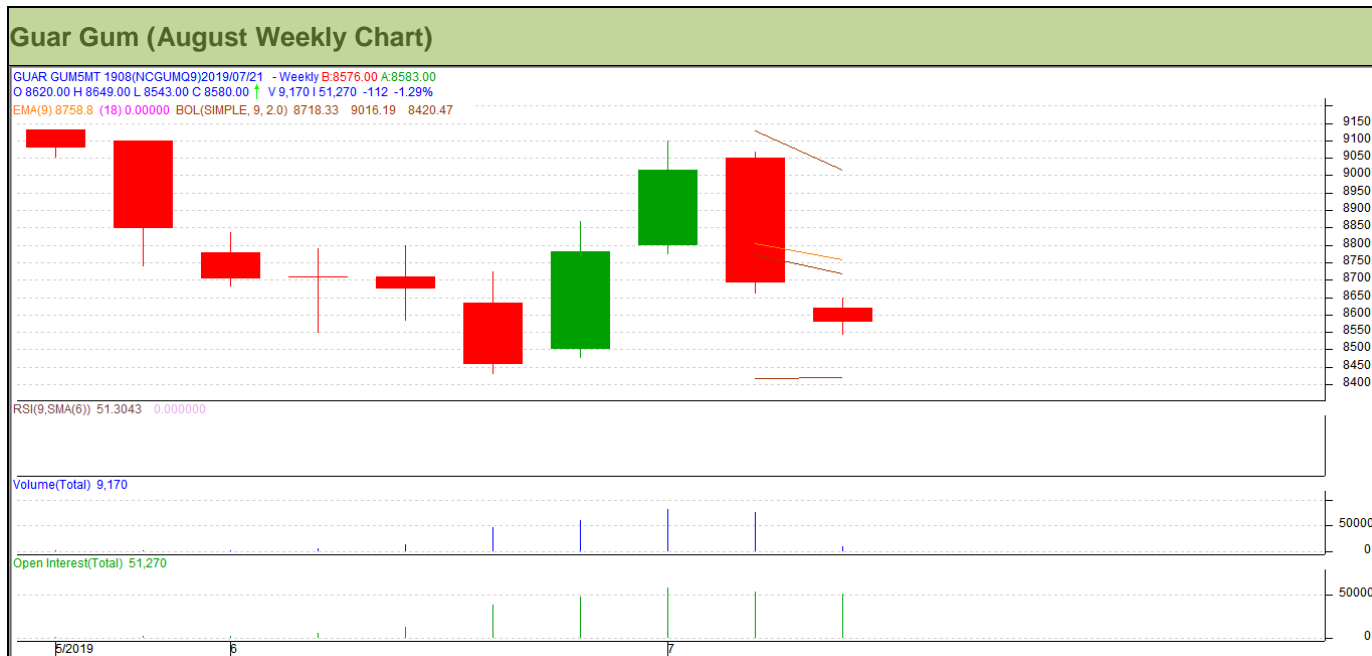
Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	August	4130	4105	4306	4420	4460
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	August	Sell	Below 4310	4230	4165	4358

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: August

Exchange: NCDEX
Expiry: August 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: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	August	8310	8235	8692	8850	8915
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	August	Sell	Below 8660	8490	8405	8762

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	13th to 19th July 2019	06th to 12th July 2019	Change
Churi	Jodhpur	1783	1742	42
Korma	Jodhpur	2410	2411	-1
Churi	Sri-Ganganagar	1575	1543	32
Korma	Sri-Ganganagar	2194	2181	13

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	13th to 19th July 2019	06th to 12th July 2019	Change
Guargum Split		1302	1289	14
Guargum Powder	200 Mesh 5000 CPS	1593	1580	13
	200 Mesh 3500 CPS	1521	1507	13
Guargum Meal	40%	349	350	-1
	50%	483	494	-11

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			13th to 19th July 2019	06th to 12th July 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4433	4388	45
		Jodhpur(Delivery)	4655	4608	47
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4173	4133	40
		Sri-Ganganagar (Delivery)	4323	4283	40
		Rawla (Loose)	4128	4088	39
		Gharsana (Loose)	4130	4099	31
		Raisinghnagar (Loose)	4148	4153	-5
	Bikaner	Bikaner (Loose)	4149	4141	8
		Bikaner (Delivery)	4357	4348	9
		Nokha(Loose)	4163	4151	13
		Nokha (Delivery)	4372	4358	13
		Khajuwala (Loose)	4166	4127	39
		Khajuwala (Delivery)	4374	4333	41
		Lunkaransar (Loose)	4166	4150	16
	Hanumangarh	Hanumangarh (Loose)	4073	3987	87
		Hanumangarh (Delivery)	4277	4186	91
		Nohar (Loose)	4137	4100	37

		Pilibanga (Loose)	3931	3816	115
	Nagaur	Nagaur (Loose)	4110	4083	27
	Churu	Churu (Delivery)	4150	4250	-100
	Alwar	Alwar (Loose)	3950	3950	Unch
Haryana	Hisar	Adampur (Loose)	4150	4123	28
		Adampur (Delivery)	4358	4329	29
	Bhiwani	Bhiwani (Delivery)	4326	4333	-8
		Siwani (Loose)	4276	4248	28
	Sirsa	Sirsa (Loose)	4116	4114	2
		Dhabwali (Loose)	4104	4077	28
		Dhabwali (Delivery)	4309	4281	29
		Ellanabad (Loose)	4090	4095	-5
	Fatehabad	Fatehabad (Loose)	3975	4000	-25
Gujarat	Banaskantha	Deesa (Loose)	3975	3920	55
	Patan	Patan (Loose)	3977	3933	44
	Rajkot	Rajkot (Loose)	3993	4009	-16
	Jamnagar	Dhrol (Loose)	NA	3910	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8983	8921	63
	Alwar	Alwar	8900	8800	100
	Hanumangarh	Nohar	8983	8817	167
Haryana	Bhiwani	Bhiwani	9008	8838	171
	Sirsa	Sirsa	8930	8858	72
		Dhabwali	8967	8867	100
		Ellanabad	8980	8930	50
	Fatehabad	Fatehabad	8903	8866	37

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			19-Jul-19	12-Jul-19	19-Jun-19	19-Jul-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4400	4400	4325	4250
		Jodhpur(Delivery)	4620	4620	4541	4463
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4150	4150	4150	4000
		Sri-Ganganagar (Delivery)	4300	4300	4300	4150
		Rawla (Loose)	4100	4120	4070	3975
		Gharsana (Loose)	NR	NR	NR	3960
		Raisinghnagar (Loose)	4100	4150	4100	4000
	Bikaner	Bikaner (Loose)	4125	4170	4080	4000

		Bikaner (Delivery)	4331	4379	4284	4200
		Nokha(Loose)	4125	4175	4125	4050
		Nokha (Delivery)	4331	4384	4331	4253
		Khajuwala (Loose)	4100	4200	4050	4050
		Khajuwala (Delivery)	4305	4410	4253	4253
		Lunkaransar (Loose)	4100	4150	4100	4000
	Hanumangarh	Hanumangarh (Loose)	4000	4050	4045	3980
		Hanumangarh (Delivery)	4200	4253	4247	4179
		Nohar (Loose)	4100	4150	4080	4025
		Pilibanga (Loose)	NR	NR	NR	NR
	Nagaur	Nagaur (Loose)	4100	4000	4040	3900
	Churu	Churu (Delivery)	NR	NR	4200	4150
	Alwar	Alwar (Loose)	NR	NR	3900	3900
Haryana	Hisar	Adampur (Loose)	4125	4125	4125	4025
		Adampur (Delivery)	4331	4331	4331	4226
	Bhiwani	Bhiwani (Delivery)	4300	4325	4325	4200
		Siwani (Loose)	4250	4270	4250	4120
	Sirsa	Sirsa (Loose)	4075	4150	4100	4055
		Dhabwali (Loose)	4025	4150	4050	4000
		Dhabwali (Delivery)	4226	4358	4253	4200
		Ellanabad (Loose)	4000	4125	NA	4025
	Fatehabad	Fatehabad (Loose)	3900	4000	4000	4025
Gujarat	Banaskantha	Deesa (Loose)	3925	3975	3900	NA
	Patan	Patan (Loose)	3975	3930	4000	3865
	Rajkot	Rajkot (Loose)	4030	3985	3950	3935
	Jamnagar	Dhrol (Loose)	NA	3910	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8900	9000	8650	9000
	Alwar	Alwar	NR	NA	8600	8800
	Hanumangarh	Nohar	8900	8900	8800	9000
Haryana	Bhiwani	Bhiwani	9000	8950	8570	9000
	Sirsa	Sirsa	8800	9000	8650	9000
		Dhabwali	8800	9000	8600	8900
		Ellanabad	8800	9000	NA	9000
	Fatehabad	Fatehabad	8800	8975	8600	8900

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			13th to 19th July 2019	06th to 12th July 2019	
Rajasthan	Jodhpur	Jodhpur	127	63	64
	Sri-Ganganagar	Sri-Ganganagar	2000	2000	Unch
		Rawla	460	800	-340
		Gharsana	354	209	145
		Raisinghnagar	1900	1400	500
	Bikaner	Bikaner	1250	1550	-300
		Nokha	1350	1800	-450
		Khajuwala	470	900	-430
		Lunkaransar	900	1700	-800
	Hanumangarh	Hanumangarh	105	120	-15
		Nohar	550	750	-200
		Pilibanga	99	156	-57
	Nagaur	Nagaur	575	950	-375
	Churu	Churu	600	150	450
	Alwar	Alwar	299	181	118
Haryana	Hisar	Adampur	3100	3700	-600
	Bhiwani	Bhiwani	3200	2600	600
		Siwani	5700	4600	1100
	Sirsa	Sirsa	2800	7600	-4800
		Dhabwali	420	745	-325
		Ellanabad	425	300	125
	Fatehabad	Fatehabad	240	350	-110
Gujarat	Banaskantha	Deesa	395	150	245
	Patan	Patan	165	197	-32
	Rajkot	Rajkot	196	410	-214
	Jamnagar	Dhrol	NA	9	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			27680	33390	-5710

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