



# 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

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. As of now guar gum prices in Jodhpur are hovering around Rs 8400-8450 per quintal.

Guar is likely to remain weak due to low export demand and rains in major sowing districts of Rajasthan. Guar future August contract touched a high of Rs 4293.00 per quintal before closing at Rs 4180.00 per quintal. Prices are likely to remain steady to weak and touch Rs 4060-4070 per quintal in the week.

As per latest update, area sown in Rajasthan until 26th July 2019 is 1105.00 thousand hectares compared to of 2447.80 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.

According to latest update, area sown in Gujarat until 22nd July 2019 is 46381 hectares compared to 31230 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.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 946 as on 26th July 2019 down by 8 compared to 19th July 2019 and by 102 compared to 27th 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 (2950 quintals) compared to previous week arrivals of 3100 quintals.

#### Previous Updates:

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.

#### Recommendation:

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

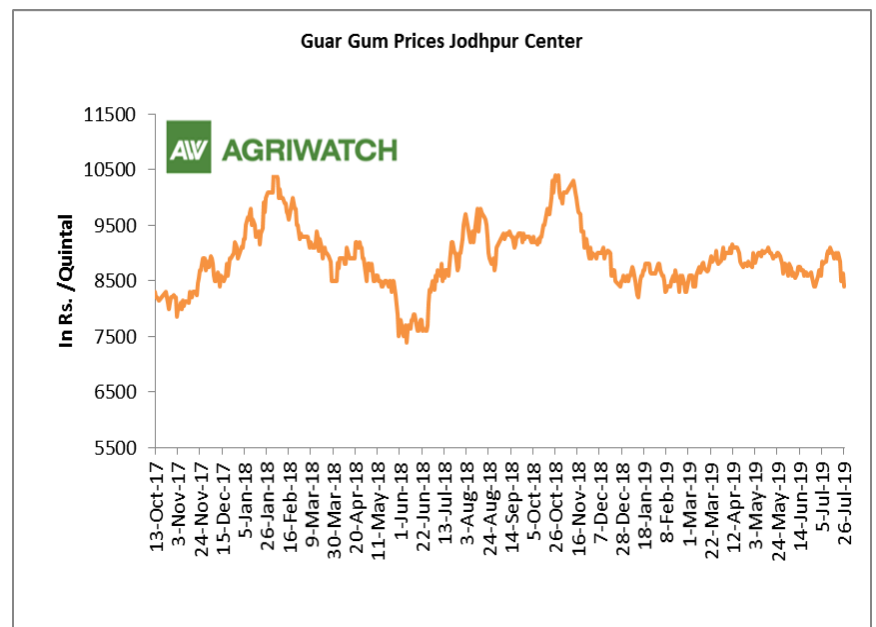
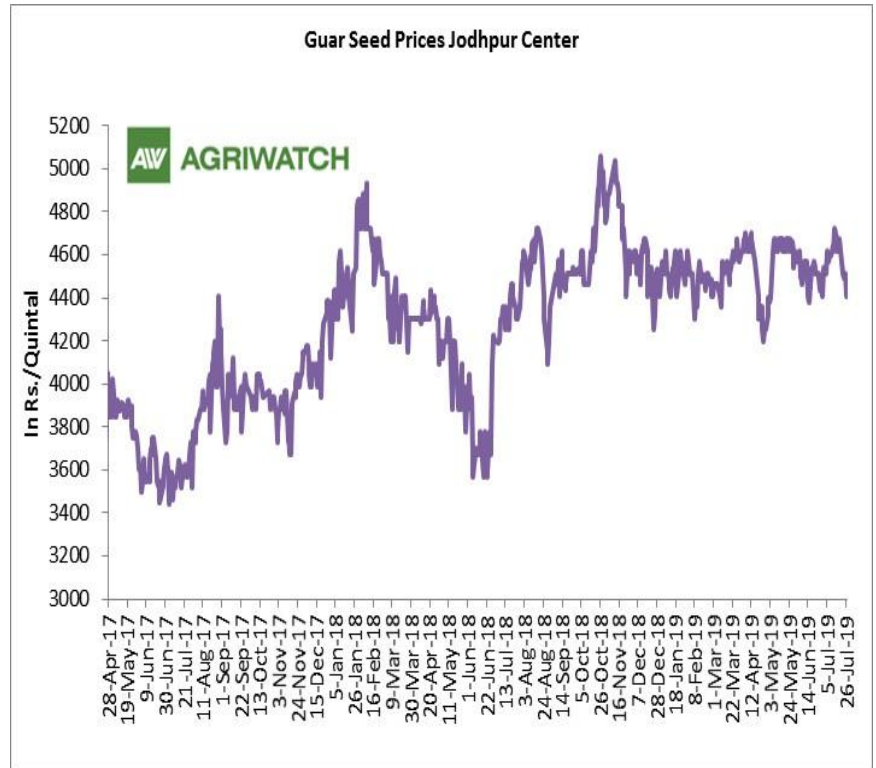
**Weekly Call- : Market participants are advised to sell Guar seed at 4200 levels for a target of 4100 with a stop loss at 4260 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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

Domestic Front

- In the week ended 26<sup>th</sup> July, Guar seed weekly average prices decreased by Rs 144.38/-qtl and settled at Rs 4511 per quintal.
- In addition, Guar gum weekly price decreased by Rs 320.83 per quintal and settled at Rs. 8663 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.

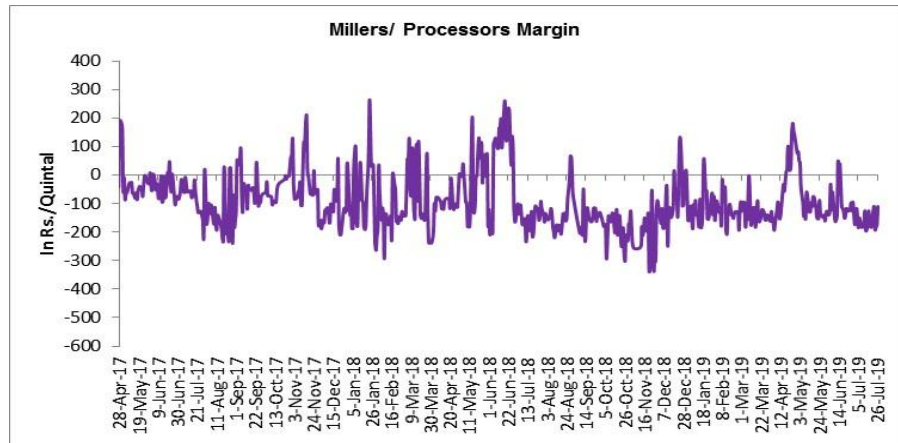


### Millers/Processors Margin

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

In the week ended 26<sup>th</sup> July'19, average crush margin was Rs.-153.27/Quintal, compared to last week's -169.67/Quintal. Therefore, crushing is not favorable for Millers/Processors.

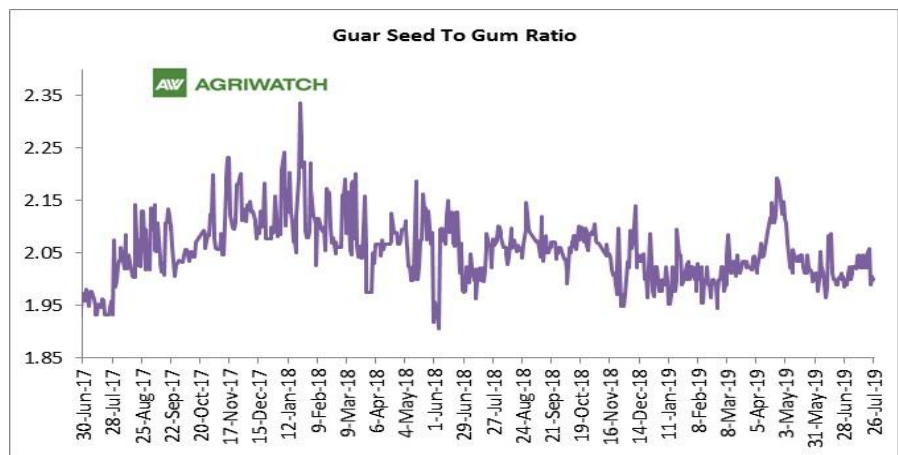
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 26<sup>th</sup> July'19 is 2.02, lower 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

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

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)
[\(Back to Table of Contents\)](#)
**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	4000	3960	4180	4320	4370
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	August	<b>Sell</b>	Below 4200	4100	4050	4260

Technical Analysis (Guar Gum)

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

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	8020	7925	8349	8605	8690
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	August	<b>Sell</b>	Below 8400	8230	8125	8502

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	20th to 26th July 2019	13th to 19th July 2019	Change
Churi	Jodhpur	1766	1783	-18
Korma	Jodhpur	2369	2410	-41
Churi	Sri-Ganganagar	1565	1575	-10
Korma	Sri-Ganganagar	2194	2194	Unch

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	20th to 26th July 2019	13th to 19th July 2019	Change
Guargum Split		1252	1302	-51
Guargum Powder	200 Mesh 5000 CPS	1542	1593	-52
	200 Mesh 3500 CPS	1469	1521	-51
Guargum Meal	40%	348	349	-1
	50%	483	482	+1

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			20th to 26th July 2019	13th to 19th July 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4296	4433	-138
		Jodhpur(Delivery)	4511	4655	-144
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4029	4173	-144
		Sri-Ganganagar (Delivery)	4179	4323	-144
		Rawla (Loose)	4004	4128	-124
		Gharsana (Loose)	4038	4130	-92
		Raisinghnagar (Loose)	4006	4148	-143
	Bikaner	Bikaner (Loose)	4020	4149	-129
		Bikaner (Delivery)	4221	4357	-136
		Nokha(Loose)	4046	4163	-118
		Nokha (Delivery)	4248	4372	-123
		Khajuwala (Loose)	3997	4166	-169
		Khajuwala (Delivery)	4197	4374	-178
		Lunkaransar (Loose)	4008	4166	-158
	Hanumangarh	Hanumangarh (Loose)	3969	4073	-104
		Hanumangarh (Delivery)	4168	4277	-109
		Nohar (Loose)	4043	4137	-93



		Pilibanga (Loose)	3950	3931	19
	Nagaur	Nagaur (Loose)	4058	4110	-52
	Churu	Churu (Delivery)	4100	4150	-50
	Alwar	Alwar (Loose)	3900	3950	-50
Haryana	Hisar	Adampur (Loose)	4058	4150	-92
		Adampur (Delivery)	4261	4358	-96
	Bhiwani	Bhiwani (Delivery)	4225	4326	-101
		Siwani (Loose)	4176	4276	-100
	Sirsa	Sirsa (Loose)	4056	4116	-60
		Dhabwali (Loose)	4032	4104	-73
		Dhabwali (Delivery)	4233	4309	-76
		Ellanabad (Loose)	3975	4090	-115
	Fatehabad	Fatehabad (Loose)	3960	3975	-15
Gujarat	Banaskantha	Deesa (Loose)	3913	3975	-63
	Patan	Patan (Loose)	3903	3977	-74
	Rajkot	Rajkot (Loose)	3920	3993	-73
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8663	8983	-321
	Alwar	Alwar	8600	8900	-300
	Hanumangarh	Nohar	8850	8983	-133
Haryana	Bhiwani	Bhiwani	8777	9008	-232
	Sirsa	Sirsa	8517	8930	-413
		Dhabwali	8583	8967	-383
		Ellanabad	8613	8980	-368
	Fatehabad	Fatehabad	8615	8903	-288

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			26-Jul-19	19-Jul-19	26-Jun-19	26-Jul-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4200	4400	4275	4100
		Jodhpur(Delivery)	4410	4620	4489	4305
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4000	4150	4100	3925
		Sri-Ganganagar (Delivery)	4150	4300	4250	NA
		Rawla (Loose)	NA	4100	4020	3850
		Gharsana (Loose)	NR	4070	4000	3860
		Raisinghnagar (Loose)	3950	4100	4100	3980
	Bikaner	Bikaner (Loose)	4000	4125	4020	3900



		Bikaner (Delivery)	4200	4331	4221	4095
		Nokha(Loose)	4000	4125	4100	3970
		Nokha (Delivery)	4200	4331	4305	4169
		Khajuwala (Loose)	3970	4100	4040	3900
		Khajuwala (Delivery)	4169	4305	4242	4095
		Lunkaransar (Loose)	3900	4100	4050	3900
	Hanumangarh	Hanumangarh (Loose)	3950	4000	4000	3880
		Hanumangarh (Delivery)	4148	4200	4200	4074
		Nohar (Loose)	4000	4100	4060	3950
		Pilibanga (Loose)	NR	3950	4000	NA
	Nagaur	Nagaur (Loose)	4000	4100	4000	3850
	Churu	Churu (Delivery)	4100	NR	NR	4050
	Alwar	Alwar (Loose)	3900	NR	NR	3750
Haryana	Hisar	Adampur (Loose)	4024	4125	4125	3900
		Adampur (Delivery)	4225	4331	4331	4095
	Bhiwani	Bhiwani (Delivery)	4225	4300	4200	4100
		Siwani (Loose)	4175	4250	4200	4050
	Sirsa	Sirsa (Loose)	4010	4075	4050	3910
		Dhabwali (Loose)	4040	4025	4000	3880
		Dhabwali (Delivery)	4242	4226	4200	4074
		Ellanabad (Loose)	NA	4000	4000	3925
	Fatehabad	Fatehabad (Loose)	NA	3900	3950	3850
Gujarat	Banaskantha	Deesa (Loose)	3950	3925	3900	NA
	Patan	Patan (Loose)	3875	3975	4105	NA
	Rajkot	Rajkot (Loose)	3900	4030	4000	NA
	Jamnagar	Dhrol (Loose)	NA	NA	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8400	8900	8550	8750
	Alwar	Alwar	8600	NR	NR	8750
	Hanumangarh	Nohar	8800	8900	8800	9000
Haryana	Bhiwani	Bhiwani	8770	9000	8500	9200
	Sirsa	Sirsa	8350	8800	8550	8650
		Dhabwali	8500	8800	8500	8650
		Ellanabad	NA	8800	8650	8800
	Fatehabad	Fatehabad	NA	8800	8500	8650

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			20th to 26th July 2019	13th to 19th July 2019	
Rajasthan	Jodhpur	Jodhpur	102	127	-25
	Sri-Ganganagar	Sri-Ganganagar	1800	2000	-200
		Rawla	206	460	-254
		Gharsana	406	354	52
		Raisinghnagar	950	1900	-950
	Bikaner	Bikaner	490	1250	-760
		Nokha	850	1350	-500
		Khajuwala	270	470	-200
		Lunkaransar	620	900	-280
	Hanumangarh	Hanumangarh	130	105	25
		Nohar	650	550	100
		Pilibanga	65	99	-34
	Nagaur	Nagaur	725	575	150
	Churu	Churu	30	600	-570
	Alwar	Alwar	70	299	-229
Haryana	Hisar	Adampur	2950	3100	-150
	Bhiwani	Bhiwani	2100	3200	-1100
		Siwani	4200	5700	-1500
	Sirsa	Sirsa	4000	2800	1200
		Dhabwali	150	420	-270
		Ellanabad	230	425	-195
	Fatehabad	Fatehabad	NA	240	-
Gujarat	Banaskantha	Deesa	157	395	-238
	Patan	Patan	200	165	35
	Rajkot	Rajkot	162	196	-34
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			21513	27680	-6167

**Disclaimer**

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.