



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 3.11 percent to Rs. 3768.27 per quintal during the week ended 31st July 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3889.16 per quintal during 16-23 July 2019. As compared to prices in the week 24-31 July 2018, the prices are weak by 0.55 percent. Prices are expected to remain steady to weak in coming days.

Guar is likely to remain weak due to low export demand and rains in major sowing districts of Rajasthan. Guar future September contract touched a high of Rs 4400.00 per quintal before closing at Rs 4358.50 per quintal. Prices are likely to remain steady to weak and touch Rs 4200-4210 per quintal in the week.

As per latest update, area sown in Rajasthan until 01st August 2019 is 1788.6 thousand hectares compared to of 2612.30 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.

According to latest update, area sown in Gujarat until 29th July 2019 is 52706 hectares compared to 63245 hectares in the previous Kharif season. Area of guar is expected to be lower this season as farmers are shifting to other crops like cotton and castor as it is fetching more returns.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 942 as on 02nd August 2019 down by 4 compared to 26th July 2019 and by 102 compared to 03rd August 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 higher arrivals (4200 quintals) compared to previous week arrivals of 2950 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:

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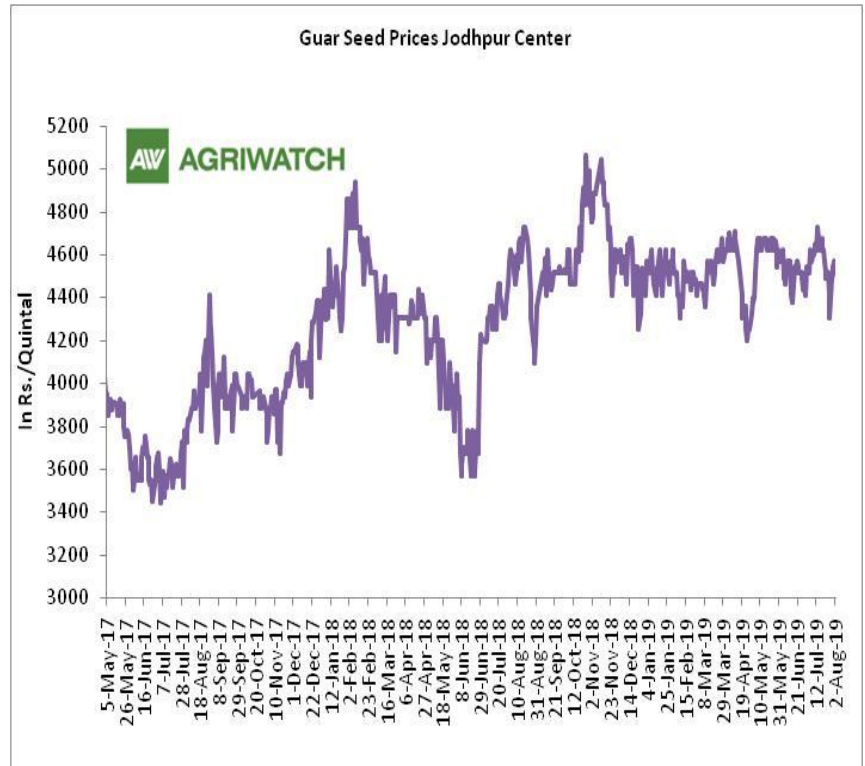
Weekly Call- : Market participants are advised to sell Guar seed at 4370 levels for a target of 4235 with a stop loss at 4451 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 02nd August, Guar seed weekly average prices decreased by Rs 21.88/-qtl and settled at Rs 4489 per quintal.
- In addition, Guar gum weekly price decreased by Rs 116.67 per quintal and settled at Rs 8546 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 545kg/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.

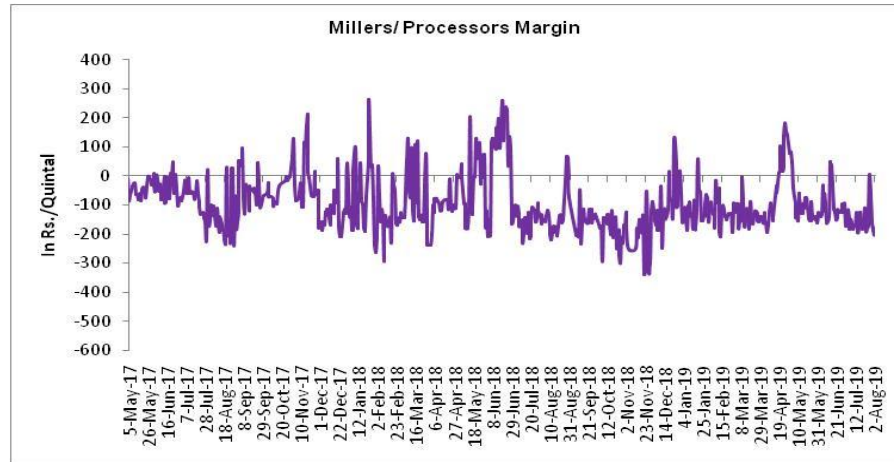


Millers/Processors Margin

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In the week ended 02nd Aug'19, average crush margin was Rs.-146.74/Quintal, compared to last week -153.27/Quintal. Therefore, crushing is not favorable for Millers/Processors.

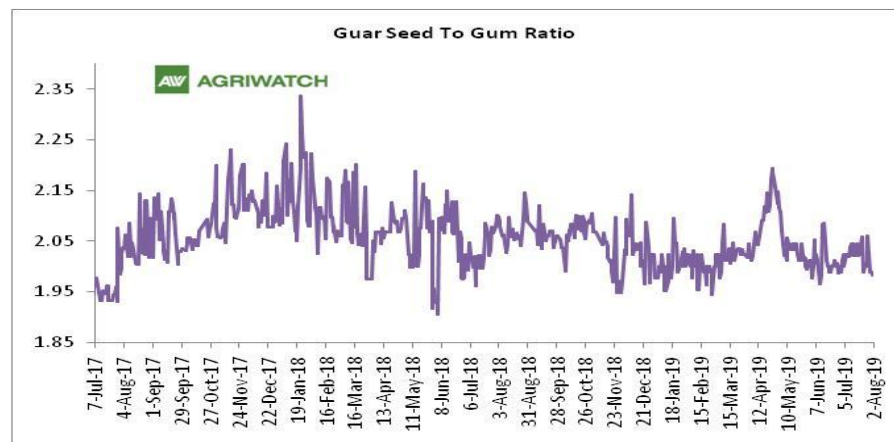
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 02nd Aug'19 is 2.00, lower compared to last week's 2.02

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: September

Exchange: NCDEX
Expiry: September 20, 2019



Technical Commentary:

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

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	September	4100	4070	4358.50	4520	4575
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	September	Sell	Below 4370	4235	4150	4451

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: September

Exchange: NCDEX
Expiry: September 20, 2019



Technical Commentary:

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

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	September	8270	8225	8595	8825	8895
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	September	Sell	Below 8620	8455	8340	8719

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	27th July to 02nd Aug 2019	20th to 26th July 2019	Change
Churi	Jodhpur	1792	1766	26
Korma	Jodhpur	2394	2369	25
Churi	Sri-Ganganagar	1572	1565	7
Korma	Sri-Ganganagar	2188	2194	-6

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	27th July to 02nd Aug 2019	20th to 26th July 2019	Change
Guargum Split		1249	1252	-3
Guargum Powder	200 Mesh 5000 CPS	1539	1542	-3
	200 Mesh 3500 CPS	1466	1469	-3
Guargum Meal	40%	350	348	+2
	50%	478	483	-5

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			27th July to 02nd Aug 2019	20th to 26th July 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4275	4296	-21
		Jodhpur(Delivery)	4489	4511	-22
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4038	4029	8
		Sri-Ganganagar (Delivery)	4188	4179	8
		Rawla (Loose)	3988	4004	-17
		Gharsana (Loose)	3996	4038	-43
		Raisinghnagar (Loose)	4058	4006	53
	Bikaner	Bikaner (Loose)	4043	4020	23
		Bikaner (Delivery)	4246	4221	25
		Nokha(Loose)	4065	4046	19
		Nokha (Delivery)	4268	4248	20
		Khajuwala (Loose)	4055	3997	58
		Khajuwala (Delivery)	4258	4197	61
		Lunkaransar (Loose)	4040	4008	33
	Hanumangarh	Hanumangarh (Loose)	4038	3969	69
		Hanumangarh (Delivery)	4240	4168	73
		Nohar (Loose)	4033	4043	-10

		Pilibanga (Loose)	3992	3950	42
	Nagaur	Nagaur (Loose)	4063	4058	4
	Churu	Churu (Delivery)	4083	4100	-17
	Alwar	Alwar (Loose)	3904	3900	4
Haryana	Hisar	Adampur (Loose)	4055	4058	-3
		Adampur (Delivery)	4258	4261	-3
	Bhiwani	Bhiwani (Delivery)	4241	4225	16
		Siwani (Loose)	4205	4176	29
	Sirsa	Sirsa (Loose)	4069	4056	13
		Dhabwali (Loose)	3990	4032	-42
		Dhabwali (Delivery)	4190	4233	-44
		Ellanabad (Loose)	4005	3975	30
	Fatehabad	Fatehabad (Loose)	3980	3960	20
Gujarat	Banaskantha	Deesa (Loose)	3938	3913	25
	Patan	Patan (Loose)	3890	3903	-13
	Rajkot	Rajkot (Loose)	3943	3920	23
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8546	8663	-117
	Alwar	Alwar	8533	8600	-67
	Hanumangarh	Nohar	8833	8850	-17
Haryana	Bhiwani	Bhiwani	8648	8777	-128
	Sirsa	Sirsa	8475	8517	-42
		Dhabwali	8500	8583	-83
		Ellanabad	8583	8613	-29
	Fatehabad	Fatehabad	8520	8615	-95

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			2-Aug-19	26-Jul-19	3-Jul-19	2-Aug-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4300	4200	4300	4400
		Jodhpur(Delivery)	4515	4410	4515	4620
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4000	4000	4070	4150
		Sri-Ganganagar (Delivery)	4150	4150	4220	4300
		Rawla (Loose)	4000	NA	4045	4120
		Gharsana (Loose)	NR	NR	NR	4130
		Raisinghnagar (Loose)	4100	3950	4050	4200
	Bikaner	Bikaner (Loose)	4030	4000	4060	4250

		Bikaner (Delivery)	4232	4200	4263	4463
		Nokha(Loose)	4115	4000	4125	4225
		Nokha (Delivery)	4321	4200	4331	4436
		Khajuwala (Loose)	4000	3970	Closed	4170
		Khajuwala (Delivery)	4200	4169	Closed	4379
		Lunkaransar (Loose)	4050	3900	4100	4200
	Hanumangarh	Hanumangarh (Loose)	4080	3950	4000	4150
		Hanumangarh (Delivery)	4284	4148	4200	4358
		Nohar (Loose)	4100	4000	4020	4200
		Pilibanga (Loose)	NR	3935	NR	NR
	Nagaur	Nagaur (Loose)	4025	4000	4050	4100
	Churu	Churu (Delivery)	4100	4050	4200	4400
	Alwar	Alwar (Loose)	3900	3850	3900	4000
Haryana	Hisar	Adampur (Loose)	4050	4024	4080	4200
		Adampur (Delivery)	4253	4225	4284	4410
	Bhiwani	Bhiwani (Delivery)	4200	4225	4250	4400
		Siwani (Loose)	4200	4175	4200	4300
	Sirsa	Sirsa (Loose)	4050	4010	4090	4165
		Dhabwali (Loose)	3900	4040	3950	4120
		Dhabwali (Delivery)	4095	4242	4148	4326
		Ellanabad (Loose)	4000	NA	4000	4125
	Fatehabad	Fatehabad (Loose)	4000	NA	4000	4200
Gujarat	Banaskantha	Deesa (Loose)	3950	3950	3925	NA
	Patan	Patan (Loose)	3890	3875	3885	4050
	Rajkot	Rajkot (Loose)	3945	3900	3965	4100
	Jamnagar	Dhrol (Loose)	NA	NA	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8550	8400	8700	9700
	Alwar	Alwar	8550	8450	8700	9400
	Hanumangarh	Nohar	8900	8800	8700	9600
Haryana	Bhiwani	Bhiwani	8500	8770	8570	9800
	Sirsa	Sirsa	8500	8350	8600	9600
		Dhabwali	8500	8500	8600	9500
		Ellanabad	8650	NA	8650	9650
	Fatehabad	Fatehabad	8500	NA	8625	9480

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			27th July to 02nd Aug 2019	20th to 26th July 2019	
Rajasthan	Jodhpur	Jodhpur	45	102	-57
	Sri-Ganganagar	Sri-Ganganagar	1500	1800	-300
		Rawla	140	206	-66
		Gharsana	187	406	-219
		Raisinghnagar	1150	950	200
	Bikaner	Bikaner	350	490	-140
		Nokha	1050	850	200
		Khajuwala	400	270	130
		Lunkaransar	810	620	190
	Hanumangarh	Hanumangarh	65	130	-65
		Nohar	500	650	-150
		Pilibanga	160	65	95
	Nagaur	Nagaur	510	725	-215
	Churu	Churu	120	30	90
	Alwar	Alwar	105	70	35
Haryana	Hisar	Adampur	4200	2950	1250
	Bhiwani	Bhiwani	1900	2100	-200
		Siwani	3100	4200	-1100
	Sirsa	Sirsa	5500	4000	1500
		Dhabwali	280	150	130
		Ellanabad	385	230	155
	Fatehabad	Fatehabad	20	NA	-
Gujarat	Banaskantha	Deesa	50	157	-107
	Patan	Patan	121	200	-79
	Rajkot	Rajkot	209	162	47
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			22857	21513	1344

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