



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 2.60 percent to Rs. 3866.20 per quintal during the week 08th August 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3768.27 per quintal during 24-31 July 2019. As compared to prices in the week 01-08 August 2018, the prices are weak by 0.91 percent. Prices are expected to remain steady to firm in coming days.

Guar is likely to remain firm due to lower sowing and good export demand. 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 firm and touch Rs 4440-4450 per quintal in the week.

As per latest update, area sown in Rajasthan until 08th August 2019 is 2424.20 thousand hectares compared to of 2806.9 thousand hectares for 2018 Kharif season. Area of guar is expected to be slightly lower this season as farmers are shifting to crops that are more remunerative.

As per latest update, exporters in India are trying to increase their exports to Argentina. India is the largest producer of guar in the world. Argentina has recently approved sanitary and phyto-sanitary protocol for guar as well as millets. Argentina is planning to replace sand water with guar, which is used in oil and gas drilling. In the month of June'19, India exported around 17823 tonnes of guar gum of which only 362 tonnes was exported to Argentina.

According to latest update, area sown in Gujarat until 05th August 2019 is 66718 hectares compared to 86338 hectares in the previous Kharif season. Area of guar is expected to be lower this season as farmers are shifting to more remunerative crops as it is fetching more returns.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (4550 quintals) compared to previous week arrivals of 4200 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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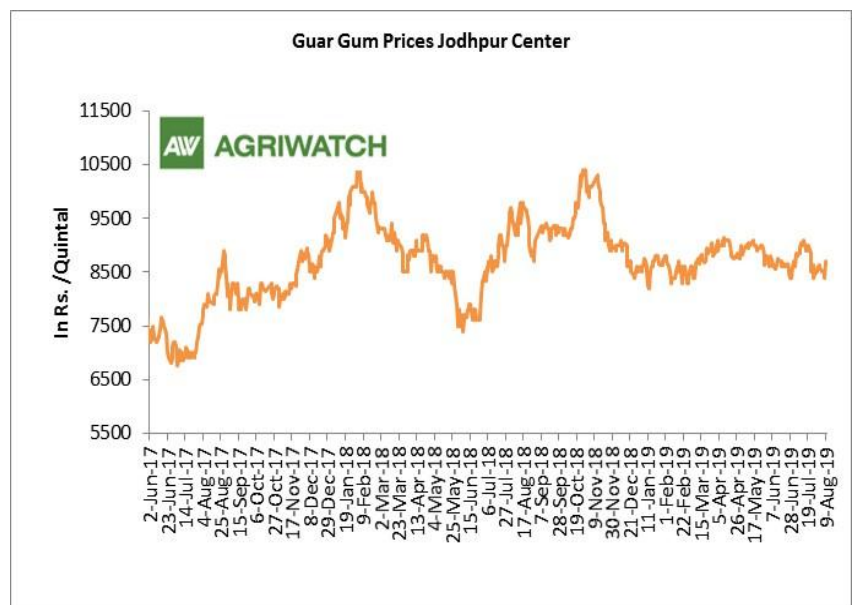
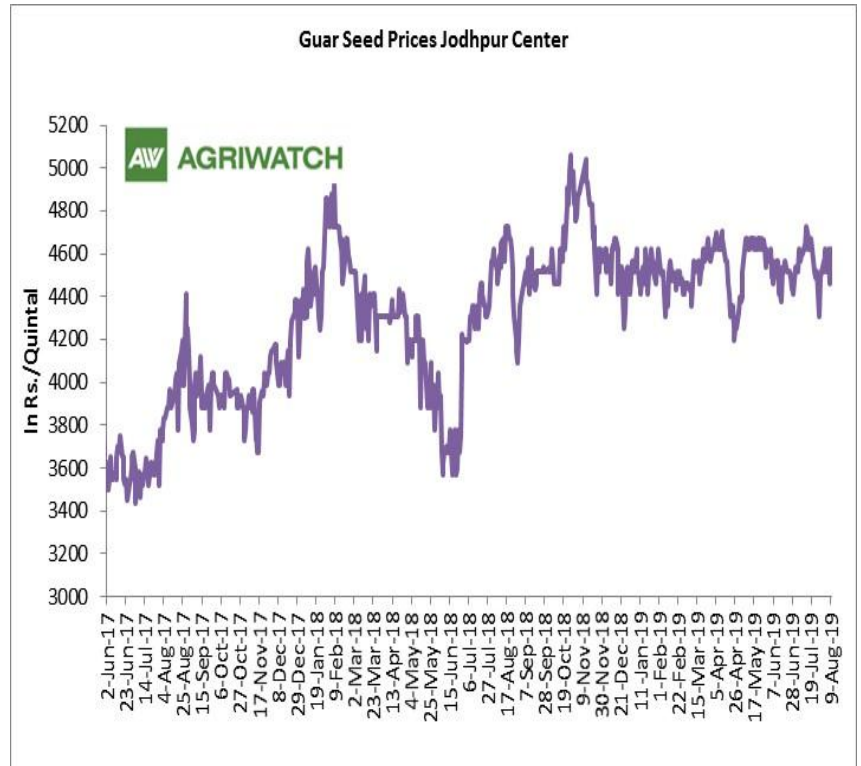
Weekly Call- : Market participants are advised to buy Guar seed at 4410 levels for a target of 4515 with a stop loss at 4347 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 09th August, Guar seed weekly average prices decreased by Rs 70.00/-qtl and settled at Rs 4559 per quintal.
- In addition, Guar gum weekly price decreased by Rs 20.83 per quintal and settled at Rs 8525 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.

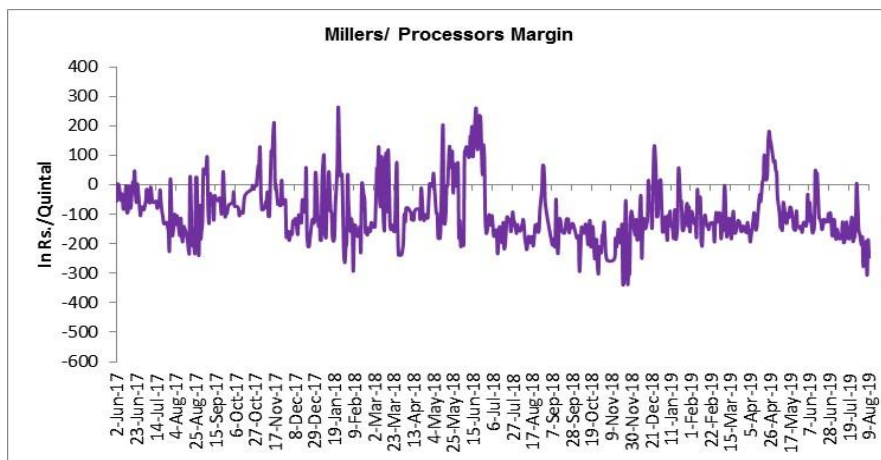


Millers/Processors Margin

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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.

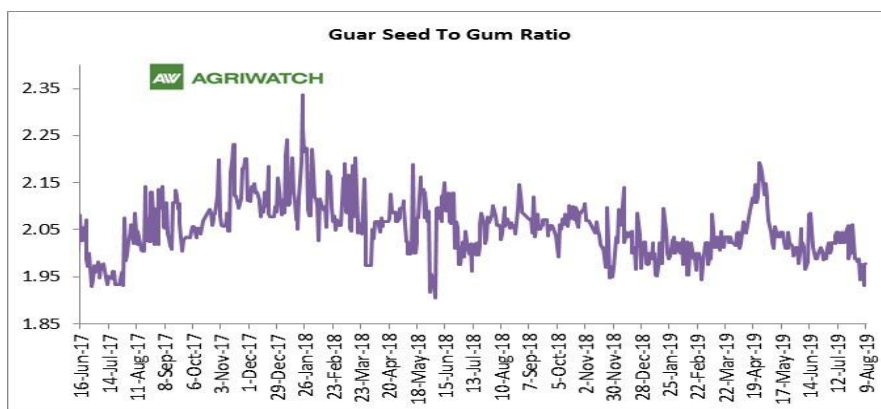
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 09th Aug'19 is 1.96, lower compared to last week's 2.00

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

Guar Seed (September Weekly Chart)



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: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	September	4280	4230	4423.50	4650	4695
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	September	Buy	Above 4410	4515	4580	4347



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: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	September	8270	8225	8746	8825	8895
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	September	Buy	Above 8720	8895	9010	8615

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	03rd to 09th Aug 2019	27th July to 02nd Aug 2019	Change
Churi	Jodhpur	1800	1792	8
Korma	Jodhpur	2344	2394	-50
Churi	Sri-Ganganagar	1557	1572	-15
Korma	Sri-Ganganagar	2125	2188	-63

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	03rd to 09th Aug 2019	27th July to 02nd Aug 2019	Change
Guargum Split		1212	1249	-37
Guargum Powder	200 Mesh 5000 CPS	1496	1539	-43
	200 Mesh 3500 CPS	1425	1466	-41
Guargum Meal	40%	352	350	2
	50%	456	478	-22

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			03rd to 09th Aug 2019	27th July to 02nd Aug 2019	
Guar Seed	Jodhpur	Jodhpur (Loose)	4342	4275	67
		Jodhpur(Delivery)	4559	4489	70
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4050	4038	13
		Sri-Ganganagar (Delivery)	4200	4188	13
		Rawla (Loose)	4002	3988	14
		Gharsana (Loose)	3990	3996	-6
		Raisinghnagar (Loose)	4100	4058	42
	Bikaner	Bikaner (Loose)	4043	4043	Unch
		Bikaner (Delivery)	4246	4246	Unch
		Nokha(Loose)	4002	4065	-63
		Nokha (Delivery)	4202	4268	-66
		Khajuwala (Loose)	4058	4055	3
		Khajuwala (Delivery)	4261	4258	4
		Lunkaransar (Loose)	4066	4040	26
	Hanumangarh	Hanumangarh (Loose)	4102	4038	63
		Hanumangarh (Delivery)	4307	4240	67
		Nohar (Loose)	4034	4033	1

		Pilibanga (Loose)	3966	3992	-26
	Nagaur	Nagaur (Loose)	4033	4063	-30
	Churu	Churu (Delivery)	4117	4083	33
	Alwar	Alwar (Loose)	3873	3904	-31
Haryana	Hisar	Adampur (Loose)	4048	4055	-8
		Adampur (Delivery)	4250	4258	-8
	Bhiwani	Bhiwani (Delivery)	4237	4241	-4
		Siwani (Loose)	4171	4205	-34
	Sirsa	Sirsa (Loose)	4055	4069	-14
		Dhabwali (Loose)	3908	3990	-82
		Dhabwali (Delivery)	4104	4190	-86
		Ellanabad (Loose)	4000	4005	-5
	Fatehabad	Fatehabad (Loose)	3925	3980	-55
Gujarat	Banaskantha	Deesa (Loose)	3900	3938	-38
	Patan	Patan (Loose)	3899	3890	9
	Rajkot	Rajkot (Loose)	3938	3943	-5
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8525	8546	-21
	Alwar	Alwar	8508	8533	-25
	Hanumangarh	Nohar	8883	8833	50
Haryana	Bhiwani	Bhiwani	8540	8648	-108
	Sirsa	Sirsa	8475	8475	Unch
		Dhabwali	8483	8500	-17
		Ellanabad	8580	8583	-3
	Fatehabad	Fatehabad	8507	8520	-13

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			9-Aug-19	2-Aug-19	9-Jul-19	9-Aug-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4400	4300	4380	4375
		Jodhpur(Delivery)	4620	4515	4599	4594
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4150	4000	4150	4050
		Sri-Ganganagar (Delivery)	4300	4150	4300	4200
		Rawla (Loose)	4070	4000	4075	4070
		Gharsana (Loose)	NR	NR	4135	4100
		Raisinghnagar (Loose)	4100	4100	4150	4100
	Bikaner	Bikaner (Loose)	4150	4030	4140	4100

		Bikaner (Delivery)	4358	4232	4347	4305
		Nokha(Loose)	4080	4115	4120	4170
		Nokha (Delivery)	4284	4321	4326	4379
		Khajuwala (Loose)	4070	4000	4110	4130
		Khajuwala (Delivery)	4274	4200	4316	4337
		Lunkaransar (Loose)	4200	4050	4150	4200
	Hanumangarh	Hanumangarh (Loose)	4200	4080	4020	4070
		Hanumangarh (Delivery)	4410	4284	4221	4274
		Nohar (Loose)	4120	4100	4100	4120
		Pilibanga (Loose)	NR	NR	3750	NR
	Nagaur	Nagaur (Loose)	4020	4025	4100	4000
	Churu	Churu (Delivery)	4200	4100	NR	4350
	Alwar	Alwar (Loose)	3900	3900	3925	4100
Haryana	Hisar	Adampur (Loose)	4100	4050	4100	4250
		Adampur (Delivery)	4305	4253	4305	4463
	Bhiwani	Bhiwani (Delivery)	4325	4200	4300	4375
		Siwani (Loose)	4250	4200	4240	4290
	Sirsa	Sirsa (Loose)	4100	4050	4100	4200
		Dhabwali (Loose)	3950	3900	4070	4100
		Dhabwali (Delivery)	4148	4095	4274	4305
		Ellanabad (Loose)	4100	4000	4100	4070
	Fatehabad	Fatehabad (Loose)	3900	4000	4000	4150
Gujarat	Banaskantha	Deesa (Loose)	3875	3950	3900	NA
	Patan	Patan (Loose)	NA	3890	3915	3900
	Rajkot	Rajkot (Loose)	3995	3945	4010	NA
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3760
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8700	8550	8850	9400
	Alwar	Alwar	8600	8550	NR	9500
	Hanumangarh	Nohar	9000	8900	8800	9400
Haryana	Bhiwani	Bhiwani	8730	8500	8800	9800
	Sirsa	Sirsa	8700	8500	8800	9350
		Dhabwali	8700	8500	8800	9500
		Ellanabad	8700	8650	9000	9400
	Fatehabad	Fatehabad	8700	8500	8800	9270

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			03rd to 09th Aug 2019	27th July to 02nd Aug 2019	
Rajasthan	Jodhpur	Jodhpur	112	45	67
	Sri-Ganganagar	Sri-Ganganagar	1650	1500	150
		Rawla	285	140	145
		Gharsana	94	187	-93
		Raisinghnagar	950	1150	-200
	Bikaner	Bikaner	855	350	505
		Nokha	650	1050	-400
		Khajuwala	950	400	550
		Lunkaransar	1450	810	640
	Hanumangarh	Hanumangarh	125	65	60
		Nohar	950	500	450
		Pilibanga	202	160	42
	Nagaur	Nagaur	460	510	-50
	Churu	Churu	1720	120	1600
	Alwar	Alwar	560	105	455
Haryana	Hisar	Adampur	4550	4200	350
	Bhiwani	Bhiwani	1500	1900	-400
		Siwani	3600	3100	500
	Sirsa	Sirsa	7400	5500	1900
		Dhabwali	170	280	-110
		Ellanabad	305	385	-80
	Fatehabad	Fatehabad	60	20	40
Gujarat	Banaskantha	Deesa	NA	50	-
	Patan	Patan	152	121	31
	Rajkot	Rajkot	566	209	357
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			29316	22857	6459

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