



Guar Weekly Research Report

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Executive Summary[\(Back to Table of Contents\)](#)**Domestic Guar Seed Market Summary**

All India weekly average prices increased by 0.83 percent to Rs. 3898.45 per quintal during the week ended 15th August 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3866.20 per quintal during 01-08 August 2019. As compared to prices in the week 09-15 August 2018, the prices are weak by 2.12 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 September contract touched a high of Rs 4471.00 per quintal before closing at Rs 4444.50 per quintal. Prices are likely to remain steady to weak and touch Rs 4350.00-4400.00 per quintal in the week.

The wholesale price index of guar seed has decreased from 98.50 in June -2019 to 97.3 in July- 2019. The WPI for July 2019 is up by 4.7 compared to last year for the same month and by 20.5 compared to July 2017. WPI is expected to stay slightly firm in August'19.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 935 as on 16th August 2019 up by 1 compared to 09th August 2019 and down by 122 compared to 17th August 2018. The total number of oilrigs was recorded at 2238 worldwide in July'19 compared to 2251 in the same month last year. 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 (3900 quintals) compared to previous week arrivals of 4550 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals (150 quintals) compared to previous week arrivals of 850 quintals.

Previous Updates:

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.

According to latest update, area sown in Gujarat until 13th August 2019 is 96547 hectares compared to 93005 hectares in the previous Kharif season. The last three year average normal area for guar seed in Gujarat is 186650 hectares.

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.

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

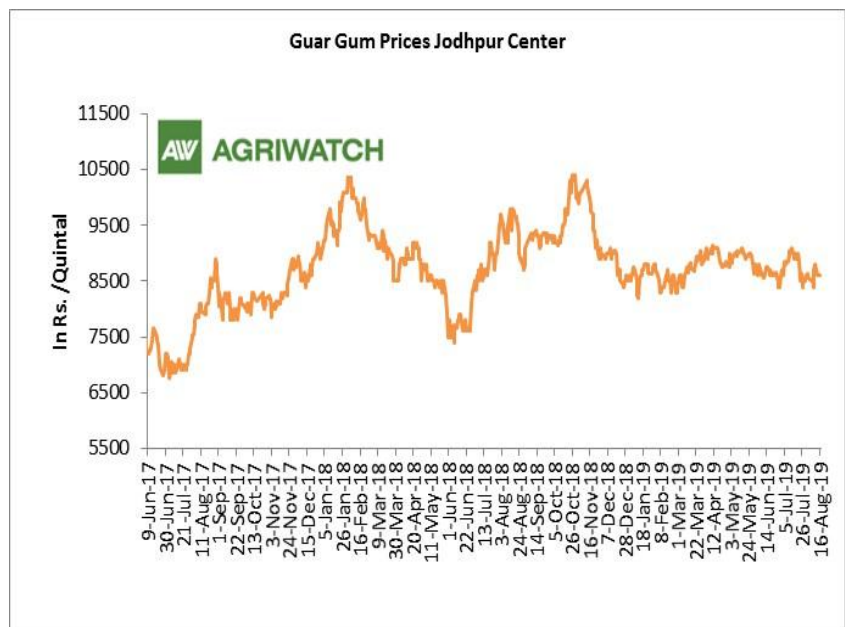
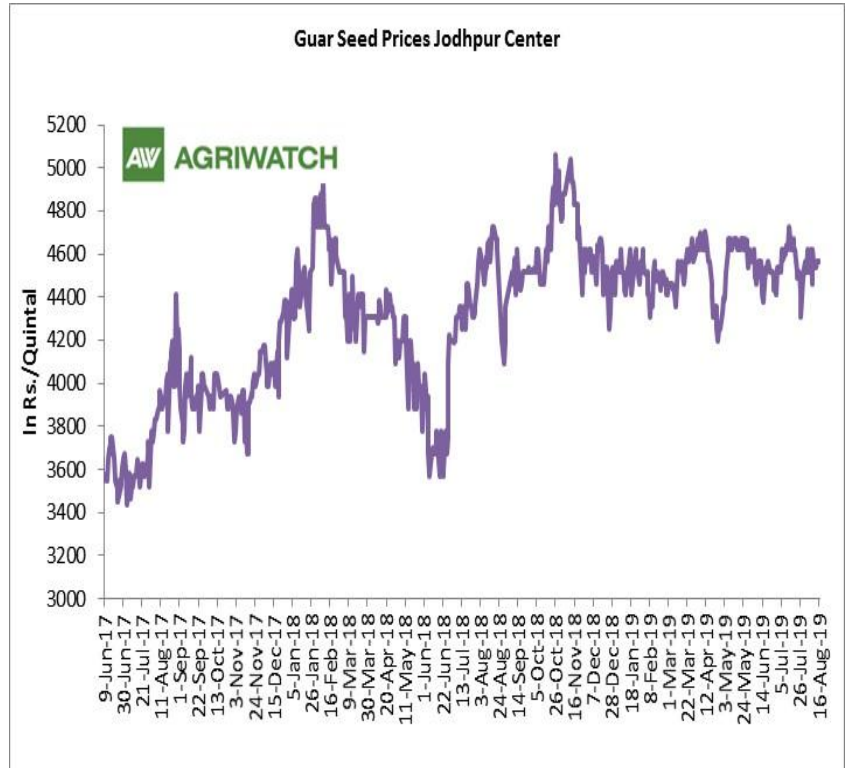
Weekly Call- : Market participants are advised to sell Guar seed at 4465 levels for a target of 4350 with a stop loss at 4534 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 16th August, Guar seed weekly average prices increased by Rs 2.19/-qtl and settled at Rs 4561 per quintal.
- In addition, Guar gum weekly price increased by Rs 125.00 per quintal and settled at Rs 8650 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 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.

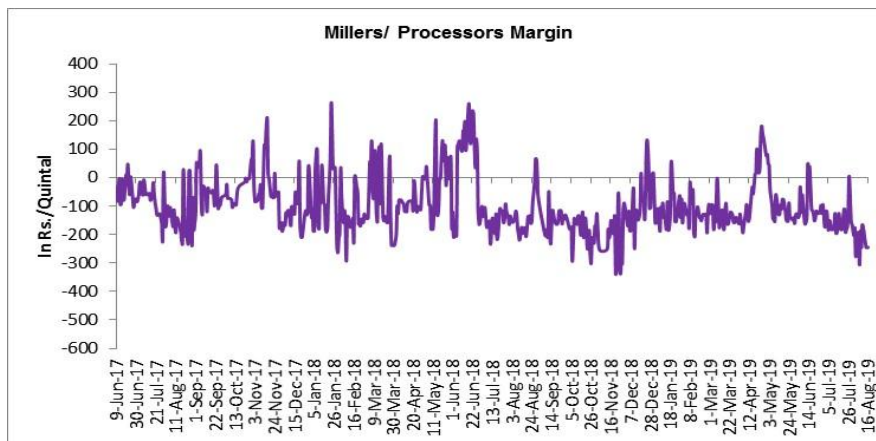


Millers/Processors Margin

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In the week ended 16th Aug'19, average crush margin was Rs.-220.25/Quintal, compared to last week -233.70/Quintal. Therefore, crushing is not favorable for Millers/Processors.

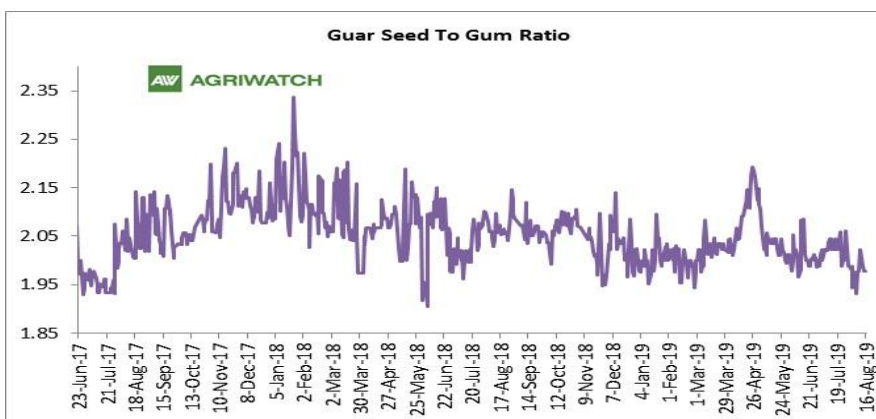
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 16th Aug'19 is 1.99, higher compared to last week's 1.96

Overall, buoyant demand of gum from overseas and good demand of seed from millers has increased 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 fall in open interest indicates short covering.
- 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	4230	4190	4444.50	4650	4710
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	September	Sell	Below 4465	4350	4285	4534

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: September

Exchange: NCDEX
Expiry: September 20, 2019



Technical Commentary:

- Fall in price and rise in open interest indicates short 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	8250	8185	8637	8915	8990
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	September	Sell	Below 8675	8470	8340	8801

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	10th to 16th Aug 2019	03rd to 09th Aug 2019	Change
Churi	Jodhpur	1780	1800	-20
Korma	Jodhpur	2303	2344	-41
Churi	Sri-Ganganagar	1575	1557	19
Korma	Sri-Ganganagar	2093	2125	-32

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	10th to 16th Aug 2019	03rd to 09th Aug 2019	Change
Guargum Split		1226	1212	14
Guargum Powder	200 Mesh 5000 CPS	1507	1496	11
	200 Mesh 3500 CPS	1437	1425	12
Guargum Meal	40%	337	352	-15
	50%	450	456	-7

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			10th to 16th Aug 2019	03rd to 09th Aug 2019	
Guar Seed	Jodhpur	Jodhpur (Loose)	4344	4342	2
		Jodhpur(Delivery)	4561	4559	2
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4110	4050	60
		Sri-Ganganagar (Delivery)	4260	4200	60
		Rawla (Loose)	4050	4002	48
		Gharsana (Loose)	NR	3990	-
		Raisinghnagar (Loose)	4103	4100	3
	Bikaner	Bikaner (Loose)	4082	4043	38
		Bikaner (Delivery)	4286	4246	40
		Nokha(Loose)	4070	4002	68
		Nokha (Delivery)	4274	4202	71
		Khajuwala (Loose)	4110	4058	52
		Khajuwala (Delivery)	4316	4261	54
		Lunkaransar (Loose)	4118	4066	52
	Hanumangarh	Hanumangarh (Loose)	4067	4102	-35
		Hanumangarh (Delivery)	4270	4307	-37
		Nohar (Loose)	4080	4034	46

		Pilibanga (Loose)	3995	3966	29
	Nagaur	Nagaur (Loose)	4079	4033	46
	Churu	Churu (Delivery)	4170	4117	53
	Alwar	Alwar (Loose)	3890	3873	17
Haryana	Hisar	Adampur (Loose)	4093	4048	46
		Adampur (Delivery)	4298	4250	48
	Bhiwani	Bhiwani (Delivery)	4242	4237	5
		Siwani (Loose)	4201	4171	30
	Sirsa	Sirsa (Loose)	4105	4055	50
		Dhabwali (Loose)	4025	3908	117
		Dhabwali (Delivery)	4226	4104	123
		Ellanabad (Loose)	4040	4000	40
	Fatehabad	Fatehabad (Loose)	3906	3925	-19
Gujarat	Banaskantha	Deesa (Loose)	3875	3900	-25
	Patan	Patan (Loose)	3907	3899	8
	Rajkot	Rajkot (Loose)	3960	3938	23
	Jamnagar	Dhrol (Loose)	4110	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8650	8525	125
	Alwar	Alwar	8583	8508	75
	Hanumangarh	Nohar	8950	8883	67
Haryana	Bhiwani	Bhiwani	8667	8540	127
	Sirsa	Sirsa	8620	8475	145
		Dhabwali	8640	8483	157
		Ellanabad	8660	8580	80
	Fatehabad	Fatehabad	8597	8507	90

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			16-Aug-19	9-Aug-19	16-Jul-19	16-Aug-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4350	4400	4400	4500
		Jodhpur(Delivery)	4568	4620	4620	4725
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4150	4150	4170	4250
		Sri-Ganganagar (Delivery)	4300	4300	4320	4400
		Rawla (Loose)	4080	4070	4120	4150
		Gharsana (Loose)	NR	NR	4115	4210
		Raisinghnagar (Loose)	4150	4100	4200	4250
	Bikaner	Bikaner (Loose)	Closed	4150	4150	4200

		Bikaner (Delivery)	Closed	4358	4358	4410
		Nokha(Loose)	4100	4080	4150	4280
		Nokha (Delivery)	4305	4284	4358	4494
		Khajuwala (Loose)	4200	4070	NR	4200
		Khajuwala (Delivery)	4410	4274	NR	4410
		Lunkaransar (Loose)	4150	4200	4200	4200
	Hanumangarh	Hanumangarh (Loose)	4000	4200	4100	4300
		Hanumangarh (Delivery)	4200	4410	4305	4515
		Nohar (Loose)	4100	4120	4150	4350
		Pilibanga (Loose)	NR	NR	NR	NR
	Nagaur	Nagaur (Loose)	4080	4020	4150	4150
	Churu	Churu (Delivery)	NR	4200	NA	4450
	Alwar	Alwar (Loose)	NR	3900	NR	4150
Haryana	Hisar	Adampur (Loose)	4100	4100	4125	4270
		Adampur (Delivery)	4305	4305	4331	4484
	Bhiwani	Bhiwani (Delivery)	4300	4325	4335	4500
		Siwani (Loose)	4210	4250	4270	4425
	Sirsa	Sirsa (Loose)	4075	4100	NA	4250
		Dhabwali (Loose)	3950	3950	4100	4200
		Dhabwali (Delivery)	4148	4148	4305	4410
		Ellanabad (Loose)	4100	4100	4100	4250
	Fatehabad	Fatehabad (Loose)	3925	3900	4000	4250
Gujarat	Banaskantha	Deesa (Loose)	Closed	3875	Closed	4000
	Patan	Patan (Loose)	NA	NA	Closed	4055
	Rajkot	Rajkot (Loose)	4020	3995	NR	4025
	Jamnagar	Dhrol (Loose)	4110	NA	NA	3620
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8600	8700	9000	9800
	Alwar	Alwar	NR	8600	NR	9400
	Hanumangarh	Nohar	9000	9000	9000	9800
Haryana	Bhiwani	Bhiwani	8950	8730	9000	9900
	Sirsa	Sirsa	8525	8700	NA	9650
		Dhabwali	8600	8700	9000	9600
		Ellanabad	8650	8700	9000	9800
	Fatehabad	Fatehabad	8600	8700	8950	9600

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			10th to 16th Aug 2019	03rd to 09th Aug 2019	
Rajasthan	Jodhpur	Jodhpur	146	112	34
	Sri-Ganganagar	Sri-Ganganagar	1100	1650	-550
		Rawla	170	285	-115
		Gharsana	NR	94	-
		Raisinghnagar	400	950	-550
	Bikaner	Bikaner	150	855	-705
		Nokha	250	650	-400
		Khajuwala	1200	950	250
		Lunkaransar	700	1450	-750
	Hanumangarh	Hanumangarh	50	125	-75
		Nohar	570	950	-380
		Pilibanga	29	202	-173
	Nagaur	Nagaur	370	460	-90
	Churu	Churu	850	1720	-870
	Alwar	Alwar	300	560	-260
Haryana	Hisar	Adampur	3900	4550	-650
	Bhiwani	Bhiwani	1000	1500	-500
		Siwani	3100	3600	-500
	Sirsa	Sirsa	5800	7400	-1600
		Dhabwali	220	170	50
		Ellanabad	245	305	-60
	Fatehabad	Fatehabad	NA	60	-
Gujarat	Banaskantha	Deesa	10	NA	-
	Patan	Patan	84	152	-68
	Rajkot	Rajkot	109	566	-457
	Jamnagar	Dhrol	2	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			20755	29316	-8561

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