



# 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 0.69 percent to Rs. 3871.58 per quintal during the week ended 23rd August 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3898.45 per quintal during 09-15 August 2019. As compared to prices in the week 16-23 August 2018, the prices are weak by 3.92 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 low of Rs 4244.00 per quintal before closing at Rs 4305.00 per quintal. Prices are likely to remain steady to weak and touch Rs 4230.00-4250.00 per quintal in the week.

As per trade sources, export of guar split has decreased in the month of July-19. Exports in the month of July-19 are down by around 52.01% compared to previous month. India exported around 2380 tonnes of guar split in the month of July-19 at an average FoB of \$ 1408.92 per tonne. Of the total quantity, around 2220 tonnes have been exported to China.

As per latest update, area sown in Rajasthan until 22nd August 2019 is 2756.40 thousand hectares compared to of 2732.0 thousand hectares for 2018 Kharif season. Area of guar is expected to be slightly lower than target of 3100 thousand hectares this season as farmers are shifting to crops that are more remunerative.

According to latest update, area sown in Gujarat until 19th August 2019 is 105281 hectares compared to 96668 hectares in the previous Kharif season. Area of guar is expected to be lower this season compared to normal as farmers are shifting to more remunerative crops.

As per latest update, area sown in Haryana until 13th August 2019 is 205.01 thousand hectares compared to of 254.07 thousand hectares for 2018 Kharif season. Area of guar is expected to be lower this season as farmers are shifting to more remunerative crops. However lower sowing is not able to provide support to prices due to weak demand.

As per trade sources, export of guar gum has increased in the month of July-19 by 52.45 percent compared to previous month. India exported around 27172 tonnes of guar gum at an average FoB of \$ 1808.10 per tonne in the month of June-19 compared to 17823 tonnes in June-19 at an average FoB of \$ 1880.33 per tonne. Exports are expected to remain at slightly higher in August-19.

**Previous Updates:**

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.

**Recommendation:**
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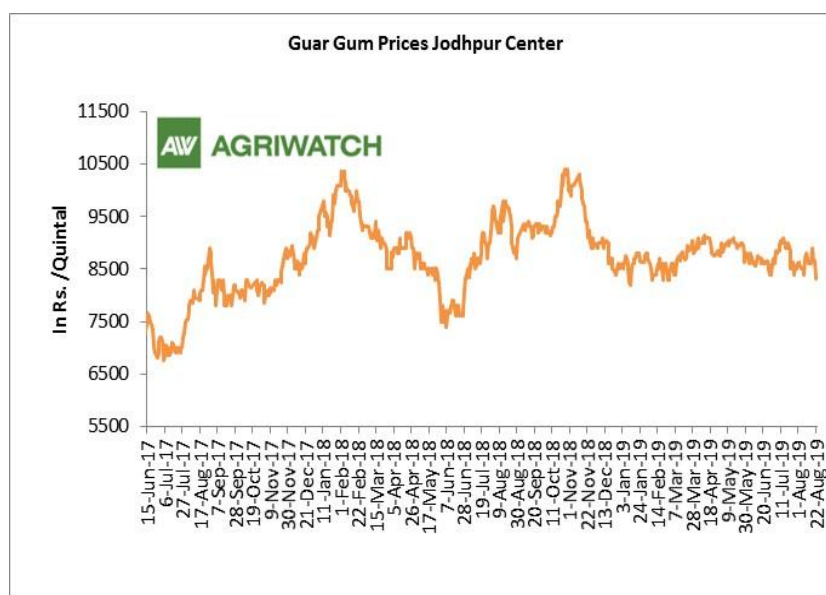
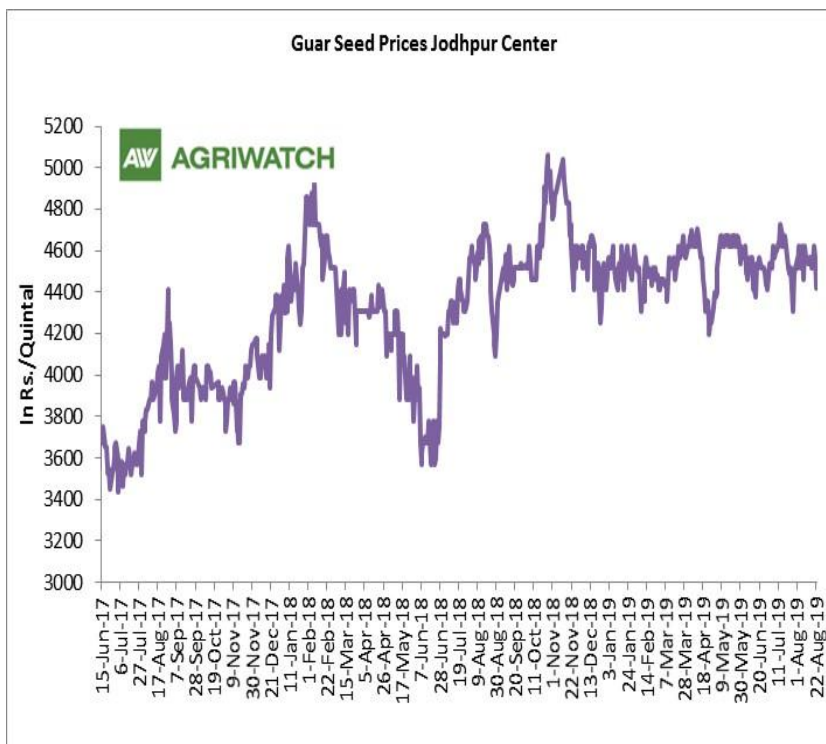
**Weekly Call- : Market participants are advised to sell Guar seed at 4405 levels for a target of 4250 with a stop loss at 4498 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 22<sup>nd</sup> August, Guar seed weekly average prices decreased by Rs 28.09/-qtl and settled at Rs 4533 per quintal.
- In addition, Guar gum weekly price decreased by Rs 15.00 per quintal and settled at Rs 8635 per quintal. Weak demand for guar gum from domestic as well as overseas market kept prices at lower side in previous week.
- According to fourth advance estimate for 2018-19, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 135060 hectares, 76020 tonnes and 562.85 kg/hectare respectively. As per third 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.
- According to fourth advance estimate for 2018-19, issued by Rajasthan's Department of Agriculture for Guar seed, the area, production and yield are 3087789 hectares, 1031427 tonnes and 334 kg/hectare respectively. As per 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.

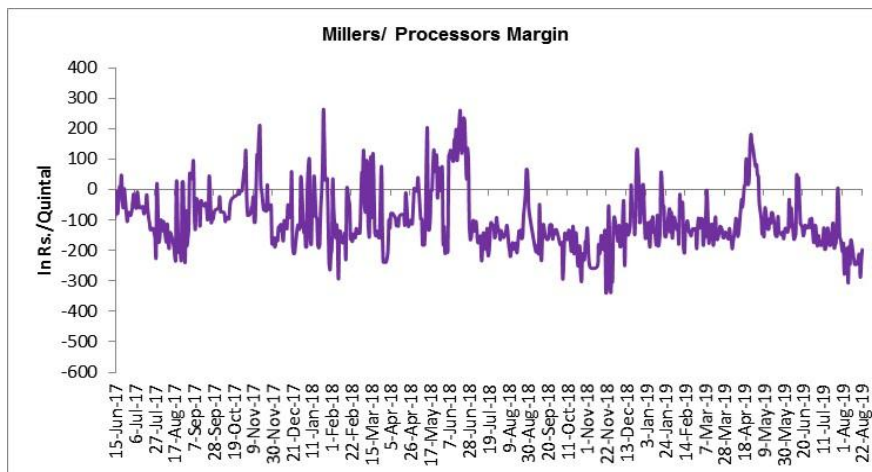


#### Millers/Processors Margin

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In the week ended 22<sup>nd</sup> Aug'19, average crush margin was Rs.-234.53/Quintal, compared to last week -220.25/Quintal. Therefore, crushing is not favorable for Millers/Processors.

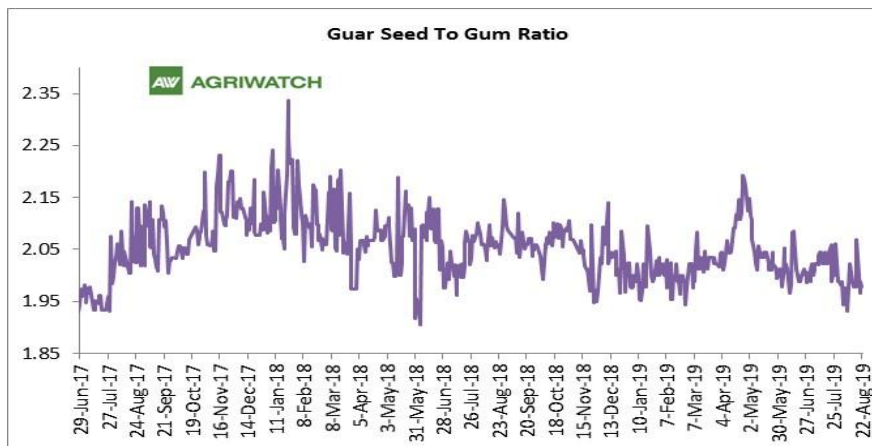
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



#### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 22<sup>nd</sup> Aug'19 is 2.00, higher compared to last week's 1.99

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:**

- Fall in price and open interest indicates long liquidation.
- RSI is moving in oversold region.
- Prices closed above 9 and 18 day EMAs.

**Strategy: Sell**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	September	4120	4080	4305	4550	4590
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	September	<b>Sell</b>	Below 4405	4250	4170	4498

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 open interest indicates long liquidation.
- RSI is moving in oversold region.
- Prices closed below 9 and 18 day EMAs.

**Strategy: Sell**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	September	8050	8000	8405	8655	8710
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	September	<b>Sell</b>	Below 8425	8220	8110	8551

### Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	17th to 23rd Aug 2019	10th to 16th Aug 2019	Change
Churi	Jodhpur	1775	1780	-5
Korma	Jodhpur	2225	2303	-78
Churi	Sri-Ganganagar	1556	1575	-19
Korma	Sri-Ganganagar	2125	2093	32

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	17th to 23rd Aug 2019	10th to 16th Aug 2019	Change
Guargum Split		1223	1226	-3
Guargum Powder	200 Mesh 5000 CPS	1503	1507	-4
	200 Mesh 3500 CPS	1433	1437	-4
Guargum Meal	40%	349	337	12
	50%	454	450	5

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			17th to 23rd Aug 2019	10th to 16th Aug 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4293	4344	-51
		Jodhpur(Delivery)	4507	4561	-54
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4100	4110	-10
		Sri-Ganganagar (Delivery)	4250	4260	-10
		Rawla (Loose)	4065	4050	15
		Gharsana (Loose)	4027	NR	-
		Raisinghnagar (Loose)	4075	4103	-28
	Bikaner	Bikaner (Loose)	4072	4082	-10
		Bikaner (Delivery)	4275	4286	-11
		Nokha(Loose)	4112	4070	42
		Nokha (Delivery)	4317	4274	44
		Khajuwala (Loose)	4115	4110	5
		Khajuwala (Delivery)	4321	4316	5
		Lunkaransar (Loose)	4073	4118	-45
	Hanumangarh	Hanumangarh (Loose)	4023	4067	-44
		Hanumangarh (Delivery)	4224	4270	-46
		Nohar (Loose)	4090	4080	10



		Pilibanga (Loose)	3893	3995	-102
	Nagaur	Nagaur (Loose)	4037	4079	-42
	Churu	Churu (Delivery)	4130	4170	-40
	Alwar	Alwar (Loose)	3880	3890	-10
Haryana	Hisar	Adampur (Loose)	4051	4093	-42
		Adampur (Delivery)	4253	4298	-44
	Bhiwani	Bhiwani (Delivery)	4200	4242	-42
		Siwani (Loose)	4172	4201	-29
	Sirsa	Sirsa (Loose)	4043	4105	-62
		Dhabwali (Loose)	3962	4025	-63
		Dhabwali (Delivery)	4160	4226	-67
		Ellanabad (Loose)	4003	4040	-37
	Fatehabad	Fatehabad (Loose)	3929	3906	23
Gujarat	Banaskantha	Deesa (Loose)	4000	3875	125
	Patan	Patan (Loose)	3938	3907	32
	Rajkot	Rajkot (Loose)	3980	3960	20
	Jamnagar	Dhrol (Loose)	4210	4110	100
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8563	8650	-88
	Alwar	Alwar	8550	8583	-33
	Hanumangarh	Nohar	8892	8950	-58
Haryana	Bhiwani	Bhiwani	8506	8667	-161
	Sirsa	Sirsa	8500	8620	-120
		Dhabwali	8525	8640	-115
		Ellanabad	8538	8660	-123
	Fatehabad	Fatehabad	8533	8597	-63

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			23-Aug-19	16-Aug-19	23-Jul-19	23-Aug-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4170	4350	4275	4300
		Jodhpur(Delivery)	4379	4568	4489	4515
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4000	4150	4000	4100
		Sri-Ganganagar (Delivery)	4150	4300	4150	4250
		Rawla (Loose)	NR	4080	3980	4200
		Gharsana (Loose)	NR	NR	3989	4000
		Raisinghnagar (Loose)	3980	4150	4000	4175
	Bikaner	Bikaner (Loose)	3980	Closed	4020	4080



		Bikaner (Delivery)	4179	Closed	4221	4284
		Nokha(Loose)	4050	4100	4025	4150
		Nokha (Delivery)	4253	4305	4226	4358
		Khajuwala (Loose)	4030	4200	3980	4190
		Khajuwala (Delivery)	4232	4410	4179	4400
		Lunkaransar (Loose)	4025	4150	4000	4100
	Hanumangarh	Hanumangarh (Loose)	4100	4000	3950	4120
		Hanumangarh (Delivery)	4305	4200	4148	4326
		Nohar (Loose)	4070	4100	4000	4165
		Pilibanga (Loose)	NR	NR	3950	NR
	Nagaur	Nagaur (Loose)	4000	4080	4050	4150
	Churu	Churu (Delivery)	4100	NR	NR	4300
	Alwar	Alwar (Loose)	3850	NR	NR	4050
Haryana	Hisar	Adampur (Loose)	4010	4100	4040	4080
		Adampur (Delivery)	4211	4305	4242	4284
	Bhiwani	Bhiwani (Delivery)	4150	4300	4170	4250
		Siwani (Loose)	4150	4210	4150	4200
	Sirsa	Sirsa (Loose)	4040	4075	4000	4100
		Dhabwali (Loose)	3970	3950	4000	4050
		Dhabwali (Delivery)	4169	4148	4200	4253
		Ellanabad (Loose)	3950	4100	3950	4050
	Fatehabad	Fatehabad (Loose)	3900	3925	3950	4060
Gujarat	Banaskantha	Deesa (Loose)	NA	Closed	3875	NA
	Patan	Patan (Loose)	3870	NA	3940	4025
	Rajkot	Rajkot (Loose)	Closed	4020	3910	3970
	Jamnagar	Dhrol (Loose)	NA	4110	NA	3770
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8200	8600	8500	9300
	Alwar	Alwar	8350	NR	NR	9200
	Hanumangarh	Nohar	8850	9000	8800	9300
Haryana	Bhiwani	Bhiwani	8500	8950	8680	9650
	Sirsa	Sirsa	8350	8525	8400	9200
		Dhabwali	8400	8600	8500	9300
		Ellanabad	8425	8650	8550	9300
	Fatehabad	Fatehabad	8370	8600	8500	9200

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			17th to 23rd Aug 2019	10th to 16th Aug 2019	
Rajasthan	Jodhpur	Jodhpur	108	146	-38
	Sri-Ganganagar	Sri-Ganganagar	1700	1100	600
		Rawla	200	170	30
		Gharsana	10	NR	-
		Raisinghnagar	950	400	550
	Bikaner	Bikaner	1150	150	1000
		Nokha	900	250	650
		Khajuwala	600	1200	-600
		Lunkaransar	1600	700	900
	Hanumangarh	Hanumangarh	145	50	95
		Nohar	920	570	350
		Pilibanga	54	29	25
	Nagaur	Nagaur	260	370	-110
	Churu	Churu	1700	850	850
	Alwar	Alwar	900	300	600
Haryana	Hisar	Adampur	4000	3900	100
	Bhiwani	Bhiwani	1600	1000	600
		Siwani	3200	3100	100
	Sirsa	Sirsa	7500	5800	1700
		Dhabwali	630	220	410
		Ellanabad	300	245	55
	Fatehabad	Fatehabad	230	NA	-
Gujarat	Banaskantha	Deesa	NA	10	-
	Patan	Patan	193	84	109
	Rajkot	Rajkot	501	109	392
	Jamnagar	Dhrol	1	2	-1
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			29352	20755	8597

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