



## 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 2.16 percent to Rs. 3756.09 per quintal during the week ended 08<sup>th</sup> September 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3839.01 per quintal during 24-31 August 2019. As compared to prices in the week 01-08 September 2018, the prices are weak by 3.13 percent. Prices are expected to remain steady to weak in coming days.

Guar is likely to remain weak due to good production for MY 2019-20 and low export demand. Guar future October contract touched a low of Rs 4083.00 per quintal before closing at Rs 4120.50 per quintal. Prices are likely to remain steady to weak and touch Rs 4000.00-4050.00 per quintal in the week.

As per latest update, area sown in Rajasthan until 05<sup>th</sup> September 2019 is 3032.80 thousand hectares compared to of 3065.80 thousand hectares for 2018 Kharif season. Area of guar is slightly lower than target of 3100 thousand hectares this season as farmers are shifting to more remunerative crops.

As per latest update, area sown in Haryana until 27<sup>th</sup> August 2019 is 2.05 lakh hectares compared to of 2.54 lakh 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 latest update, some of the mandis remained closed in the past week as they were protesting against government's decision to charge 2 percent TDS for withdrawal of more than Rs 1 crore.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 898 as on 06<sup>th</sup> September 2019 down by 6 compared to 30<sup>th</sup> August 2019 and down by 150 compared to 07<sup>th</sup> September 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.

**Previous Updates:**

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 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.

**Recommendation:**

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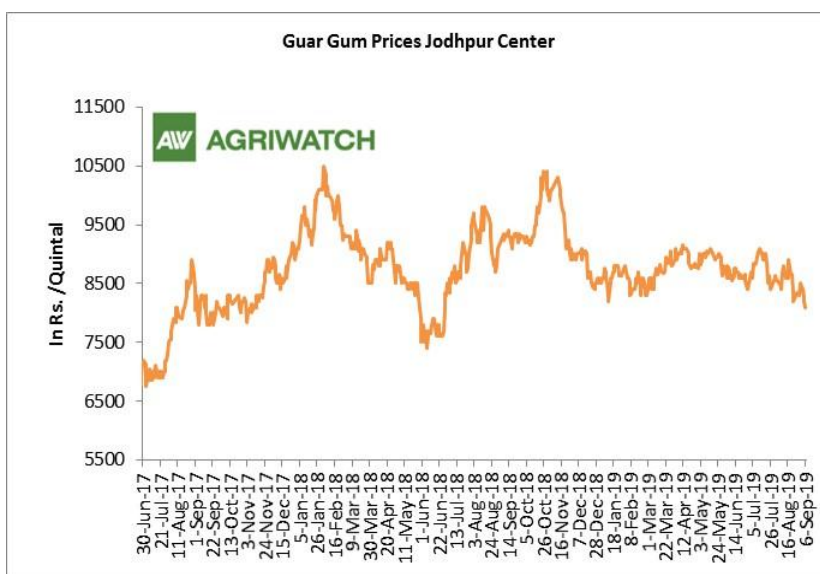
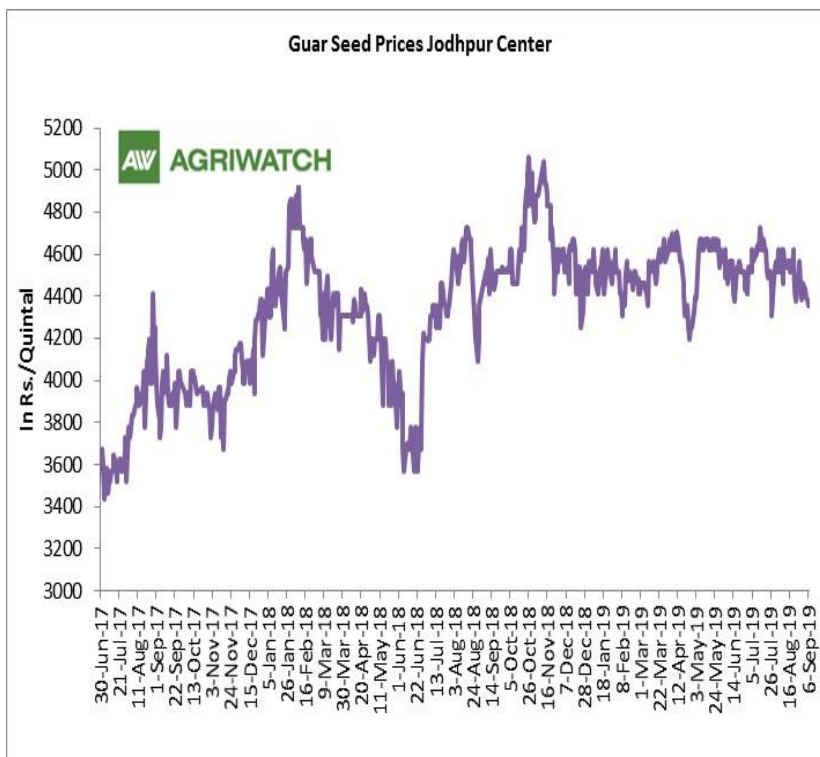
**Weekly Call- : Market participants are advised to sell Guar seed at 4230 levels for a target of 4125 with a stop loss at 4293 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 06<sup>th</sup> September, Guar seed weekly average prices decreased by Rs 42.00/-qtl and settled at Rs 4411 per quintal.
- In addition, Guar gum weekly price increased by Rs 4.17 per quintal and settled at Rs 8317 per quintal. Firm demand for guar gum from domestic as well as overseas market kept prices at higher 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.

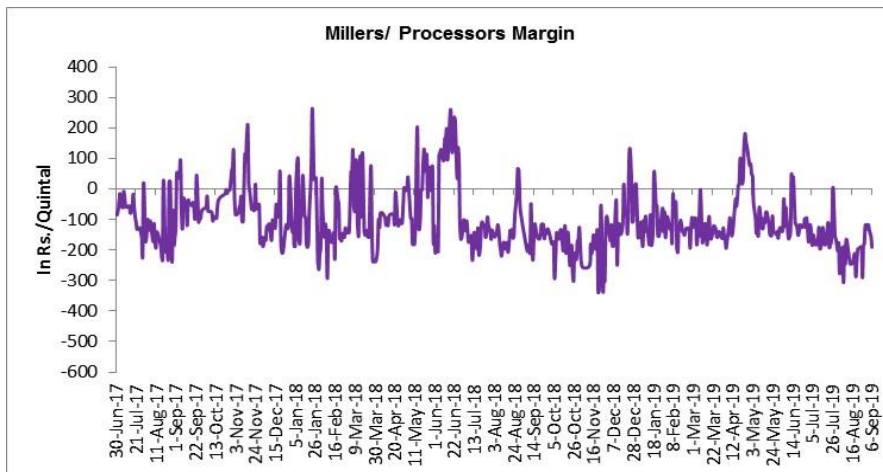


### Millers/Processors Margin

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In the week ended 06<sup>th</sup> Sept'19, average crush margin was Rs.-144.69/Quintal, compared to last week -193.02/Quintal. Therefore, crushing is not favorable for Millers/Processors.

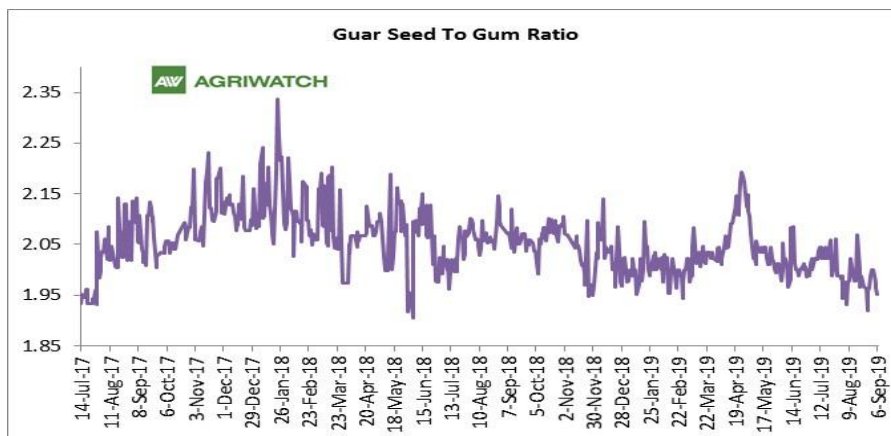
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 06<sup>th</sup> Sept'19 is 1.98, 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)
01-08 July -2019	7738.15	1702.39
09-16 July -2019	6426.05	1772.46
17-23 July -2019	5888.32	1642.93
24-31 July -2019	7120.42	1727.63
Total	27172.94	

Source: Trade

Technical Analysis (Guar Seed)

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Commodity: Guar Seed

Contract: October

Exchange: NCDEX

Expiry: October 18, 2019

**Guar Seed (October Weekly Chart)**



**Technical Commentary:**

- Fall in price and rise in open interest indicates short buildup.
- 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 Seed	NCDEX	October	3980	3735	4120.5	4375	4435
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	<b>Sell</b>	Below 4230	4125	4040	4293

Technical Analysis (Guar Gum)

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Commodity: Guar Gum  
Contract: October

Exchange: NCDEX  
Expiry: October 18, 2019



**Technical Commentary:**

- Fall in price and rise in open interest indicates short buildup.
- 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	October	7780	7720	8143	8400	8455
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	<b>Sell</b>	Below 8170	7965	7855	8296

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	31st Aug to 06th Sep 2019	26th to 30th Aug 2019	Change
Churi	Jodhpur	1829	1840	-11
Korma	Jodhpur	2338	2325	13
Churi	Sri-Ganganagar	1672	1688	-17
Korma	Sri-Ganganagar	2132	2152	-21

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	31st Aug to 06th Sep 2019	26th to 30th Aug 2019	Change
Guargum Split		1168	1186	-17
Guargum Powder	200 Mesh 5000 CPS	1446	1465	-18
	200 Mesh 3500 CPS	1377	1395	-18
Guargum Meal	40%	348	349	-1
	50%	431	432	-1

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
			31st Aug to 06th Sep 2019	26th to 30th Aug 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4201	4255	-54
		Jodhpur(Delivery)	4411	4468	-57
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4000	4020	-20
		Sri-Ganganagar (Delivery)	4150	4170	-20
		Rawla (Loose)	3865	3979	-114
		Gharsana (Loose)	3930	3920	10
		Raisinghnagar (Loose)	3900	3960	-60
	Bikaner	Bikaner (Loose)	3907	4002	-95
		Bikaner (Delivery)	4102	4202	-100
		Nokha(Loose)	4038	4070	-33
		Nokha (Delivery)	4239	4274	-34
		Khajuwala (Loose)	3933	4021	-88
		Khajuwala (Delivery)	4130	4222	-92
		Lunkaransar (Loose)	3945	4000	-55
	Hanumangarh	Hanumangarh (Loose)	3788	3875	-88
		Hanumangarh (Delivery)	3977	4069	-92
		Nohar (Loose)	4000	3990	10



		Pilibanga (Loose)	3700	3725	-25
	Nagaur	Nagaur (Loose)	3942	3951	-9
	Churu	Churu (Delivery)	4067	4146	-79
	Alwar	Alwar (Loose)	3820	3880	-60
Haryana	Hisar	Adampur (Loose)	3973	3998	-25
		Adampur (Delivery)	4172	4198	-26
	Bhiwani	Bhiwani (Delivery)	4091	4155	-64
		Siwani (Loose)	4073	4136	-63
	Sirsa	Sirsa (Loose)	3980	4024	-44
		Dhabwali (Loose)	3926	3974	-48
		Dhabwali (Delivery)	4122	4173	-51
		Ellanabad (Loose)	3963	4000	-38
	Fatehabad	Fatehabad (Loose)	3900	3915	-15
Gujarat	Banaskantha	Deesa (Loose)	3863	NA	-
	Patan	Patan (Loose)	3880	3850	30
	Rajkot	Rajkot (Loose)	3855	3860	-5
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8317	8335	-18
	Alwar	Alwar	8283	8390	-107
	Hanumangarh	Nohar	8800	8760	40
Haryana	Bhiwani	Bhiwani	8273	8368	-95
	Sirsa	Sirsa	8304	8375	-71
		Dhabwali	8304	8340	-36
		Ellanabad	8400	8470	-70
	Fatehabad	Fatehabad	8296	8339	-43

## Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			6-Sep-19	30-Aug-19	6-Aug-19	6-Sep-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4150	4175	4300	4150
		Jodhpur(Delivery)	4358	4384	4515	4358
	Sri-Ganganagar	Sri-Ganganagar(Loose)	Closed	4000	4050	4054
		Sri-Ganganagar (Delivery)	Closed	4150	4200	4204
		Rawla (Loose)	NR	NR	3980	4100
		Gharsana (Loose)	NR	NR	3980	4100
		Raisinghnagar (Loose)	3900	3850	4150	4150
	Bikaner	Bikaner (Loose)	3870	3980	4020	4154



		Bikaner (Delivery)	4064	4179	4221	4362
		Nokha(Loose)	3975	4050	4000	4100
		Nokha (Delivery)	4174	4253	4200	4305
		Khajuwala (Loose)	3900	4000	4060	4150
		Khajuwala (Delivery)	4095	4200	4263	4358
		Lunkaransar (Loose)	3900	3950	4030	4200
	Hanumangarh	Hanumangarh (Loose)	3750	3800	4100	Closed
		Hanumangarh (Delivery)	3938	3990	4305	Closed
		Nohar (Loose)	3950	4000	4050	Closed
		Pilibanga (Loose)	NR	NR	3990	NR
	Nagaur	Nagaur (Loose)	3950	3900	4025	4100
	Churu	Churu (Delivery)	4050	4080	4100	4400
	Alwar	Alwar (Loose)	3800	3830	3870	4100
Haryana	Hisar	Adampur (Loose)	3925	3970	4050	4150
		Adampur (Delivery)	4121	4169	4253	4358
	Bhiwani	Bhiwani (Delivery)	4025	4125	4250	4400
		Siwani (Loose)	4020	4080	4150	4350
	Sirsa	Sirsa (Loose)	3900	3990	4040	4220
		Dhabwali (Loose)	3850	3950	3900	4170
		Dhabwali (Delivery)	4043	4148	4095	4379
		Ellanabad (Loose)	3925	4000	3950	4200
	Fatehabad	Fatehabad (Loose)	3900	3900	3900	4250
Gujarat	Banaskantha	Deesa (Loose)	3900	NA	3875	NA
	Patan	Patan (Loose)	NA	NA	3930	NA
	Rajkot	Rajkot (Loose)	3840	NR	3915	NA
	Jamnagar	Dhrol (Loose)	NA	NA	NA	Closed
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8100	8300	8500	9100
	Alwar	Alwar	8200	8350	8500	9300
	Hanumangarh	Nohar	8800	8700	8900	Closed
Haryana	Bhiwani	Bhiwani	8050	8300	8500	9700
	Sirsa	Sirsa	8150	8300	8450	9500
		Dhabwali	8100	8300	8450	9450
		Ellanabad	8350	8400	8500	9550
	Fatehabad	Fatehabad	8100	8300	8460	9350

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			31st Aug to 06th Sep 2019	26th to 30th Aug 2019	
Rajasthan	Jodhpur	Jodhpur	34	21	13
	Sri-Ganganagar	Sri-Ganganagar	400	2000	-1600
		Rawla	45	125	-80
		Gharsana	4	163	-159
		Raisinghnagar	350	1250	-900
	Bikaner	Bikaner	350	950	-600
		Nokha	875	410	465
		Khajuwala	160	310	-150
		Lunkaransar	800	1250	-450
	Hanumangarh	Hanumangarh	75	220	-145
		Nohar	300	550	-250
		Pilibanga	25	44	-19
	Nagaur	Nagaur	55	110	-55
	Churu	Churu	500	1100	-600
	Alwar	Alwar	400	600	-200
Haryana	Hisar	Adampur	4800	4200	600
	Bhiwani	Bhiwani	1700	2000	-300
		Siwani	3300	3200	100
	Sirsa	Sirsa	7600	6700	900
		Dhabwali	800	900	-100
		Ellanabad	610	385	225
	Fatehabad	Fatehabad	300	180	120
Gujarat	Banaskantha	Deesa	10	NA	-
	Patan	Patan	33	6	27
	Rajkot	Rajkot	149	262	-113
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			23675	26936	-3261

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