



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 1.94 percent to Rs. 3828.95 per quintal during the week ended 15th September 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3756.09 per quintal during 01-18 September 2019. As compared to prices in the week 09-15 September 2018, the prices are weak by 2.24 percent. Prices are expected to remain steady to weak in coming days.

Guar seed October contract touched a low of Rs 4096.00 per quintal before closing at Rs 4131.00 per quintal. Guar prices are expected to remain weak in upcoming weeks due to low domestic as well as export demand. In case prices increase in near future traders are advised to sell as at higher prices stockiest will start off loading their old stock.

As per trade sources, export of guar gum has decreased in the month of August-19 by 30.31 percent compared to previous month. India exported around 18937 tonnes of guar gum at an average FoB of \$ 1729.66 per tonne in the month of July-19 compared to 27172 tonnes in June-19 at an average FoB of \$ 1808.10 per tonne. Exports are expected to remain at slightly higher in September-19.

As per trade sources, export of guar split has increased in the month of August-19. Exports in the month of August-19 are up by around 45.38% compared to previous month. India exported around 3460 tonnes of guar split in the month of August-19 at an average FoB of \$ 1331.88 per tonne. Of the total quantity, around 2940 tonnes have been exported to China.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 886 as on 13th September 2019 down by 12 compared to 06th September 2019 and down by 169 compared to 14th September 2018. The total number of oilrigs was recorded at 2206 worldwide in August'19 compared to 2206 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 latest update, area sown in Rajasthan until 05th 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 27th August 2019 is 2.05 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.

Recommendation:
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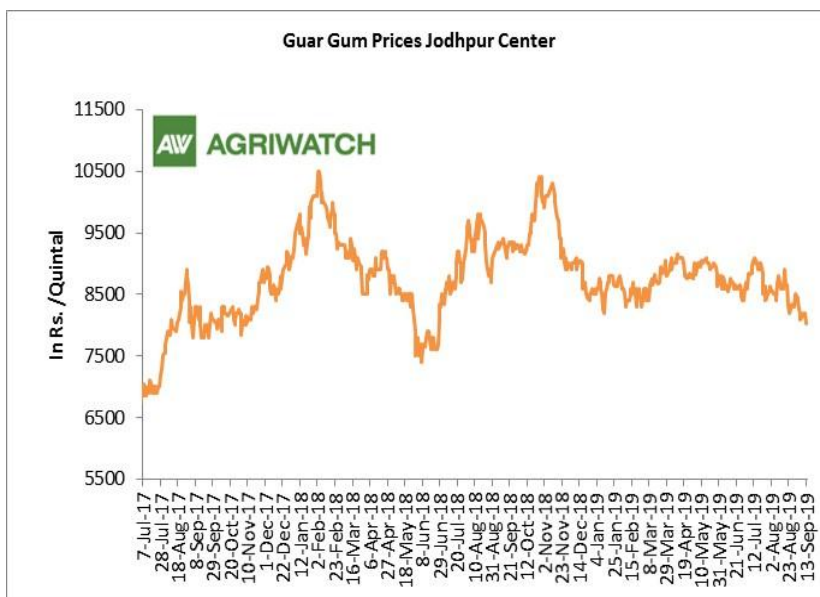
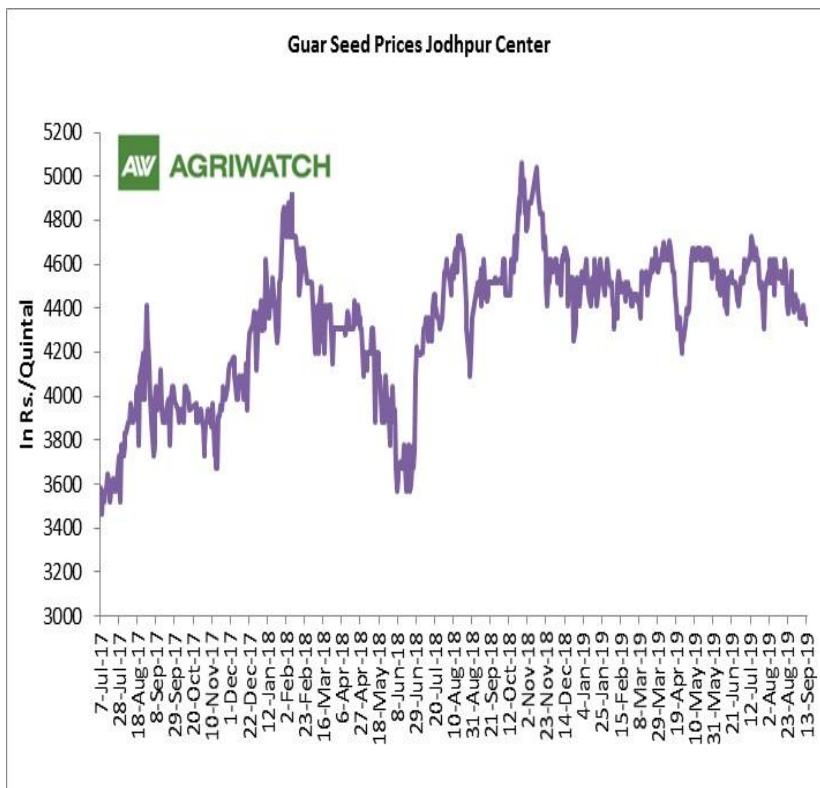
Weekly Call- : Market participants are advised to sell Guar seed at 4200 levels for a target of 4095 with a stop loss at 4263 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 13th September, Guar seed weekly average prices decreased by Rs 48.13.00/-qtl and settled at Rs 4363 per quintal.
- In addition, Guar gum weekly price increased by Rs 172.67 per quintal and settled at Rs 8144 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.

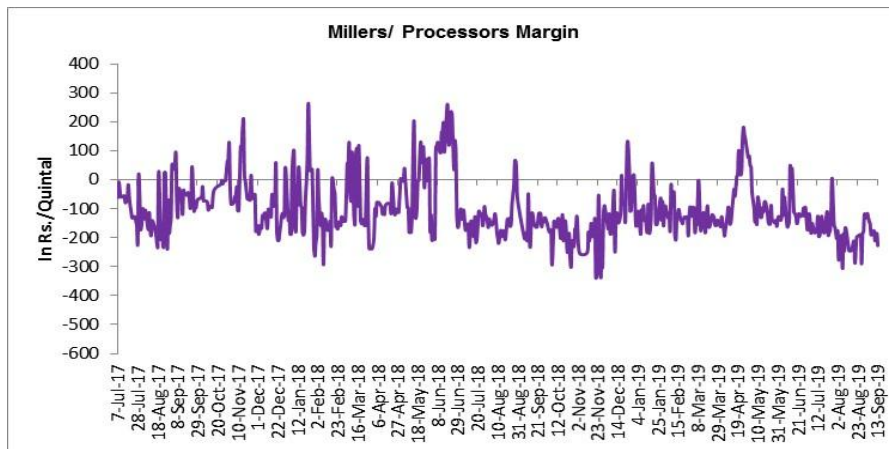


Millers/Processors Margin

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In the week ended 13th Sept'19, average crush margin was Rs.-199.67/Quintal, compared to last week -144.69/Quintal. Therefore, crushing is not favorable for Millers/Processors.

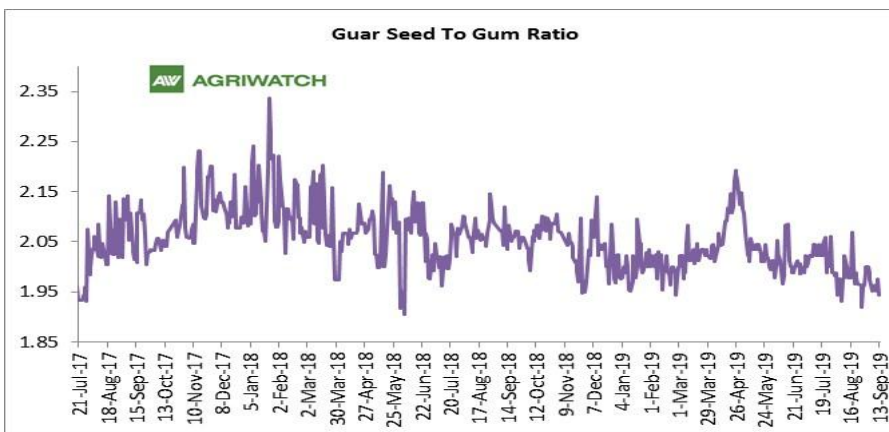
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 13th Sept'19 is 1.96, lower compared to last week's 1.98

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)
01-08 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

Technical Commentary:

- Rise in price and fall in open interest indicates short covering.
- 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 Seed	NCDEX	October	3950	3705	4131	4345	4405
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Sell	Below 4200	4095	4010	4263

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	7730	7670	8014	8350	8405
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Sell	Below 8120	7915	7805	8246

Guar Seed & Gum Prices at Key Spot Markets[\(Back to Table of Contents\)](#)

Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	07th to 13th Sep 2019	31st Aug to 06th Sep 2019	Change
Churi	Jodhpur	1758	1829	-71
Korma	Jodhpur	2307	2338	-31
Churi	Sri-Ganganagar	1575	1672	-96
Korma	Sri-Ganganagar	2103	2132	-29

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	07th to 13th Sep 2019	31st Aug to 06th Sep 2019	Change
Guargum Split		1146	1168	-23
Guargum Powder	200 Mesh 5000 CPS	1425	1446	-21
	200 Mesh 3500 CPS	1355	1377	-22
Guargum Meal	40%	356	348	9
	50%	433	431	2

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			07th to 13th Sep 2019	31st Aug to 06th Sep 2019	
Guar Seed	Jodhpur	Jodhpur (Loose)	4155	4201	-46
		Jodhpur(Delivery)	4363	4411	-48
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3925	4000	-75
		Sri-Ganganagar (Delivery)	4075	4150	-75
		Rawla (Loose)	3876	3865	11
		Gharsana (Loose)	3817	3930	-113
		Raisinghnagar (Loose)	3900	3900	Unch
	Bikaner	Bikaner (Loose)	3883	3907	-24
		Bikaner (Delivery)	4077	4102	-25
		Nokha(Loose)	3972	4038	-66
		Nokha (Delivery)	4170	4239	-69
		Khajuwala (Loose)	3924	3933	-9
		Khajuwala (Delivery)	4120	4130	-10
		Lunkaransar (Loose)	3983	3945	38
	Hanumangarh	Hanumangarh (Loose)	3858	3788	71
		Hanumangarh (Delivery)	4051	3977	74
		Nohar (Loose)	3941	4000	-59

		Pilibanga (Loose)	3765	3700	65
	Nagaur	Nagaur (Loose)	3951	3942	9
	Churu	Churu (Delivery)	4075	4067	8
	Alwar	Alwar (Loose)	3817	3820	-3
Haryana	Hisar	Adampur (Loose)	3902	3973	-72
		Adampur (Delivery)	4097	4172	-75
	Bhiwani	Bhiwani (Delivery)	4078	4091	-13
		Siwani (Loose)	4045	4073	-28
	Sirsa	Sirsa (Loose)	3881	3980	-99
		Dhabwali (Loose)	3858	3926	-68
		Dhabwali (Delivery)	4051	4122	-71
		Ellanabad (Loose)	3900	3963	-63
	Fatehabad	Fatehabad (Loose)	3900	3900	Unch
Gujarat	Banaskantha	Deesa (Loose)	3925	3863	63
	Patan	Patan (Loose)	NA	3880	-
	Rajkot	Rajkot (Loose)	3830	3855	-25
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8144	8317	-173
	Alwar	Alwar	8217	8283	-67
	Hanumangarh	Nohar	8550	8800	-250
Haryana	Bhiwani	Bhiwani	8153	8273	-121
	Sirsa	Sirsa	8100	8304	-204
		Dhabwali	8157	8304	-147
		Ellanabad	8225	8400	-175
	Fatehabad	Fatehabad	8168	8296	-128

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			13-Sep-19	6-Sep-19	13-Aug-19	13-Sep-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4125	4150	4325	4400
		Jodhpur(Delivery)	4331	4358	4541	4620
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3925	Closed	4050	4100
		Sri-Ganganagar (Delivery)	4075	Closed	4200	4250
		Rawla (Loose)	3890	NR	NR	4100
		Gharsana (Loose)	NR	NR	NR	4020
		Raisinghnagar (Loose)	3800	3900	4050	4100
	Bikaner	Bikaner (Loose)	3870	3870	4070	4120

		Bikaner (Delivery)	4064	4064	4274	4326
		Nokha(Loose)	3925	3975	4080	4100
		Nokha (Delivery)	4121	4174	4284	4305
		Khajuwala (Loose)	3950	3900	4090	4040
		Khajuwala (Delivery)	4148	4095	4295	4242
		Lunkaransar (Loose)	4000	3900	4100	4100
	Hanumangarh	Hanumangarh (Loose)	3850	3750	NA	4090
		Hanumangarh (Delivery)	4043	3938	NA	4295
		Nohar (Loose)	3930	3950	4070	4140
		Pilibanga (Loose)	NR	NR	NR	NR
	Nagaur	Nagaur (Loose)	3900	3950	4010	4100
	Churu	Churu (Delivery)	4050	4050	4150	4300
	Alwar	Alwar (Loose)	3800	3800	3850	4050
Haryana	Hisar	Adampur (Loose)	3900	3925	4060	4090
		Adampur (Delivery)	4095	4121	4263	4295
	Bhiwani	Bhiwani (Delivery)	4150	4025	4200	4300
		Siwani (Loose)	4010	4020	4150	4250
	Sirsa	Sirsa (Loose)	3800	3900	4090	4100
		Dhabwali (Loose)	3850	3850	4040	4050
		Dhabwali (Delivery)	4043	4043	4242	4050
		Ellanabad (Loose)	3825	3925	4000	4110
	Fatehabad	Fatehabad (Loose)	3900	3900	3900	NR
Gujarat	Banaskantha	Deesa (Loose)	NA	3900	NA	NA
	Patan	Patan (Loose)	NA	NA	3915	Closed
	Rajkot	Rajkot (Loose)	3825	3840	3940	NA
	Jamnagar	Dhrol (Loose)	NA	NA	NA	3920
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8020	8100	8600	9400
	Alwar	Alwar	8200	8200	8500	9350
	Hanumangarh	Nohar	8800	8800	8900	9400
Haryana	Bhiwani	Bhiwani	8230	8050	8470	9500
	Sirsa	Sirsa	8000	8150	8500	9300
		Dhabwali	8080	8100	8500	9250
		Ellanabad	8100	8350	8600	9350
	Fatehabad	Fatehabad	8080	8100	8590	NR

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			07th to 13th Sep 2019	31st Aug to 06th Sep 2019	
Rajasthan	Jodhpur	Jodhpur	26	34	-8
	Sri-Ganganagar	Sri-Ganganagar	700	400	300
		Rawla	255	45	210
		Gharsana	120	4	116
		Raisinghnagar	1250	350	900
	Bikaner	Bikaner	325	350	-25
		Nokha	770	875	-105
		Khajuwala	870	160	710
		Lunkaransar	1500	800	700
	Hanumangarh	Hanumangarh	130	75	55
		Nohar	800	300	500
		Pilibanga	172	25	147
	Nagaur	Nagaur	100	55	45
	Churu	Churu	950	500	450
	Alwar	Alwar	600	400	200
Haryana	Hisar	Adampur	3200	4800	-1600
	Bhiwani	Bhiwani	1700	1700	Unch
		Siwani	3900	3300	600
	Sirsa	Sirsa	6800	7600	-800
		Dhabwali	800	800	Unch
		Ellanabad	580	610	-30
	Fatehabad	Fatehabad	250	300	-50
Gujarat	Banaskantha	Deesa	15	10	5
	Patan	Patan	15	33	-18
	Rajkot	Rajkot	214	149	65
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			26027	23675	2352

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