



# 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 6.23 percent to Rs. 3590.34 per quintal during the week ended 23<sup>rd</sup> September 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3828.95 per quintal during 09-15 September 2019. As compared to prices in the week 16-23 September 2018, the prices are weak by 6.79 percent. Prices are expected to remain steady to weak in coming days.

As per latest update, new crop arrival has started in Hanumangarh, Sri Ganganagar, Adampur, Hisar, Sirsa, etc. Moisture content in Hanumangarh and Ganganagar is around 17% to 19%. The normal moisture level is around 11%. Overall quality of guar is good.

Guar seed October contract touched a low of Rs 4022.00 per quintal before closing at Rs 4118.00 per quintal. Guar prices are expected to remain weak in upcoming weeks due to low export demand and fresh arrivals. Guar prices are likely to touch Rs 3950-4000 per quintal in near future. In case prices increase in near future traders are advised to sell as at higher prices.

The wholesale price index of guar seed has increased from 97.3 in July -2019 to 97.4 in August- 2019. The WPI for July 2019 is down by 1.2 compared to last year for the same month and up by 14.7 compared to August 2017. WPI is expected to stay slightly weak in September'19.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 868 as on 20<sup>th</sup> September 2019 down by 18 compared to 13<sup>th</sup> September 2019 and down by 185 compared to 21<sup>st</sup> 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 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.

**Recommendation:**
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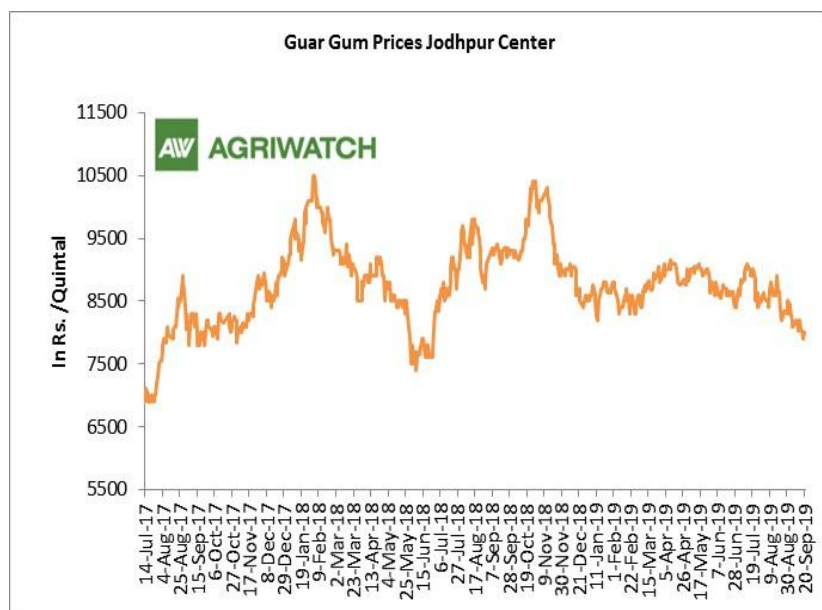
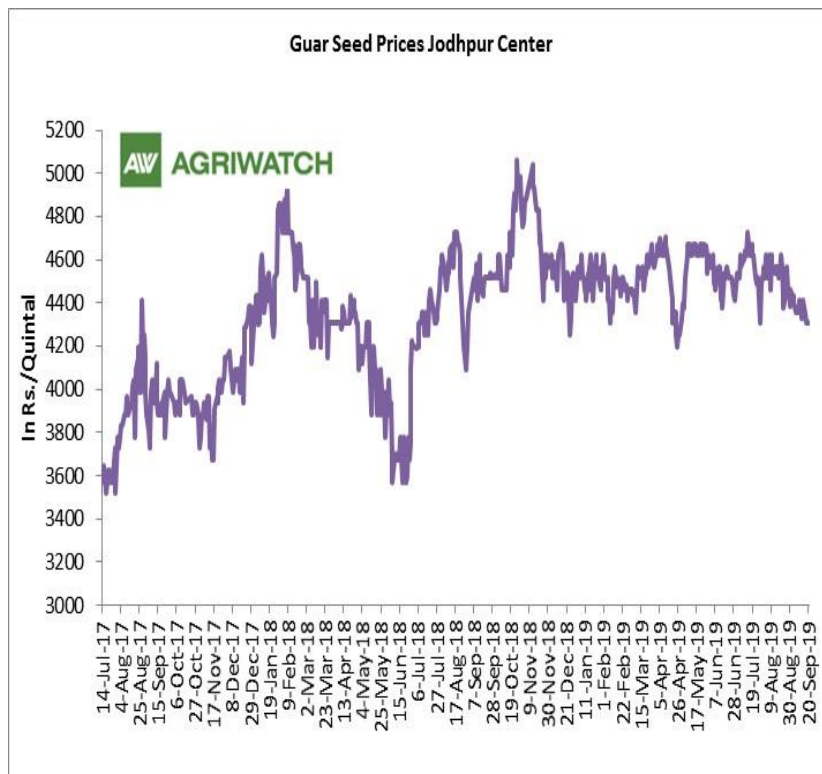
**Weekly Call- : Market participants are advised to sell Guar seed at 4120 levels for a target of 4000 with a stop loss at 4192 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 20<sup>th</sup> September, Guar seed weekly average prices decreased by Rs 26.50/-qtl and settled at Rs 4337 per quintal.
- In addition, Guar gum weekly price decreased by Rs 130.67 per quintal and settled at Rs 8013 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.

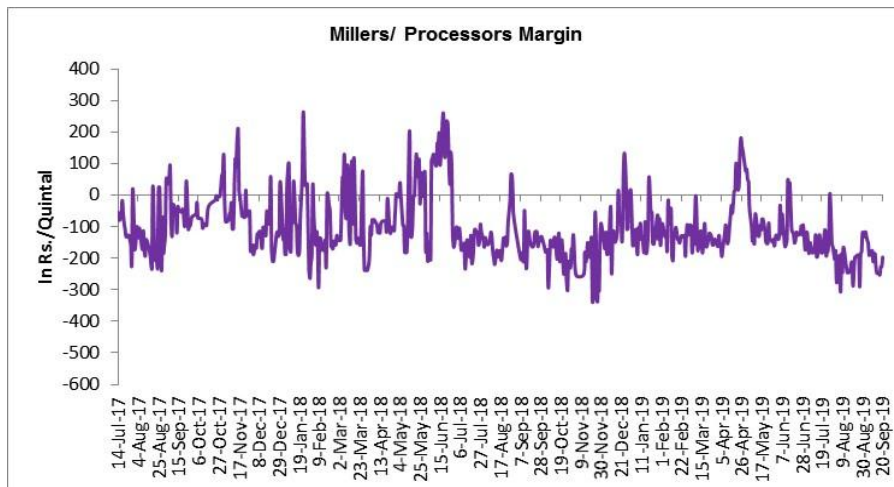


#### Millers/Processors Margin

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In the week ended 20<sup>th</sup> Sept'19, average crush margin was Rs.-232.81/Quintal, compared to last week -199.67/Quintal. Therefore, crushing is not favorable for Millers/Processors.

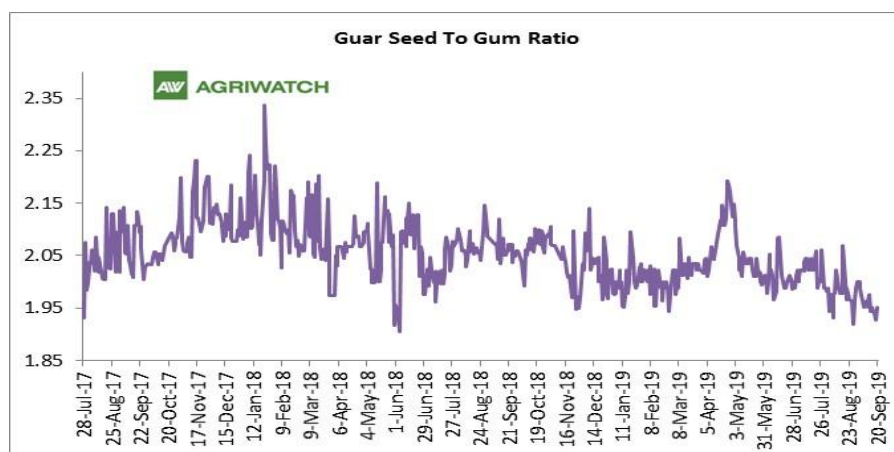
Higher degree of increase in guar seed prices compared to guar gum prices led the margin down this week.



#### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 20<sup>th</sup> Sept'19 is 1.94, lower compared to last week's 1.96

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:**

- 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 Seed	NCDEX	October	3850	3810	4118	4240	4275
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	<b>Sell</b>	Below 4120	4000	3915	4192

Technical Analysis (Guar Gum)
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**Commodity: Guar Gum**  
**Contract: October**
**Exchange: NCDEX**  
**Expiry: October 18, 2019**
**Guar Gum (October Weekly Chart)**

**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	October	7520	7460	8020	8290	8365
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	<b>Sell</b>	Below 8025	7750	7610	8190

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

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Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	14th to 20th Sep 2019	07th to 13th Sep 2019	Change
Churi	Jodhpur	1738	1758	-21
Korma	Jodhpur	2275	2307	-31
Churi	Sri-Ganganagar	1532	1575	-44
Korma	Sri-Ganganagar	2079	2103	-25

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	14th to 20th Sep 2019	07th to 13th Sep 2019	Change
Guargum Split		1124	1146	-22
Guargum Powder	200 Mesh 5000 CPS	1404	1425	-21
	200 Mesh 3500 CPS	1334	1355	-21
Guargum Meal	40%	359	356	3
	50%	433	433	Unch

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			14th to 20th Sep 2019	07th to 13th Sep 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4130	4155	-25
		Jodhpur(Delivery)	4337	4363	-27
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3863	3925	-63
		Sri-Ganganagar (Delivery)	4013	4075	-63
		Rawla (Loose)	3847	3876	-29
		Gharsana (Loose)	3705	3817	-112
		Raisinghnagar (Loose)	3850	3900	-50
	Bikaner	Bikaner (Loose)	3875	3883	-8
		Bikaner (Delivery)	4069	4077	-8
		Nokha(Loose)	3913	3972	-60
		Nokha (Delivery)	4108	4170	-62
		Khajuwala (Loose)	3910	3924	-14
		Khajuwala (Delivery)	4106	4120	-15
		Lunkaransar (Loose)	3922	3983	-61
	Hanumangarh	Hanumangarh (Loose)	3846	3858	-12
		Hanumangarh (Delivery)	4038	4051	-13
		Nohar (Loose)	3892	3941	-49



		Pilibanga (Loose)	3775	3765	10
	Nagaur	Nagaur (Loose)	3861	3951	-90
	Churu	Churu (Delivery)	4033	4075	-42
	Alwar	Alwar (Loose)	3767	3817	-50
Haryana	Hisar	Adampur (Loose)	3838	3902	-64
		Adampur (Delivery)	4030	4097	-67
	Bhiwani	Bhiwani (Delivery)	4075	4078	-3
		Siwani (Loose)	4021	4045	-24
	Sirsa	Sirsa (Loose)	3863	3881	-18
		Dhabwali (Loose)	3858	3858	Unch
		Dhabwali (Delivery)	4051	4051	Unch
		Ellanabad (Loose)	3800	3900	-100
	Fatehabad	Fatehabad (Loose)	3860	3900	-40
Gujarat	Banaskantha	Deesa (Loose)	3905	3925	-20
	Patan	Patan (Loose)	3890	NA	-
	Rajkot	Rajkot (Loose)	3828	3830	-2
	Jamnagar	Dhrol (Loose)	883	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8013	8144	-131
	Alwar	Alwar	8167	8217	-50
	Hanumangarh	Nohar	8213	8550	-337
Haryana	Bhiwani	Bhiwani	8082	8153	-71
	Sirsa	Sirsa	8038	8100	-63
		Dhabwali	8025	8157	-132
		Ellanabad	8117	8225	-108
	Fatehabad	Fatehabad	8020	8168	-148

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			20-Sep-19	13-Sep-19	20-Aug-19	20-Sep-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4100	4125	4400	4300
		Jodhpur(Delivery)	4305	4331	4620	4515
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3825	3925	4050	4050
		Sri-Ganganagar (Delivery)	3975	4075	4200	4200
		Rawla (Loose)	NR	3890	4040	4050
		Gharsana (Loose)	NR	NR	4027	4070
		Raisinghnagar (Loose)	3800	3800	4100	4150



	<b>Bikaner</b>	Bikaner (Loose)	3850	3870	4080	4000
		Bikaner (Delivery)	4043	4064	4284	4200
		Nokha (Loose)	3925	3925	4150	4000
		Nokha (Delivery)	4121	4121	4358	4200
		Khajuwala (Loose)	3860	3950	4135	4050
		Khajuwala (Delivery)	4053	4148	4342	4253
		Lunkaransar (Loose)	3900	4000	4100	4150
	<b>Hanumangarh</b>	Hanumangarh (Loose)	3825	3850	4000	4090
		Hanumangarh (Delivery)	4016	4043	4200	4295
		Nohar (Loose)	3850	3930	4100	4140
		Pilibanga (Loose)	NR	3760	3725	NR
	<b>Nagaur</b>	Nagaur (Loose)	3815	3900	4050	4100
	<b>Churu</b>	Churu (Delivery)	4050	4050	4150	4250
	<b>Alwar</b>	Alwar (Loose)	3800	3800	3900	3950
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3780	3900	4065	4100
		Adampur (Delivery)	3969	4095	4268	4305
	<b>Bhiwani</b>	Bhiwani (Delivery)	4000	4150	4200	4300
		Siwani (Loose)	4010	4010	4190	4250
	<b>Sirsa</b>	Sirsa (Loose)	3790	3800	4040	4130
		Dhabwali (Loose)	3810	3850	3950	4080
		Dhabwali (Delivery)	4001	4043	4148	4080
		Ellanabad (Loose)	3750	3825	4000	4100
	<b>Fatehabad</b>	Fatehabad (Loose)	3800	3900	3950	4000
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	NA	NA	NA	4000
	<b>Patan</b>	Patan (Loose)	NA	NA	3950	3930
	<b>Rajkot</b>	Rajkot (Loose)	NR	3825	3985	3950
	<b>Jamnagar</b>	Dhrol (Loose)	NA	NA	NA	3980
<b>M.P.</b>	<b>Gwalior</b>	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	8000	8020	8650	9300
	<b>Alwar</b>	Alwar	8200	8200	8700	9250
	<b>Hanumangarh</b>	Nohar	8000	8150	8700	9400
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	7870	8230	8500	9500
	<b>Sirsa</b>	Sirsa	8000	8000	8600	9300
		Dhabwali	8000	8080	8600	9300
		Ellanabad	8100	8100	8600	9350
	<b>Fatehabad</b>	Fatehabad	8000	8080	8630	9300

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			14th to 20th Sep 2019	07th to 13th Sep 2019	
Rajasthan	Jodhpur	Jodhpur	140	26	114
	Sri-Ganganagar	Sri-Ganganagar	2500	700	1800
		Rawla	170	255	-85
		Gharsana	20	120	-100
		Raisinghnagar	1300	1250	50
	Bikaner	Bikaner	940	325	615
		Nokha	850	770	80
		Khajuwala	1200	870	330
		Lunkaransar	590	1500	-910
	Hanumangarh	Hanumangarh	352	130	222
		Nohar	1200	800	400
		Pilibanga	156	172	-16
	Nagaur	Nagaur	510	100	410
	Churu	Churu	1600	950	650
	Alwar	Alwar	700	600	100
Haryana	Hisar	Adampur	3300	3200	100
	Bhiwani	Bhiwani	1400	1700	-300
		Siwani	4100	3900	200
	Sirsa	Sirsa	5200	6800	-1600
		Dhabwali	800	800	Unch
		Ellanabad	580	580	Unch
	Fatehabad	Fatehabad	110	250	-140
Gujarat	Banaskantha	Deesa	1	15	-14
	Patan	Patan	34	15	19
	Rajkot	Rajkot	160	214	-54
	Jamnagar	Dhrol	8	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			27921	26027	1894

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