

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 1.73 percent to Rs. 3528.06 per quintal during the week ended 30th September 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3590.34 per quintal during 16-23 September 2019. As compared to prices in the week 24-30 September 2018, the prices are weak by 9.23 percent. Prices are expected to remain steady to weak in coming days.

Guar seed market continued with weak trend in the past week. Traders are reducing their position in guar seed due to weak outlook in near future. This downtrend is likely to continue due to increasing arrival pressure. However, small technical recoveries of Rs 75-100 per quintal can be expected.

Guar seed October contract touched a low of Rs 3936.00 per quintal before closing at Rs 3954.00 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 3800-3820 per quintal in near future. In case prices increase in near future traders are advised to sell as at higher prices.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 860 as on 27th September 2019 down by 8 compared to 20th September 2019 and down by 194 compared to 28th September 2018. The total number of oilrigs was recorded at 2206 worldwide in August'19 compared to 2278 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 higher arrivals (3400 quintals) compared to previous week arrivals of 3300 quintals.

Previous Updates:

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.

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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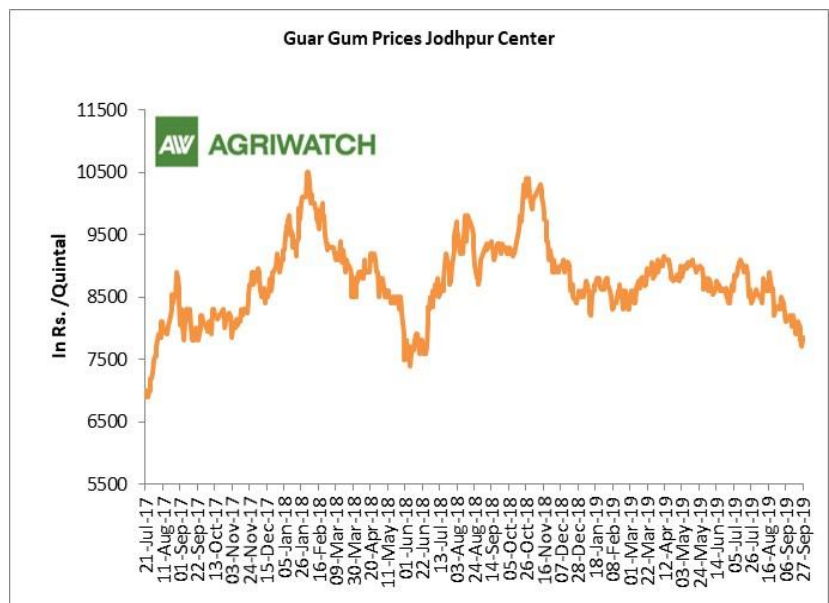
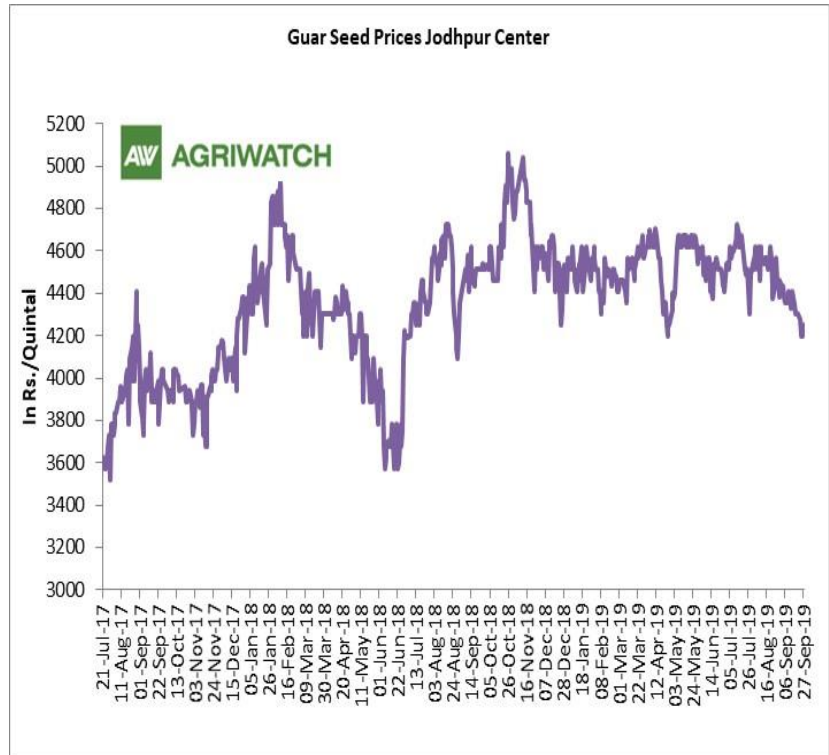
Weekly Call- : Market participants are advised to sell Guar seed at 3980 levels for a target of 3860 with a stop loss at 4055 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 27th September, Guar seed weekly average prices decreased by Rs 92.75/-qtl and settled at Rs 4244 per quintal.
- In addition, Guar gum weekly price decreased by Rs 138.33 per quintal and settled at Rs 7875 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.

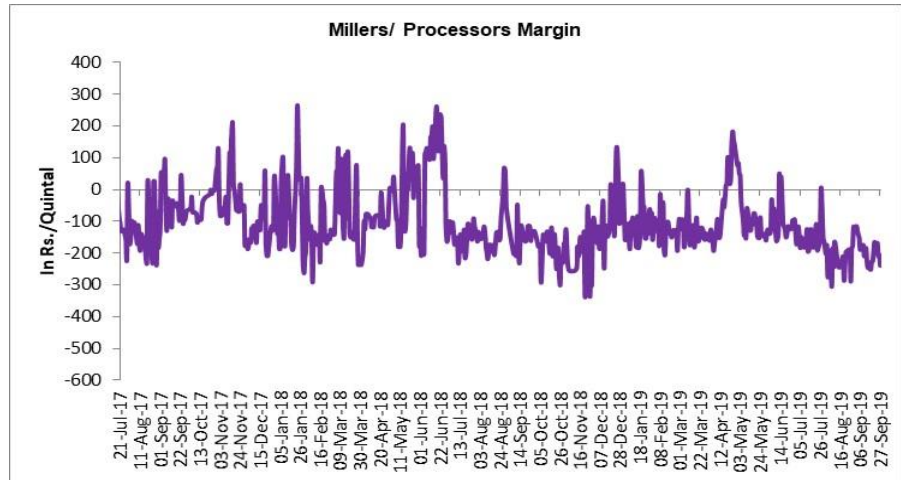


Millers/Processors Margin

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In the week ended 27th Sept'19, average crush margin was Rs.-196.17/Quintal, compared to last week -232.81/Quintal. Therefore, crushing is not favorable for Millers/Processors.

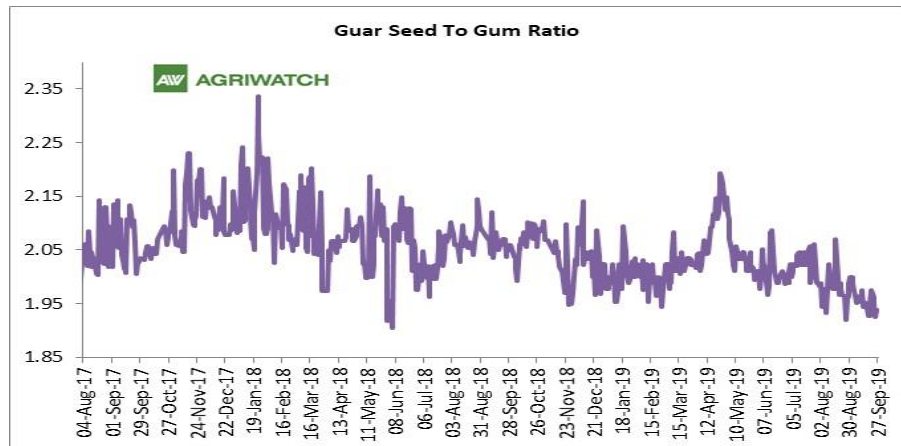
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 27th Sept'19 is 1.95, lower compared to last week's 1.94

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 August -2019	5520.79	1964.13
09-16 August -2019	4243.42	1769.96
17-23 August -2019	4236.10	1936.87
24-31 August -2019	4846.28	1900.54
Total	18846.59	

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	3710	3670	3954	4100	4135
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Sell	Below 3980	3860	3775	4055

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 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	7060	7000	7543	7830	7905
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Sell	Below 7565	7290	7150	7730

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	21st to 27th Sep 2019	14th to 20th Sep 2019	Change
Churi	Jodhpur	1708	1738	-29
Korma	Jodhpur	2288	2275	13
Churi	Sri-Ganganagar	1506	1532	-25
Korma	Sri-Ganganagar	2088	2079	9

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	21st to 27th Sep 2019	14th to 20th Sep 2019	Change
Guargum Split		1104	1124	-20
Guargum Powder	200 Mesh 5000 CPS	1386	1404	-18
	200 Mesh 3500 CPS	1315	1334	-19
Guargum Meal	40%	343	359	-16
	50%	437	433	4

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			21st to 27th Sep 2019	14th to 20th Sep 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4042	4130	-88
		Jodhpur(Delivery)	4244	4337	-93
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3800	3863	-63
		Sri-Ganganagar (Delivery)	3950	4013	-63
		Rawla (Loose)	3777	3847	-70
		Gharsana (Loose)	3728	3705	23
		Raisinghnagar (Loose)	3800	3850	-50
	Bikaner	Bikaner (Loose)	3794	3875	-81
		Bikaner (Delivery)	3984	4069	-85
		Nokha(Loose)	3846	3913	-67
		Nokha (Delivery)	4038	4108	-70
		Khajuwala (Loose)	3817	3910	-93
		Khajuwala (Delivery)	4008	4106	-98
		Lunkaransar (Loose)	3835	3922	-87
	Hanumangarh	Hanumangarh (Loose)	3746	3846	-100
		Hanumangarh (Delivery)	3933	4038	-105
		Nohar (Loose)	3769	3892	-123

		Pilibanga (Loose)	3702	3775	-73
	Nagaur	Nagaur (Loose)	3774	3861	-87
	Churu	Churu (Delivery)	3950	4033	-83
	Alwar	Alwar (Loose)	3675	3767	-92
Haryana	Hisar	Adampur (Loose)	3745	3838	-93
		Adampur (Delivery)	3932	4030	-98
	Bhiwani	Bhiwani (Delivery)	3950	4075	-125
		Siwani (Loose)	3950	4021	-71
	Sirsa	Sirsa (Loose)	3799	3863	-64
		Dhabwali (Loose)	3745	3858	-113
		Dhabwali (Delivery)	3932.25	4051	-119
		Ellanabad (Loose)	3690	3800	-110
	Fatehabad	Fatehabad (Loose)	3770	3860	-90
Gujarat	Banaskantha	Deesa (Loose)	3896	3905	-9
	Patan	Patan (Loose)	NA	3890	-
	Rajkot	Rajkot (Loose)	3654	3828	-174
	Jamnagar	Dhrol (Loose)	NA	883	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7875	8013	-138
	Alwar	Alwar	7950	8167	-217
	Hanumangarh	Nohar	8100	8213	-113
Haryana	Bhiwani	Bhiwani	7792	8082	-290
	Sirsa	Sirsa	7860	8038	-178
		Dhabwali	7825	8025	-200
		Ellanabad	7890	8117	-227
	Fatehabad	Fatehabad	7841	8020	-179

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			27-Sep-19	20-Sep-19	27-Aug-19	27-Sep-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4050	4100	4350	4300
		Jodhpur(Delivery)	4253	4305	4568	4515
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3800	3825	4025	4100
		Sri-Ganganagar (Delivery)	3950	3975	4175	4250
		Rawla (Loose)	3750	NR	3975	4070
		Gharsana (Loose)	3750	NR	3940	4060
		Raisinghnagar (Loose)	3825	3800	4000	4080

	Bikaner	Bikaner (Loose)	3800	3850	4000	4100
		Bikaner (Delivery)	3990	4043	4200	4305
		Nokha (Loose)	3840	3925	4075	4050
		Nokha (Delivery)	4032	4121	4279	4253
		Khajuwala (Loose)	3850	3860	4010	4125
		Khajuwala (Delivery)	4043	4053	4211	4331
		Lunkaransar (Loose)	3850	3900	4000	4050
	Hanumangarh	Hanumangarh (Loose)	3750	3825	3925	4035
		Hanumangarh (Delivery)	3938	4016	4121	4237
		Nohar (Loose)	3750	3850	4000	4085
		Pilibanga (Loose)	NR	NR	3900	NR
	Nagaur	Nagaur (Loose)	3800	3815	3980	4050
	Churu	Churu (Delivery)	3900	4050	4200	4300
	Alwar	Alwar (Loose)	3600	3800	3900	4000
Haryana	Hisar	Adampur (Loose)	3770	3780	4010	4050
		Adampur (Delivery)	3959	3969	4211	4253
	Bhiwani	Bhiwani (Delivery)	3950	4000	4150	4250
		Siwani (Loose)	3925	4010	4170	4210
	Sirsa	Sirsa (Loose)	3800	3790	4040	4140
		Dhabwali (Loose)	3750	3810	3990	4090
		Dhabwali (Delivery)	3938	4001	4190	4090
		Ellanabad (Loose)	3600	3750	4000	4050
	Fatehabad	Fatehabad (Loose)	3700	3800	3925	4050
Gujarat	Banaskantha	Deesa (Loose)	3925	NA	NA	4000
	Patan	Patan (Loose)	NA	NA	3850	3985
	Rajkot	Rajkot (Loose)	3595	NR	Closed	4035
	Jamnagar	Dhrol (Loose)	NA	NA	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7850	8000	8350	9250
	Alwar	Alwar	7800	8200	8400	9300
	Hanumangarh	Nohar	7700	8700	8800	9300
Haryana	Bhiwani	Bhiwani	7850	7870	8300	9270
	Sirsa	Sirsa	7850	8000	8400	9200
		Dhabwali	7800	8000	8350	9100
		Ellanabad	7800	8100	8550	9200
	Fatehabad	Fatehabad	7750	8000	8350	9100

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			21st to 27th Sep 2019	14th to 20th Sep 2019	
Rajasthan	Jodhpur	Jodhpur	70	140	-70
	Sri-Ganganagar	Sri-Ganganagar	19000	2500	16500
		Rawla	255	170	85
		Gharsana	143	20	123
		Raisinghnagar	1200	1300	-100
	Bikaner	Bikaner	450	940	-490
		Nokha	975	850	125
		Khajuwala	530	1200	-670
		Lunkaransar	660	590	70
	Hanumangarh	Hanumangarh	5300	352	4948
		Nohar	1000	1200	-200
		Pilibanga	585	156	429
	Nagaur	Nagaur	280	510	-230
	Churu	Churu	2250	1600	650
	Alwar	Alwar	600	700	-100
Haryana	Hisar	Adampur	3400	3300	100
	Bhiwani	Bhiwani	400	1400	-1000
		Siwani	2600	4100	-1500
	Sirsa	Sirsa	10300	5200	5100
		Dhabwali	750	800	-50
		Ellanabad	1200	580	620
	Fatehabad	Fatehabad	550	110	440
Gujarat	Banaskantha	Deesa	15	1	14
	Patan	Patan	NA	34	-
	Rajkot	Rajkot	280	160	120
	Jamnagar	Dhrol	NA	8	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			52793	27921	24872

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