



Guar Weekly Research Report

Table of Contents

- ❖ **Executive Summary**
- ❖ **Recommendations**
- ❖ **Domestic Market Fundamentals**
- ❖ **Processing Margins**
- ❖ **Guar Seed to Gum Ratio**
- ❖ **Guar Gum Weekly Exports**
- ❖ **Technical Analysis (Guar Seed)**
- ❖ **Technical Analysis (Guar Gum)**
- ❖ **Guar Seed & Gum Prices at Key Spot Markets**
- ❖ **Guar Seed Arrivals at Key Centers**

Executive Summary
[\(Back to Table of Contents\)](#)
Domestic Guar Seed Market Summary

All India weekly average prices increased by 1.04 percent to Rs. 3564.91 per quintal during the week ended 07th October 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3528.06 per quintal during 24-30 September 2019. As compared to prices in the week 01-07 October 2018, the prices are weak by 4.28 percent. Prices are expected to remain steady to weak in coming days.

Guar future November contract closed at Rs 3903.00 per quintal after touching a low of Rs 3779.50 per quintal during past week. Guar seed and guar gum prices have recovered slightly due to decrease in selling pressure. Recovery of Rs 75-100 per quintal can be expected in near future but there is no hope for a sharp rise. Export transactions in guar gum products are also low and arrivals are keeping prices under pressure.

Production of guar seed is expected to be lower by 11.03 percent compared to last year due to lower acreage. However good carryover stocks and low demand for guar in international market is not able to provide prices the support they need.

As per trade sources, quality of guar is good compared to last year. However, some quantity of black guar arrived in Ganganagar. No reports of black guar from Haryana. Black guar doesn't impact the recovery of guar gum. Although it does have an impact on the recovery of churi/korma. Guar is likely to trade under pressure due to fresh arrivals and low export demand. Traders are advised to sell on rise.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 855 as on 04th October 2019 down by 5 compared to 27th September 2019 and down by 197 compared to 05th September 2018. The total number of oil rigs 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.

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:
[\(Back to Table of Contents\)](#)

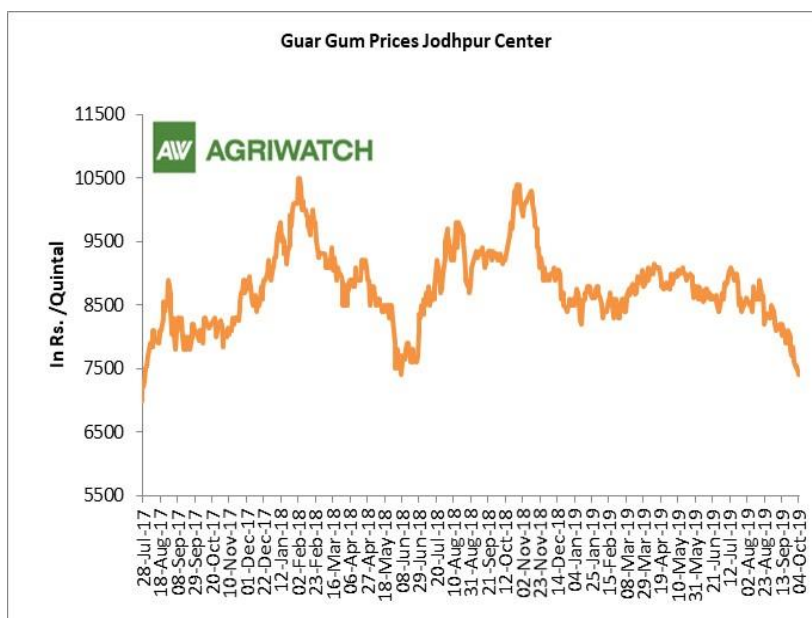
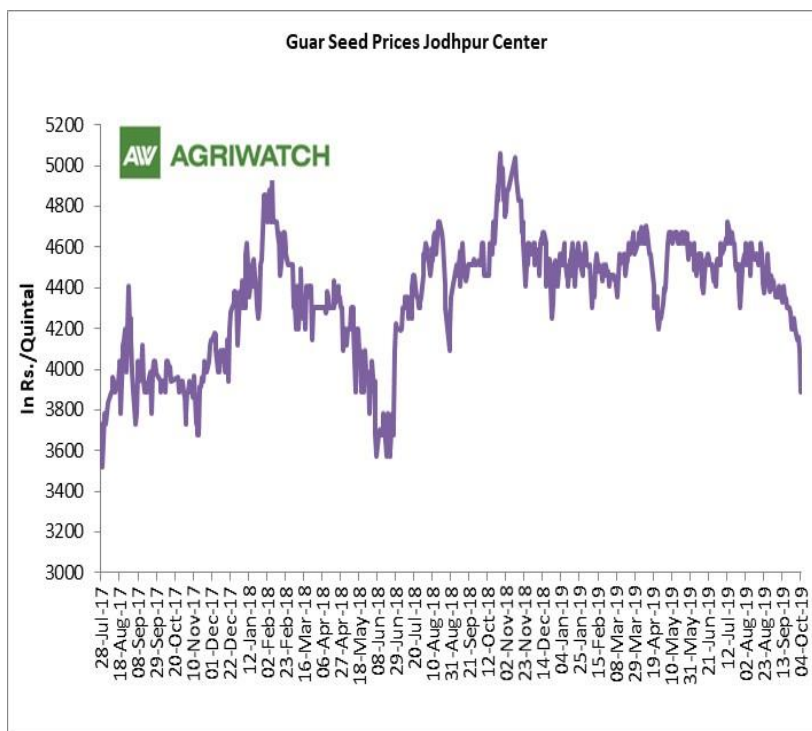
Weekly Call- : Market participants are advised to sell Guar seed at 3960 levels for a target of 3840 with a stop loss at 4035 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

[\(Back to Table of Contents\)](#)

Domestic Front

- In the week ended 04th October, Guar seed weekly average prices decreased by Rs 146.65/-qtl and settled at Rs 4097 per quintal.
- In addition, Guar gum weekly price decreased by Rs 385.00 per quintal and settled at Rs 7490 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.

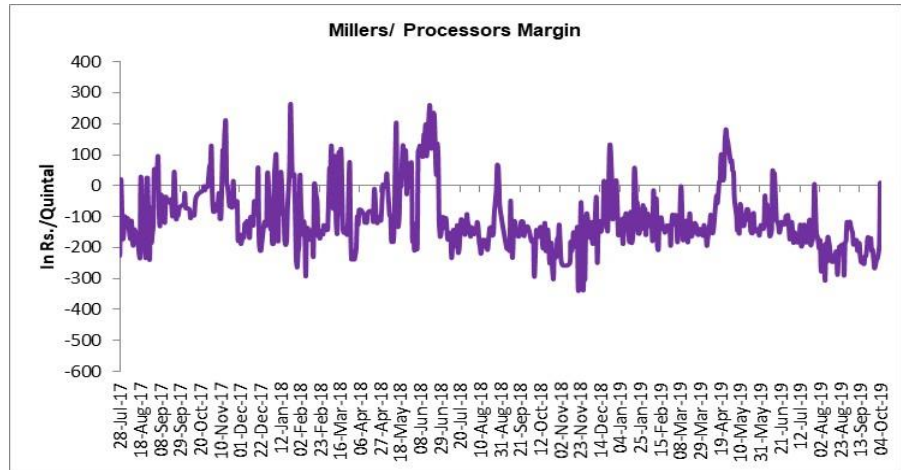


Millers/Processors Margin

[\(Back to Table of Contents\)](#)

In the week ended 04th Oct'19, average crush margin was Rs.-184.42/Quintal, compared to last week -196.17/Quintal. Therefore, crushing is not favorable for Millers/Processors.

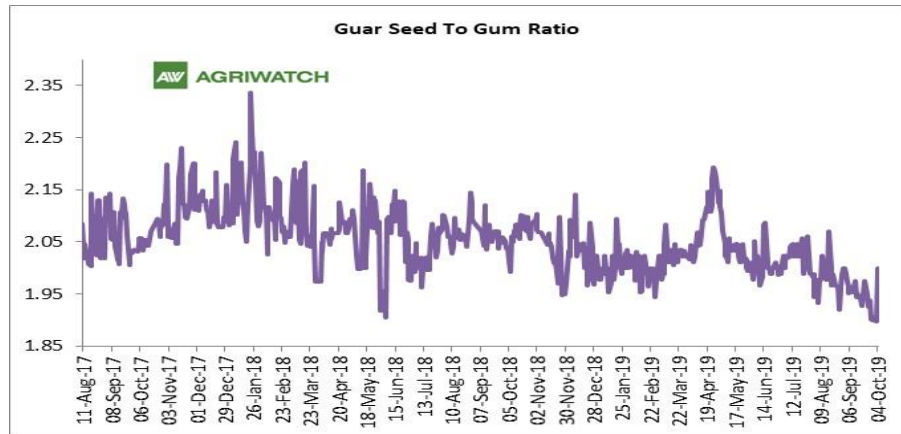
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 04th October'19 is 1.92, lower compared to last week's 1.95

Weak overseas demand of gum and good demand of seed from millers has decreased the overall ratio.



Guar gum Weekly Export

[\(Back to Table of Contents\)](#)

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)
[\(Back to Table of Contents\)](#)
Commodity: Guar Seed
Contract: November
Exchange: NCDEX
Expiry: November 20, 2019
Guar Seed (November 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	November	3690	3650	3903	4080	4115
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	November	Sell	Below 3960	3840	3755	4035

Technical Analysis (Guar Gum)

[\(Back to Table of Contents\)](#)

Commodity: Guar Gum
Contract: November

Exchange: NCDEX
Expiry: November 20, 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	November	7035	6975	7417	7805	7880
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	Sell	Below 7540	7265	7125	7705

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	28th Sep to 04th Oct 2019	21st to 27th Sep 2019	Change
Churi	Jodhpur	1670	1708	-38
Korma	Jodhpur	2310	2288	22
Churi	Sri-Ganganagar	1508	1506	2
Korma	Sri-Ganganagar	2092	2088	5

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	28th Sep to 04th Oct 2019	21st to 27th Sep 2019	Change
Guargum Split		1070	1104	-34
Guargum Powder	200 Mesh 5000 CPS	1352	1386	-34
	200 Mesh 3500 CPS	1282	1315	-34
Guargum Meal	40%	339	343	-4
	50%	438	437	1

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			28th Sep to 04th Oct 2019	21st to 27th Sep 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	3902	4042	-140
		Jodhpur(Delivery)	4097	4244	-147
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3686	3800	-114
		Sri-Ganganagar (Delivery)	3836	3950	-114
		Rawla (Loose)	3634	3777	-143
		Gharsana (Loose)	3540	3728	-188
		Raisinghnagar (Loose)	3670	3800	-130
		Bikaner	Bikaner (Loose)	3704	3794
	Bikaner (Delivery)		3889	3984	-95
	Nokha(Loose)		3740	3846	-106
	Nokha (Delivery)		3927	4038	-111
	Khajuwala (Loose)		3729	3817	-88
	Khajuwala (Delivery)		3915	4008	-92
	Lunkaransar (Loose)		3713	3835	-123
	Hanumangarh		Hanumangarh (Loose)	3700	3746
		Hanumangarh (Delivery)	3885	3933	-48
		Nohar (Loose)	3670	3769	-99

		Pilibanga (Loose)	3700	3702	-2
	Nagaur	Nagaur (Loose)	3690	3774	-84
	Churu	Churu (Delivery)	3860	3950	-90
	Alwar	Alwar (Loose)	3580	3675	-95
Haryana	Hisar	Adampur (Loose)	3682	3745	-63
		Adampur (Delivery)	3866	3932	-66
	Bhiwani	Bhiwani (Delivery)	3870	3950	-80
		Siwani (Loose)	3822	3950	-128
	Sirsa	Sirsa (Loose)	3696	3799	-103
		Dhabwali (Loose)	3695	3745	-50
		Dhabwali (Delivery)	3880	3932	-53
		Ellanabad (Loose)	3633	3690	-57
	Fatehabad	Fatehabad (Loose)	3650	3770	-120
Gujarat	Banaskantha	Deesa (Loose)	3725	3896	-171
	Patan	Patan (Loose)	NA	NA	-
	Rajkot	Rajkot (Loose)	3598	3654	-57
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7490	7875	-385
	Alwar	Alwar	7580	7950	-370
	Hanumangarh	Nohar	7540	8100	-560
Haryana	Bhiwani	Bhiwani	7470	7792	-322
	Sirsa	Sirsa	7510	7860	-350
		Dhabwali	7590	7825	-235
		Ellanabad	7600	7890	-290
	Fatehabad	Fatehabad	7560	7841	-281

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			4-Oct-19	27-Sep-19	4-Sep-19	4-Oct-18
Rajasthan	Jodhpur	Jodhpur (Loose)	3700	4050	4180	4300
		Jodhpur(Delivery)	3885	4253	4389	4515
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3680	3800	Closed	4100
		Sri-Ganganagar (Delivery)	3830	3950	Closed	4250
		Rawla (Loose)	3620	3750	Closed	4070
		Gharsana (Loose)	NR	3750	NR	4060
		Raisinghnagar (Loose)	3650	3825	Closed	4120
	Bikaner	Bikaner (Loose)	NA	3800	Closed	4100

		Bikaner (Delivery)	NA	3990	Closed	4305
		Nokha(Loose)	3725	3840	3975	4025
		Nokha (Delivery)	3911	4032	4174	4226
		Khajuwala (Loose)	3650	3850	Closed	4050
		Khajuwala (Delivery)	3833	4043	Closed	4253
		Lunkaransar (Loose)	Closed	3850	Closed	4100
	Hanumangarh	Hanumangarh (Loose)	NR	3750	Closed	4075
		Hanumangarh (Delivery)	NR	3938	Closed	4279
		Nohar (Loose)	3650	3750	Closed	4125
		Pilibanga (Loose)	NR	3700	NR	NR
	Nagaur	Nagaur (Loose)	3700	3800	Closed	4050
	Churu	Churu (Delivery)	3900	3900	Closed	4300
	Alwar	Alwar (Loose)	3600	3600	Closed	4000
Haryana	Hisar	Adampur (Loose)	3650	3770	3965	4100
		Adampur (Delivery)	3833	3959	4163	4305
	Bhiwani	Bhiwani (Delivery)	3850	3950	4050	4300
		Siwani (Loose)	3800	3925	4050	4240
	Sirsa	Sirsa (Loose)	3685	3800	3950	4160
		Dhabwali (Loose)	3650	3750	3900	4110
		Dhabwali (Delivery)	3833	3938	4095	4110
		Ellanabad (Loose)	NR	3600	3925	4000
	Fatehabad	Fatehabad (Loose)	3600	3700	3850	4000
Gujarat	Banaskantha	Deesa (Loose)	3550	3925	Closed	4000
	Patan	Patan (Loose)	NA	NA	Closed	3935
	Rajkot	Rajkot (Loose)	3560	3595	NR	4000
	Jamnagar	Dhrol (Loose)	NA	NA	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7400	7850	8250	9200
	Alwar	Alwar	7500	7800	Closed	9300
	Hanumangarh	Nohar	7400	7700	Closed	9400
Haryana	Bhiwani	Bhiwani	7050	7850	8200	9580
	Sirsa	Sirsa	7400	7850	8225	9250
		Dhabwali	7400	7800	8300	9200
		Ellanabad	NR	7800	8300	9250
	Fatehabad	Fatehabad	7400	7750	8300	9200

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			28th Sep to 04th Oct 2019	21st to 27th Sep 2019	
Rajasthan	Jodhpur	Jodhpur	16	70	-54
	Sri-Ganganagar	Sri-Ganganagar	23000	19000	4000
		Rawla	290	255	35
		Gharsana	15	143	-128
		Raisinghnagar	5300	1200	4100
	Bikaner	Bikaner	380	450	-70
		Nokha	650	975	-325
		Khajuwala	390	530	-140
		Lunkaransar	650	660	-10
	Hanumangarh	Hanumangarh	3300	5300	-2000
		Nohar	400	1000	-600
		Pilibanga	415	585	-170
	Nagaur	Nagaur	10	280	-270
	Churu	Churu	2500	2250	250
	Alwar	Alwar	500	600	-100
Haryana	Hisar	Adampur	5400	3400	2000
	Bhiwani	Bhiwani	NA	400	-
		Siwani	2500	2600	-100
	Sirsa	Sirsa	15500	10300	5200
		Dhabwali	4500	750	3750
		Ellanabad	700	1200	-500
	Fatehabad	Fatehabad	1400	550	850
Gujarat	Banaskantha	Deesa	50	15	35
	Patan	Patan	NA	NA	-
	Rajkot	Rajkot	100	280	-180
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			67966	52793	15173

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.