



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 1.56 percent to Rs. 3509.14 per quintal during the week ended 14th October 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3564.91 per quintal during 01-08 October 2019. As compared to prices in the week 09-14 October 2018, the prices are weak by 6.95 percent. Prices are expected to remain steady to weak in coming days.

As per trade sources, prices are not going to get much support from lower production due to low export demand. India's export during the period October'18-August'19 were down by 12.48 percent compared to October'17-August'18. Traders believe guar seed November contract is likely to remain bearish in near future and touch Rs 3725-3750 per quintal.

The wholesale price index of guar seed has decreased from 97.4 in August -2019 to 93.7 in September- 2019. The WPI for September 2019 is down by 3.3 compared to last year for the same month and up by 8.0 compared to August 2017. WPI is expected to stay slightly weak in October'19.

As per latest update, guar is likely to remain bearish due to low export demand and fresh arrivals. Overall quality of crop is good compared to last year. Production is lower compared to last year but carryover stocks are still at higher side. Traders are advised to sell on rise.

As per data released by Baker Hughes the number of oil rigs in USA has increased to 856 as on 11th October 2019 up by 1 compared to 04th October 2019 and down by 207 compared to 12th October 2018. The total number of oilrigs was recorded at 2141 worldwide in September'19 compared to 2258 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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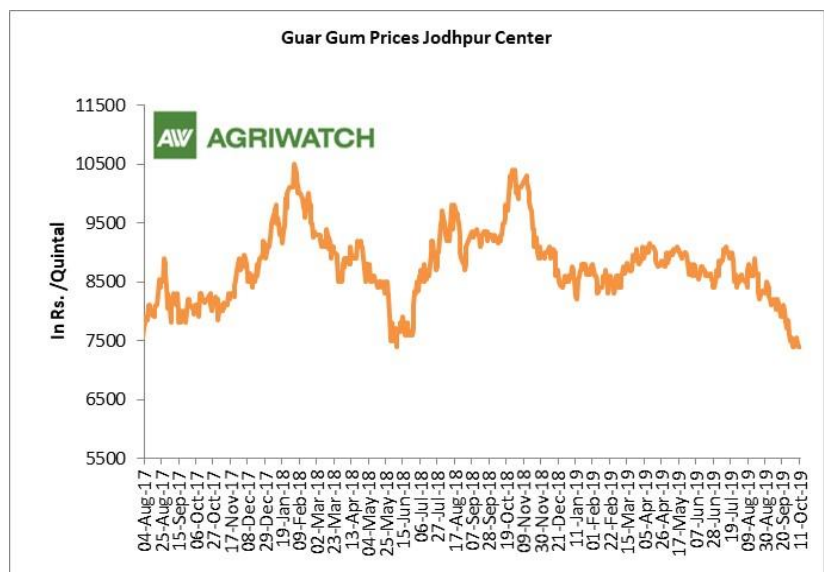
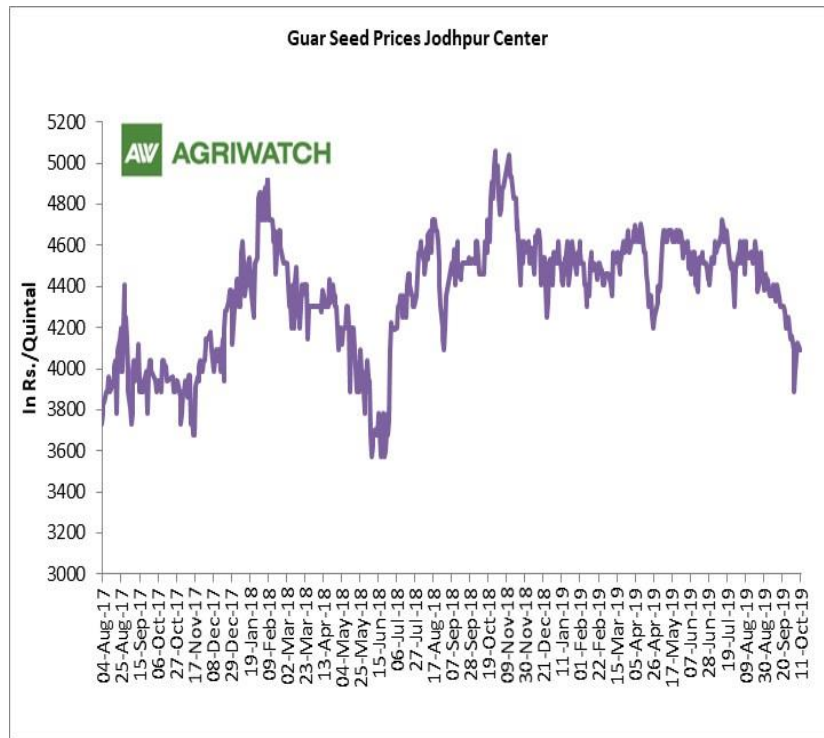
Weekly Call- : Market participants are advised to sell Guar seed at 3920 levels for a target of 3800 with a stop loss at 3995 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 11th October, Guar seed weekly average prices decreased by Rs 13.65/-qtl and settled at Rs 4083 per quintal.
- In addition, Guar gum weekly price decreased by Rs 30.00 per quintal and settled at Rs 7460 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.

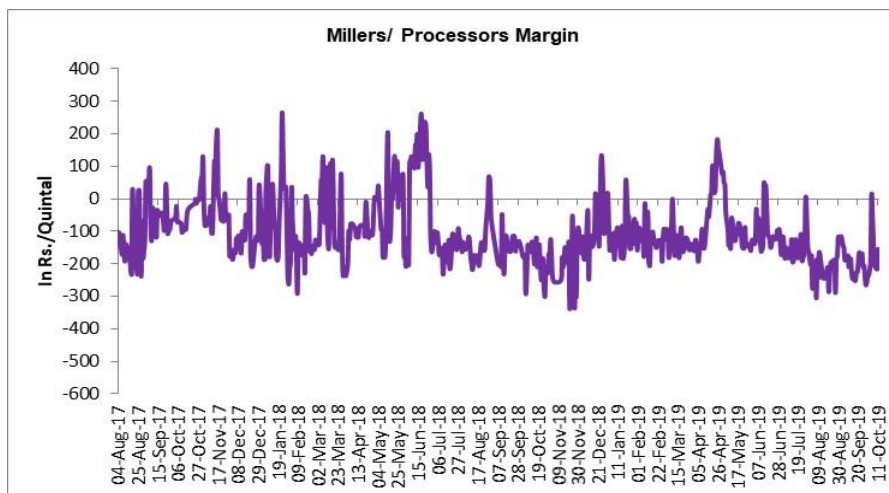


Millers/Processors Margin

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In the week ended 11th Oct'19, average crush margin was Rs.-169.96/Quintal, compared to last week -184.42/Quintal. Therefore, crushing is not favorable for Millers/Processors.

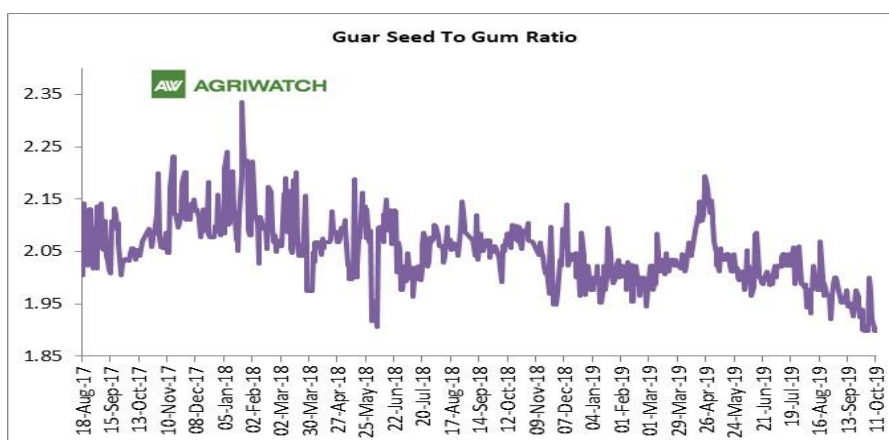
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 11th October'19 is 1.91, lower compared to last week's 1.92

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: 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	3650	3610	3892.5	4040	4075
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	November	Sell	Below 3920	3800	3715	3995

Technical Analysis (Guar Gum)
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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	6935	6875	7376	7705	7780
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	Sell	Below 7440	7165	7025	7605

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	05th to 11th Oct 2019	28th Sep to 04th Oct 2019	Change
Churi	Jodhpur	1770	1670	100
Korma	Jodhpur	2240	2310	-70
Churi	Sri-Ganganagar	1571	1508	64
Korma	Sri-Ganganagar	2205	2092	113

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	05th to 11th Oct 2019	28th Sep to 04th Oct 2019	Change
Guargum Split		1056	1070	-13
Guargum Powder	200 Mesh 5000 CPS	1338	1352	-14
	200 Mesh 3500 CPS	1268	1282	-14
Guargum Meal	40%	338	339	-1
	50%	437	438	-1

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			05th to 11th Oct 2019	28th Sep to 04th Oct 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	3889	3902	-13
		Jodhpur(Delivery)	4083	4097	-14
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3705	3686	19
		Sri-Ganganagar (Delivery)	3855	3836	19
		Rawla (Loose)	3607	3634	-27
		Gharsana (Loose)	3575	3540	35
		Raisinghnagar (Loose)	3630	3670	-40
	Bikaner	Bikaner (Loose)	3665	3704	-39
		Bikaner (Delivery)	3848	3889	-41
		Nokha(Loose)	3695	3740	-45
		Nokha (Delivery)	3880	3927	-47
		Khajuwala (Loose)	3662	3729	-67
		Khajuwala (Delivery)	3845	3915	-70
		Lunkaransar (Loose)	3700	3713	-13
	Hanumangarh	Hanumangarh (Loose)	3704	3700	4
		Hanumangarh (Delivery)	3889	3885	4

		Nohar (Loose)	3700	3670	30
		Pilibanga (Loose)	3700	3700	Unch
	Nagaur	Nagaur (Loose)	3629	3690	-61
	Churu	Churu (Delivery)	3896	3860	36
	Alwar	Alwar (Loose)	3596	3580	16
Haryana	Hisar	Adampur (Loose)	3691	3682	9
		Adampur (Delivery)	3876	3866	9
	Bhiwani	Bhiwani (Delivery)	3864	3870	-6
		Siwani (Loose)	3817	3822	-5
	Sirsa	Sirsa (Loose)	3720	3696	24
		Dhabwali (Loose)	3679	3695	-16
		Dhabwali (Delivery)	3863	3880	-17
		Ellanabad (Loose)	NR	3633	-
	Fatehabad	Fatehabad (Loose)	3550	3650	-100
Gujarat	Banaskantha	Deesa (Loose)	3626	3725	-99
	Patan	Patan (Loose)	1187	NA	-
	Rajkot	Rajkot (Loose)	3562	3598	-36
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7460	7490	-30
	Alwar	Alwar	7480	7580	-100
	Hanumangarh	Nohar	7480	7540	-60
Haryana	Bhiwani	Bhiwani	6950	7470	-520
	Sirsa	Sirsa	7390	7510	-120
		Dhabwali	7450	7590	-140
		Ellanabad	NR	7600	-
	Fatehabad	Fatehabad	7360	7560	-200

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			11-Oct-19	4-Oct-19	11-Sep-19	11-Oct-18
Rajasthan	Jodhpur	Jodhpur (Loose)	3900	3700	4150	4250
		Jodhpur(Delivery)	4095	3885	4358	4463
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3700	3680	3900	4050
		Sri-Ganganagar (Delivery)	3850	3830	4050	4200
		Rawla (Loose)	NR	3620	3895	3960
		Gharsana (Loose)	NR	3630	3790	4060
		Raisinghnagar (Loose)	3600	3650	3950	4100

	Bikaner	Bikaner (Loose)	3650	NA	3880	4070
		Bikaner (Delivery)	3833	NA	4074	4274
		Nokha (Loose)	3700	3725	4000	4025
		Nokha (Delivery)	3885	3911	4200	4226
		Khajuwala (Loose)	3650	3650	3920	4020
		Khajuwala (Delivery)	3833	3833	4116	4221
		Lunkaransar (Loose)	3700	Closed	4000	4080
	Hanumangarh	Hanumangarh (Loose)	3690	NR	3850	4000
		Hanumangarh (Delivery)	3875	NR	4043	4200
		Nohar (Loose)	3700	3650	3935	4025
		Pilibanga (Loose)	NR	3680	3635	4000
	Nagaur	Nagaur (Loose)	3620	3700	3975	3950
	Churu	Churu (Delivery)	3900	3900	4050	4150
	Alwar	Alwar (Loose)	3600	3600	3800	3900
Haryana	Hisar	Adampur (Loose)	3680	3650	3910	3850
		Adampur (Delivery)	3864	3833	4106	4043
	Bhiwani	Bhiwani (Delivery)	3800	3850	4100	4225
		Siwani (Loose)	3825	3800	4075	4170
	Sirsa	Sirsa (Loose)	3725	3685	3910	3900
		Dhabwali (Loose)	3675	3650	3900	3850
		Dhabwali (Delivery)	3859	3833	4095	4043
		Ellanabad (Loose)	NR	NR	3900	3850
	Fatehabad	Fatehabad (Loose)	3600	3600	3900	3920
Gujarat	Banaskantha	Deesa (Loose)	3555	3550	NR	3900
	Patan	Patan (Loose)	3560	NR	NR	3890
	Rajkot	Rajkot (Loose)	3595	3560	3805	3895
	Jamnagar	Dhrol (Loose)	NA	NA	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7400	7400	8150	9200
	Alwar	Alwar	7500	7500	8200	9100
	Hanumangarh	Nohar	7500	7400	8800	9250
Haryana	Bhiwani	Bhiwani	6900	7050	8280	9200
	Sirsa	Sirsa	7350	7400	8150	9250
		Dhabwali	7450	7400	8160	8900
		Ellanabad	NR	NR	8250	9150
	Fatehabad	Fatehabad	7400	7400	8160	9050

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			05th to 11th Oct 2019	28th Sep to 04th Oct 2019	
Rajasthan	Jodhpur	Jodhpur	87	16	71
	Sri-Ganganagar	Sri-Ganganagar	32000	23000	9000
		Rawla	81	290	-209
		Gharsana	42	15	27
		Raisinghnagar	6200	5300	900
	Bikaner	Bikaner	270	380	-110
		Nokha	745	650	95
		Khajuwala	155	390	-235
		Lunkaransar	980	650	330
	Hanumangarh	Hanumangarh	7500	3300	4200
		Nohar	950	400	550
		Pilibanga	3485	415	3070
	Nagaur	Nagaur	290	10	280
	Churu	Churu	2400	2500	-100
	Alwar	Alwar	600	500	100
Haryana	Hisar	Adampur	5200	5400	-200
	Bhiwani	Bhiwani	NA	NA	-
		Siwani	2600	2500	100
	Sirsa	Sirsa	17500	15500	2000
		Dhabwali	6500	4500	2000
		Ellanabad	NR	700	-
	Fatehabad	Fatehabad	1700	1400	300
Gujarat	Banaskantha	Deesa	3	50	-47
	Patan	Patan	41	NA	-
	Rajkot	Rajkot	169	100	69
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			89498	67966	21532

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