



# Guar Weekly Research Report

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**Executive Summary**
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**Domestic Guar Seed Market Summary**

Guar prices are likely to remain bearish due to low export demand and fresh arrivals. Overall quality of crop is good compared to last year. Arrival of black guar have been reported although they are not in significant quantity. Production is lower compared to last year. However good carryover stocks and low demand for guar in international market is not able to provide prices the support they need. Traders are advised to sell on rise.

As per trade sources, export of guar split has decreased in the month of September-19. Exports in the month of September-19 are down by around 28.91% compared to previous month. India exported around 2460 tonnes of guar split in the month of September-19 at an average FoB of \$ 1425.03 per tonne. Of the total quantity, around 1540 tonnes have been exported to China.

As per trade sources, export of guar gum has increased in the month of September-19 by 13.70 percent compared to previous month. India exported around 21532 tonnes of guar gum at an average FoB of \$ 1722.53 per tonne in the month of September-19 compared to 18937 tonnes in August-19 at an average FoB of \$ 1729.66 per tonne. Exports are expected to remain at slightly higher in October-19.

Guar future November contract closed at Rs 3950.00 per quintal after touching a low of Rs 3852.00 per quintal during past week. Prices have increased due to technical recovery and any major upper movement is highly unlikely. Export transactions in guar gum products are also low and arrivals are keeping prices under pressure.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 851 as on 18th October 2019 down by 5 compared to 11th October 2019 and down by 216 compared to 19th October 2018. The total number of oil rigs 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.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (6600 quintals) compared to previous week arrivals of 5200 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (1700 quintals) compared to previous week arrivals of 270 quintals.

**Previous Updates:**

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.

**Recommendation:**
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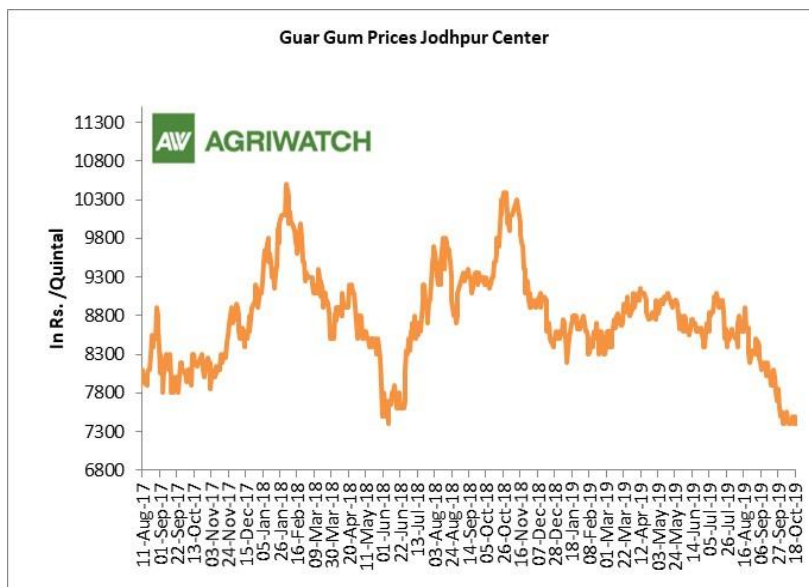
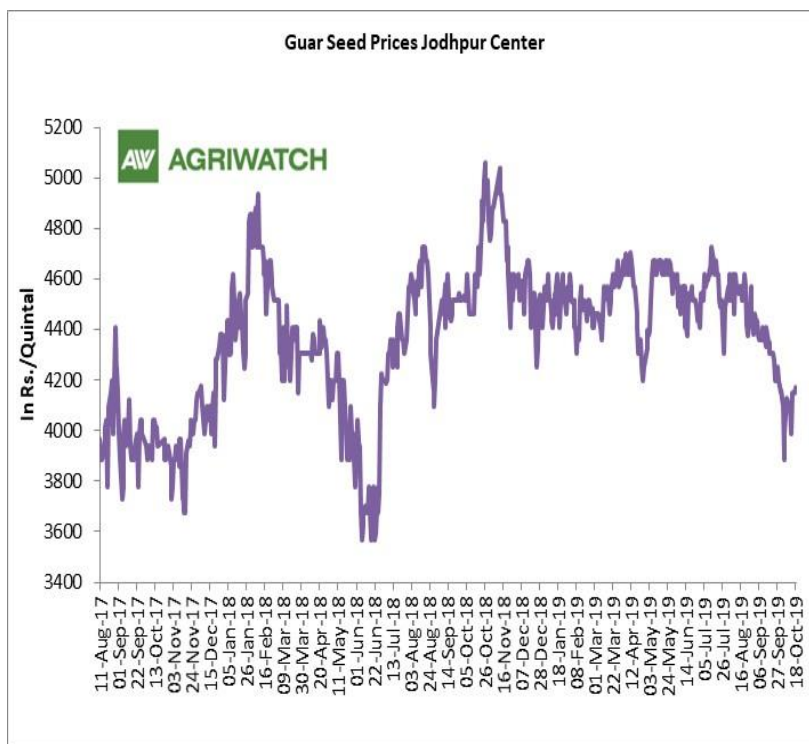
**Weekly Call- : Market participants are advised to sell Guar seed at 3970 levels for a target of 3850 with a stop loss at 4042 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 18<sup>th</sup> October, Guar seed weekly average prices increased by Rs 43.93/-qtl and settled at Rs 4127 per quintal.
- In addition, Guar gum weekly price decreased by Rs 18.33 per quintal and settled at Rs 7442 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.

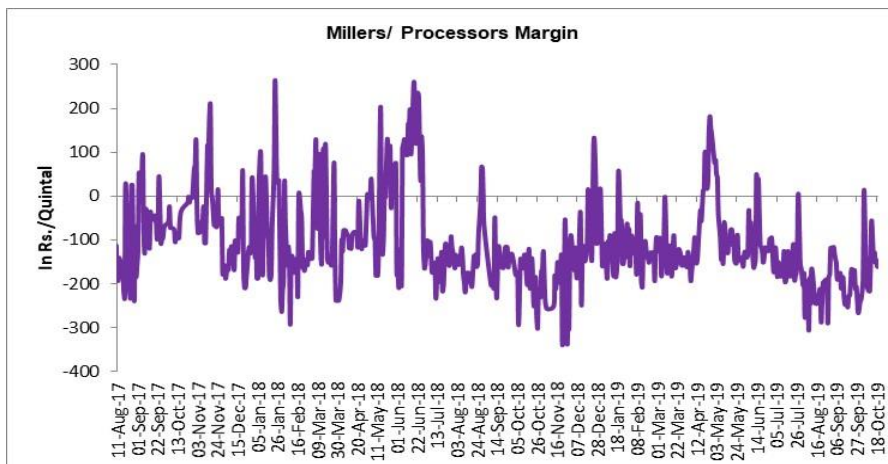


### Millers/Processors Margin

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In the week ended 18<sup>th</sup> Oct'19, average crush margin was Rs.-130.73/Quintal, compared to last week -169.96/Quintal. Therefore, crushing is not favorable for Millers/Processors.

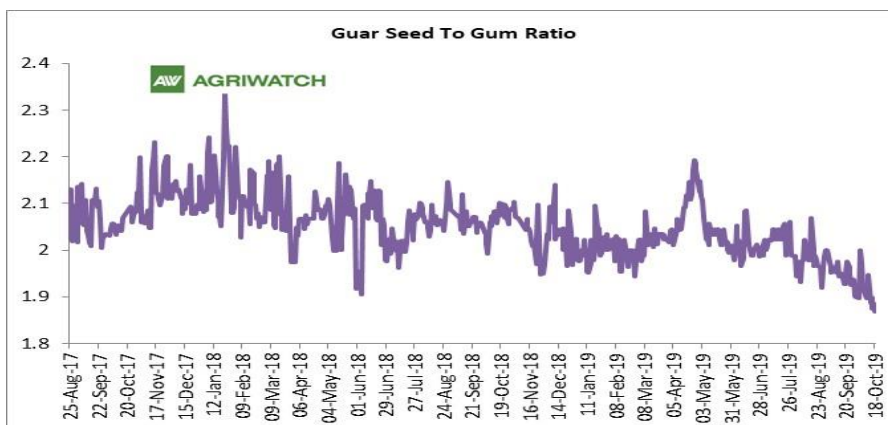
Higher degree of increase in guar gum prices compared to guar seed prices led the margin up this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 18<sup>th</sup> October'19 is 1.89, lower compared to last week's 1.91

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 September-2019	5306.96	1820.46
09-16 September-2019	7514.97	1888.12
17-23 September-2019	4387.73	1737.98
24-30 September-2019	4322.53	1813.94
Total	21532.19	

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:**

- Rise in price and fall in open interest indicates short covering.
- 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	3700	3660	3950	4090	4125
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	November	<b>Sell</b>	Below 3970	3850	3765	4042

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	6870	6810	7333	7655	7740
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	<b>Sell</b>	Below 7390	7155	6975	7531

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

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Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	12th to 18th Oct 2019	05th to 11th Oct 2019	Change
Churi	Jodhpur	1800	1770	30
Korma	Jodhpur	2400	2240	160
Churi	Sri-Ganganagar	1560	1571	-11
Korma	Sri-Ganganagar	2287	2205	82

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	12th to 18th Oct 2019	05th to 11th Oct 2019	Change
Guargum Split		1053	1056	-4
Guargum Powder	200 Mesh 5000 CPS	1333	1338	-5
	200 Mesh 3500 CPS	1263	1268	-5
Guargum Meal	40%	342	338	4
	50%	441	437	4

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			12th to 18th Oct 2019	05th to 11th Oct 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	3925	3889	36
		Jodhpur(Delivery)	4121	4083	38
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3740	3705	35
		Sri-Ganganagar (Delivery)	3890	3855	35
		Rawla (Loose)	3624	3607	17
		Gharsana (Loose)	3635	3575	60
		Raisinghnagar (Loose)	3663	3630	33
		Bikaner	Bikaner (Loose)	3697	3665
	Bikaner (Delivery)		3882	3848	34
	Nokha(Loose)		3691	3695	-4
	Nokha (Delivery)		3876	3880	-4
	Khajuwala (Loose)		3668	3662	6
	Khajuwala (Delivery)		3851	3845	6
	Lunkaransar (Loose)		3710	3700	10
	Hanumangarh		Hanumangarh (Loose)	3674	3704
		Hanumangarh (Delivery)	3858	3889	-32
		Nohar (Loose)	3708	3700	8



		Pilibanga (Loose)	3649	3700	-51
	Nagaur	Nagaur (Loose)	3656	3629	27
	Churu	Churu (Delivery)	3900	3896	4
	Alwar	Alwar (Loose)	3600	3596	4
Haryana	Hisar	Adampur (Loose)	3680	3691	-11
		Adampur (Delivery)	3864	3876	-12
	Bhiwani	Bhiwani (Delivery)	3861	3864	-3
		Siwani (Loose)	3868	3817	51
	Sirsa	Sirsa (Loose)	3739	3720	19
		Dhabwali (Loose)	3693	3679	14
		Dhabwali (Delivery)	3878	3863	15
		Ellanabad (Loose)	NR	NR	-
	Fatehabad	Fatehabad (Loose)	3620	3550	70
Gujarat	Banaskantha	Deesa (Loose)	3655	3626	29
	Patan	Patan (Loose)	3568	3560	8
	Rajkot	Rajkot (Loose)	3543	3562	-19
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7450	7460	-10
	Alwar	Alwar	7500	7480	20
	Hanumangarh	Nohar	7540	7480	60
Haryana	Bhiwani	Bhiwani	7340	6950	390
	Sirsa	Sirsa	7470	7390	80
		Dhabwali	7450	7450	Unch
		Ellanabad	NR	NR	-
	Fatehabad	Fatehabad	7430	7360	70

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			18-Oct-19	11-Oct-19	18-Sep-19	18-Oct-18
Rajasthan	Jodhpur	Jodhpur (Loose)	3960	3900	4100	4500
		Jodhpur(Delivery)	4158	4095	4305	4725
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3725	3700	3900	4370
		Sri-Ganganagar (Delivery)	3875	3850	4050	4520
		Rawla (Loose)	3600	NR	NR	4280
		Gharsana (Loose)	NR	NR	3705	4335
		Raisinghnagar (Loose)	3680	3600	3850	4200
	Bikaner	Bikaner (Loose)	3750	3650	3840	4330



		Bikaner (Delivery)	3938	3833	4032	4547
		Nokha(Loose)	3725	3700	3850	4275
		Nokha (Delivery)	3911	3885	4043	4489
		Khajuwala (Loose)	3650	3650	3900	4320
		Khajuwala (Delivery)	3833	3833	4095	4536
		Lunkaransar (Loose)	3750	3700	3830	4300
	Hanumangarh	Hanumangarh (Loose)	3700	3690	3850	4300
		Hanumangarh (Delivery)	3885	3875	4043	4515
		Nohar (Loose)	3710	3700	3840	4300
		Pilibanga (Loose)	NR	NR	3780	4260
	Nagaur	Nagaur (Loose)	3650	3620	3850	4125
	Churu	Churu (Delivery)	3900	3900	4050	4350
	Alwar	Alwar (Loose)	3600	3600	3800	4100
Haryana	Hisar	Adampur (Loose)	3675	3680	3800	4200
		Adampur (Delivery)	3859	3864	3990	4410
	Bhiwani	Bhiwani (Delivery)	3900	3800	4050	4350
		Siwani (Loose)	3875	3825	4000	4400
	Sirsa	Sirsa (Loose)	3735	3725	3860	4150
		Dhabwali (Loose)	3650	3675	3840	4100
		Dhabwali (Delivery)	3833	3859	4032	4305
		Ellanabad (Loose)	NR	NR	3800	4250
	Fatehabad	Fatehabad (Loose)	3650	3600	3800	4050
Gujarat	Banaskantha	Deesa (Loose)	3825	3555	3900	4010
	Patan	Patan (Loose)	3615	3560	3780	4205
	Rajkot	Rajkot (Loose)	3575	3595	3790	4180
	Jamnagar	Dhrol (Loose)	NA	NA	3530	Closed
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
<b>Guar Gum</b>						
Rajasthan	Jodhpur	Jodhpur	7400	7400	7900	9800
	Alwar	Alwar	7500	7500	8200	9500
	Hanumangarh	Nohar	7600	7500	8700	9600
Haryana	Bhiwani	Bhiwani	7350	6900	8000	9500
	Sirsa	Sirsa	7350	7350	8000	9800
		Dhabwali	7450	7450	7950	9400
		Ellanabad	NR	NR	8000	9800
	Fatehabad	Fatehabad	7500	7400	8000	9650

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			12th to 18th Oct 2019	05th to 11th Oct 2019	
Rajasthan	Jodhpur	Jodhpur	25	87	-62
	Sri-Ganganagar	Sri-Ganganagar	33000	32000	1000
		Rawla	670	81	589
		Gharsana	1260	42	1218
		Raisinghnagar	7500	6200	1300
	Bikaner	Bikaner	1700	270	1430
		Nokha	625	745	-120
		Khajuwala	670	155	515
		Lunkaransar	600	980	-380
	Hanumangarh	Hanumangarh	6900	7500	-600
		Nohar	1550	950	600
		Pilibanga	3340	3485	-145
	Nagaur	Nagaur	400	290	110
	Churu	Churu	2500	2400	100
	Alwar	Alwar	600	600	Unch
Haryana	Hisar	Adampur	6600	5200	1400
	Bhiwani	Bhiwani	NA	NA	-
		Siwani	2500	2600	-100
	Sirsa	Sirsa	15000	17500	-2500
		Dhabwali	5000	6500	-1500
		Ellanabad	NR	NR	-
	Fatehabad	Fatehabad	2200	1700	500
Gujarat	Banaskantha	Deesa	2	3	-1
	Patan	Patan	22	41	-19
	Rajkot	Rajkot	120	169	-49
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			92784	89498	3286

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