



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 1.12 percent to Rs. 3469.78 per quintal during the week ended 23rd October 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3509.14 per quintal during 09-15 October 2019. As compared to prices in the week 16-23 October 2018, the prices are weak by 12.96 percent. Prices are expected to remain steady to firm in coming days. Most of the markets witnessed low trade activity due to Diwali in past week.

Guar gum industry is exploring new markets such as Russia, South America and West Asia to export guar gum. Due to uncertainty about oil prices, investors are not investing in oil drilling. China and U.S. trade talks have sparked up some hope as tensions between the two pressured crude oil prices bringing down oil drilling activities. Guar gum exports during Oct'18-Sep'19 have been lower by around 11 percent compared to Oct'17-Sep'18.

Guar prices increased on good demand and technical recovery. Prices are likely to remain weak in the week due to arrival pressure and fall in demand. Guar crop is low this year but prices are not getting enough support due to low export demand. Market participant are advised to sell on rise.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 830 as on 25th October 2019 down by 21 compared to 18th October 2019 and down by 238 compared to 26th 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 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.

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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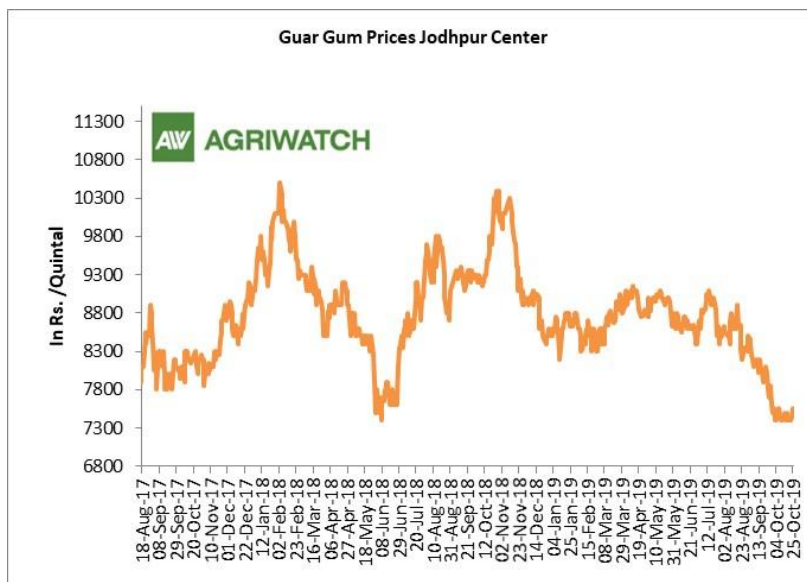
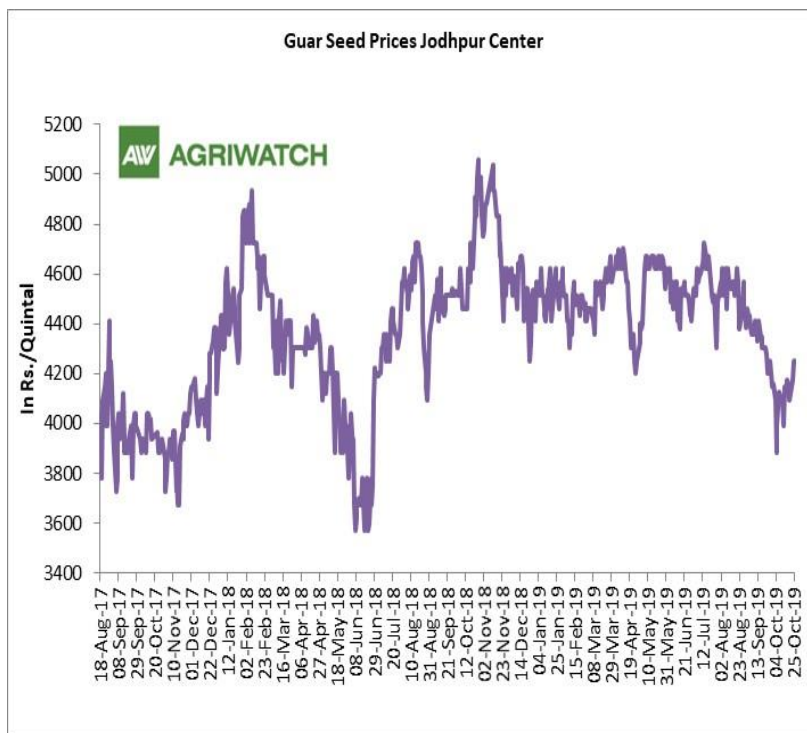
Weekly Call- : Market participants are advised to sell Guar seed at 4070 levels for a target of 3950 with a stop loss at 4142 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 25th October, Guar seed weekly average prices increased by Rs 56.88/-qtl and settled at Rs 4184 per quintal.
- In addition, Guar gum weekly price increased by Rs 18.33 per quintal and settled at Rs 7460 per quintal. Firm demand for guar gum from domestic as well as overseas market kept prices at higher 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.

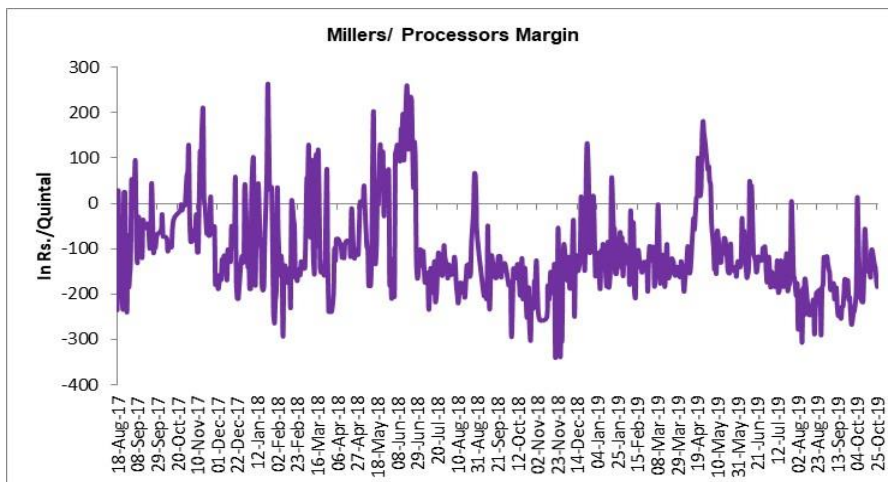


Millers/Processors Margin

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In the week ended 25th Oct'19, average crush margin was Rs.-145.70/Quintal, compared to last week -130.73/Quintal. Therefore, crushing is not favorable for Millers/Processors.

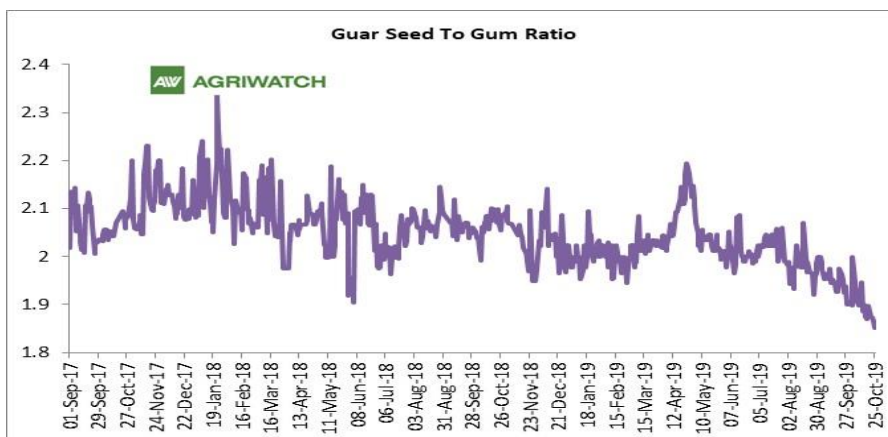
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 25th October'19 is 1.87, lower compared to last week's 1.89

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



Technical Commentary:

- Rise in price and fall in open interest indicates short covering.
- RSI is moving in neutral region.
- Prices closed below 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	November	3800	3760	4054	4190	4225
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	November	Sell	Below 4070	3950	3865	4142

Technical Analysis (Guar Gum)
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Commodity: Guar Gum
Contract: November
Exchange: NCDEX
Expiry: November 20, 2019

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 Gum	NCDEX	November	7170	7110	7625	7955	8040
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	Sell	Below 7690	7455	7275	7831

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	19th to 25th Oct 2019	12th to 18th Oct 2019	Change
Churi	Jodhpur	1825	1800	25
Korma	Jodhpur	2456	2400	56
Churi	Sri-Ganganagar	1571	1560	11
Korma	Sri-Ganganagar	2325	2287	38

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	19th to 25th Oct 2019	12th to 18th Oct 2019	Change
Guargum Split		1068	1053	15
Guargum Powder	200 Mesh 5000 CPS	1350	1333	16
	200 Mesh 3500 CPS	1279	1263	16
Guargum Meal	40%	352	342	10
	50%	451	441	10

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			19th to 25th Oct 2019	12th to 18th Oct 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	3969	3925	44
		Jodhpur(Delivery)	4167	4121	46
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3750	3740	10
		Sri-Ganganagar (Delivery)	3900	3890	10
		Rawla (Loose)	3678	3624	54
		Gharsana (Loose)	3716	3635	81
		Raisinghnagar (Loose)	3719	3663	56
	Bikaner	Bikaner (Loose)	3773	3697	76
		Bikaner (Delivery)	3961	3882	79
		Nokha(Loose)	3743	3691	52
		Nokha (Delivery)	3930	3876	55
		Khajuwala (Loose)	3692	3668	24
		Khajuwala (Delivery)	3877	3851	25
		Lunkaransar (Loose)	3765	3710	55
	Hanumangarh	Hanumangarh (Loose)	3721	3674	47
		Hanumangarh (Delivery)	3907	3858	49
		Nohar (Loose)	3741	3708	33

		Pilibanga (Loose)	3550	3649	-99
	Nagaur	Nagaur (Loose)	3620	3656	-36
	Churu	Churu (Delivery)	3920	3900	20
	Alwar	Alwar (Loose)	3620	3600	20
Haryana	Hisar	Adampur (Loose)	3718	3680	38
		Adampur (Delivery)	3903	3864	39
	Bhiwani	Bhiwani (Delivery)	3858	3861	-3
		Siwani (Loose)	3895	3868	27
	Sirsa	Sirsa (Loose)	3756	3739	17
		Dhabwali (Loose)	3688	3693	-6
		Dhabwali (Delivery)	3872	3878	-6
		Ellanabad (Loose)	NR	NR	-
	Fatehabad	Fatehabad (Loose)	3638	3620	18
Gujarat	Banaskantha	Deesa (Loose)	3783	3655	128
	Patan	Patan (Loose)	3574	3568	6
	Rajkot	Rajkot (Loose)	3583	3543	40
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7450	7450	Unch
	Alwar	Alwar	7520	7500	20
	Hanumangarh	Nohar	7520	7540	-20
Haryana	Bhiwani	Bhiwani	7033	7340	-307
	Sirsa	Sirsa	7400	7470	-70
		Dhabwali	7425	7450	-25
		Ellanabad	NR	NR	-
	Fatehabad	Fatehabad	7450	7430	20

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			25-Oct-19	18-Oct-19	25-Sep-19	25-Oct-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4050	3960	4000	4750
		Jodhpur(Delivery)	4253	4158	4200	4988
	Sri-Ganganagar	Sri-Ganganagar(Loose)	Closed	3725	3700	4525
		Sri-Ganganagar (Delivery)	Closed	3875	3850	4675
		Rawla (Loose)	NR	3600	3720	4500
		Gharsana (Loose)	NR	3680	NR	4530
		Raisinghnagar (Loose)	3830	3680	3800	4560
	Bikaner	Bikaner (Loose)	Closed	3750	3725	4600

		Bikaner (Delivery)	Closed	3938	3911	4830
		Nokha(Loose)	3850	3725	3800	4500
		Nokha (Delivery)	4043	3911	3990	4725
		Khajuwala (Loose)	3800	3650	3770	4540
		Khajuwala (Delivery)	3990	3833	3959	4767
		Lunkaransar (Loose)	3800	3750	3800	4450
	Hanumangarh	Hanumangarh (Loose)	Closed	3700	3700	4530
		Hanumangarh (Delivery)	Closed	3885	3885	4757
		Nohar (Loose)	3850	3710	Closed	4510
		Pilibanga (Loose)	NR	3600	3670	4550
	Nagaur	Nagaur (Loose)	Closed	3650	3750	4350
	Churu	Churu (Delivery)	4100	3900	3900	4650
	Alwar	Alwar (Loose)	3800	3600	3600	4500
Haryana	Hisar	Adampur (Loose)	3800	3675	3725	4500
		Adampur (Delivery)	3990	3859	3911	4725
	Bhiwani	Bhiwani (Delivery)	3950	3900	3900	4650
		Siwani (Loose)	3975	3875	3900	4575
	Sirsa	Sirsa (Loose)	3865	3735	3760	4425
		Dhabwali (Loose)	3800	3650	3700	4375
		Dhabwali (Delivery)	3990	3833	3885	4594
		Ellanabad (Loose)	NR	NR	3650	4500
	Fatehabad	Fatehabad (Loose)	3750	3650	3800	4350
Gujarat	Banaskantha	Deesa (Loose)	Closed	3825	3800	4500
	Patan	Patan (Loose)	Closed	3615	NA	4465
	Rajkot	Rajkot (Loose)	3680	3575	3595	4505
	Jamnagar	Dhrol (Loose)	NA	NA	NA	4340
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7500	7400	7700	10300
	Alwar	Alwar	7700	7500	7800	10300
	Hanumangarh	Nohar	7700	7600	Closed	10350
Haryana	Bhiwani	Bhiwani	7600	7350	7600	10300
	Sirsa	Sirsa	7600	7350	7700	10300
		Dhabwali	7700	7450	7700	9900
		Ellanabad	NR	NR	7850	10400
	Fatehabad	Fatehabad	7700	7500	7750	10225

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			19th to 25th Oct 2019	12th to 18th Oct 2019	
Rajasthan	Jodhpur	Jodhpur	63	25	38
	Sri-Ganganagar	Sri-Ganganagar	34000	33000	1000
		Rawla	2400	670	1730
		Gharsana	4488	1260	3228
		Raisinghnagar	7000	7500	-500
	Bikaner	Bikaner	1150	1700	-550
		Nokha	900	625	275
		Khajuwala	1400	670	730
		Lunkaransar	950	600	350
	Hanumangarh	Hanumangarh	6200	6900	-700
		Nohar	2300	1550	750
		Pilibanga	2022	3340	-1318
	Nagaur	Nagaur	775	400	375
	Churu	Churu	2500	2500	Unch
	Alwar	Alwar	500	600	-100
Haryana	Hisar	Adampur	5100	6600	-1500
	Bhiwani	Bhiwani	1100	NA	-
		Siwani	2700	2500	200
	Sirsa	Sirsa	12000	15000	-3000
		Dhabwali	2300	5000	-2700
		Ellanabad	NR	NR	-
	Fatehabad	Fatehabad	1450	2200	-750
Gujarat	Banaskantha	Deesa	NA	2	-
	Patan	Patan	164	22	142
	Rajkot	Rajkot	130	120	10
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			91592	92784	-1192

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