

Guar Weekly Research Report

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Executive Summary
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Domestic Guar Seed Market Summary

All India weekly average prices increased by 3.35 percent to Rs. 3748.90 per quintal during the week ended 08th November 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3627.34 per quintal during 24-31 October 2019. As compared to prices in the week 01-08 November 2018, the prices are weak by 10.60 percent. Prices are expected to remain steady to firm in coming days.

As per market sources, good demand in churi and korma kept prices of guar seed at higher side. Guar seed future prices witnessed higher increase compared to guar gum prices. Gum prices didn't see much firmness due to low export demand.

Guar prices are likely to trade firm in upcoming weeks due to lower production compared to last year. Furthermore, carryover stock is also expected to be lower. However, gum prices are not able to get much support from exports. Traders are advised to buy on dip.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 817 as on 08th November 2019 down by 5 compared to 01st November 2019 and down by 264 compared to 09th November 2018. The total number of oilrigs was recorded at 2123 worldwide in October'19 compared to 2271 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 (4700 quintals) compared to previous week arrivals of 4100 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (1600 quintals) compared to 1250 quintals in the previous week.

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.

Recommendation:
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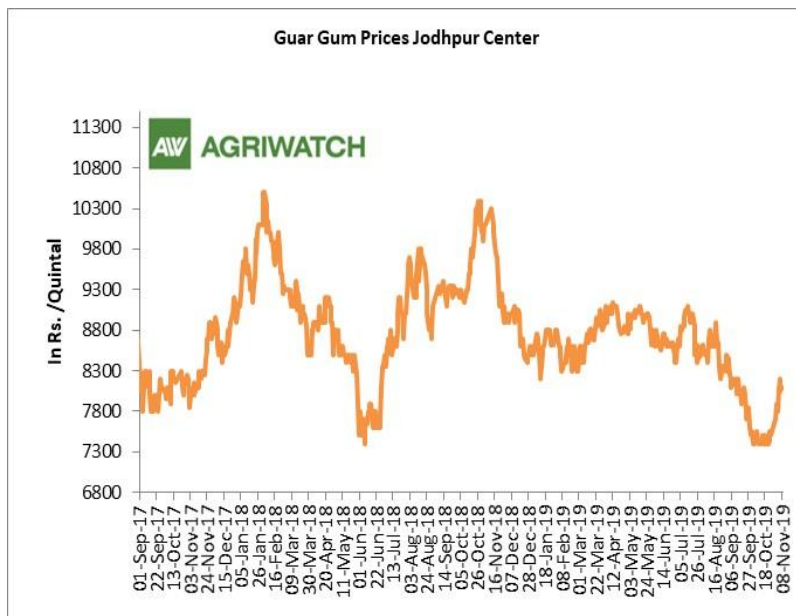
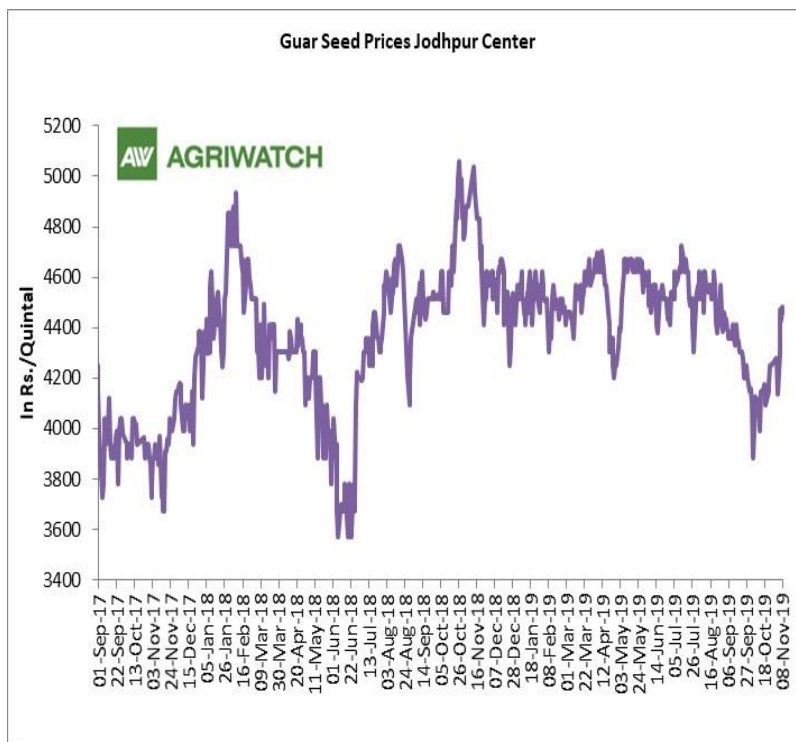
Weekly Call- : Market participants are advised to buy Guar seed at 4225 levels for a target of 4490 with a stop loss at 4066 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 08th November, Guar seed weekly average prices increased by Rs 104.13/qtl and settled at Rs 4381 per quintal.
- In addition, Guar gum weekly price increased by Rs 291.67 per quintal and settled at Rs 8058 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.

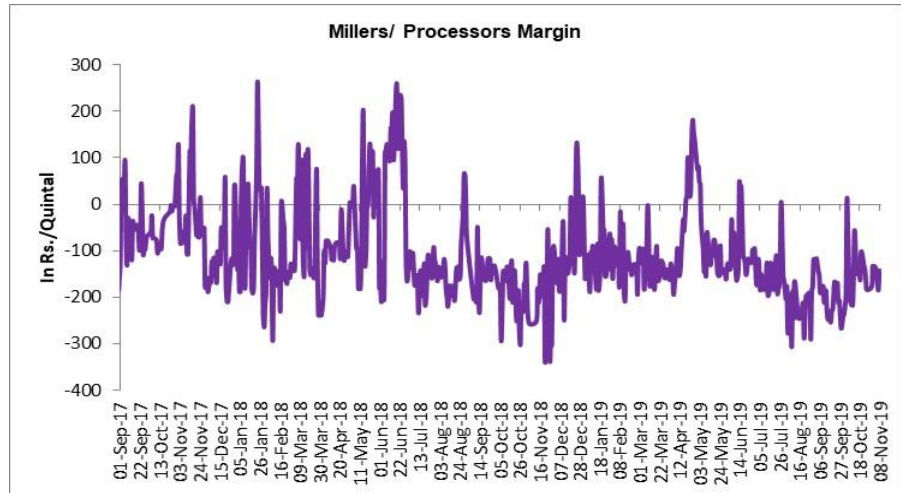


Millers/Processors Margin

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In the week ended 08th Nov, average crush margin was Rs.-152.86/Quintal, compared to last week -150.58/Quintal. Therefore, crushing is not favorable for Millers/Processors.

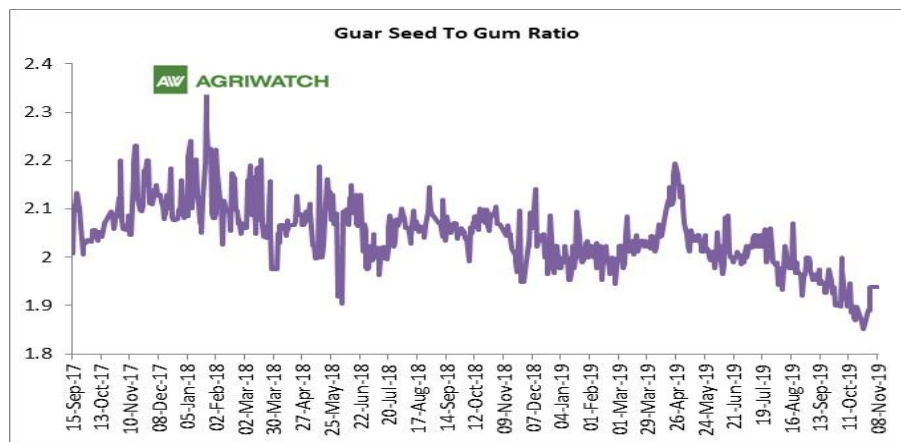
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 08th Nov'19 is 1.94, higher compared to last week's 1.91

Overall, buoyant demand of gum from overseas and good demand of seed from millers has increased 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: December

Exchange: NCDEX
Expiry: December 20, 2019

Guar Seed (December Weekly Chart)



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- RSI is moving in neutral region.
- Prices closed between 9 and 18 day EMAs.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	December	4010	3970	4247.5	4650	4700
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	December	Buy	Above 4225	4490	4575	4066

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: December

Exchange: NCDEX
Expiry: December 20, 2019



Technical Commentary:

- Rise in price and open interest indicates long buildup.
- RSI is moving in neutral region.
- Prices closed between 9 and 18 day EMAs.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	December	7500	7425	7971	8800	8890
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	December	Buy	Above 7940	8460	8695	7628

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	02nd to 08th Nov 2019	26th Oct to 01st Nov 2019	Change
Churi	Jodhpur	1854	1850	4
Korma	Jodhpur	2488	2475	13
Churi	Sri-Ganganagar	1660	1575	85
Korma	Sri-Ganganagar	2338	2288	50

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	02nd to 08th Nov 2019	26th Oct to 01st Nov 2019	Change
Guargum Split		1168	1073	95
Guargum Powder	200 Mesh 5000 CPS	1450	1355	95
	200 Mesh 3500 CPS	1380	1285	95
Guargum Meal	40%	358	353	5
	50%	465	452	14

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			02nd to 08th Nov 2019	26 Oct to 01 Nov 2019	
Guar Seed	Jodhpur	Jodhpur (Loose)	4173	4073	99
		Jodhpur(Delivery)	4381	4277	104
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4002	3850	152
		Sri-Ganganagar (Delivery)	4152	4000	152
		Rawla (Loose)	4008	3820	188
		Gharsana (Loose)	4092	3833	259
		Raisinghnagar (Loose)	4013	3861	152
	Bikaner	Bikaner (Loose)	4092	3890	202
		Bikaner (Delivery)	4297	4085	212
		Nokha(Loose)	4060	3875	185
		Nokha (Delivery)	4263	4069	194
		Khajuwala (Loose)	4008	3823	185
		Khajuwala (Delivery)	4208	4014	194
		Lunkaransar (Loose)	4042	3890	152
	Hanumangarh	Hanumangarh (Loose)	4088	3860	228
		Hanumangarh (Delivery)	4293	4053	240
		Nohar (Loose)	4038	3844	195

		Pilibanga (Loose)	4054	3805	249
	Nagaur	Nagaur (Loose)	3994	3888	107
	Churu	Churu (Delivery)	4217	4040	177
	Alwar	Alwar (Loose)	3917	3740	177
Haryana	Hisar	Adampur (Loose)	4068	3835	233
		Adampur (Delivery)	4271	4027	244
	Bhiwani	Bhiwani (Delivery)	4167	3973	194
		Siwani (Loose)	4158	3990	168
	Sirsa	Sirsa (Loose)	4072	3898	174
		Dhabwali (Loose)	4018	3849	169
		Dhabwali (Delivery)	4218	4041	177
		Ellanabad (Loose)	NA	NR	-
	Fatehabad	Fatehabad (Loose)	3988	3800	188
Gujarat	Banaskantha	Deesa (Loose)	1267	NA	-
	Patan	Patan (Loose)	3856	3645	211
	Rajkot	Rajkot (Loose)	3929	3830	99
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8058	7767	292
	Alwar	Alwar	8033	7640	393
	Hanumangarh	Nohar	7833	7675	158
Haryana	Bhiwani	Bhiwani	7933	7706	227
	Sirsa	Sirsa	8138	7763	375
		Dhabwali	8013	7725	288
		Ellanabad	NR	NR	-
	Fatehabad	Fatehabad	8013	7700	313

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			8-Nov-19	1-Nov-19	9-Oct-19	8-Nov-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4250	4075	3915	4650
		Jodhpur(Delivery)	4463	4279	4111	4883
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4080	3950	3700	4550
		Sri-Ganganagar (Delivery)	4230	4100	3850	4700
		Rawla (Loose)	4015	3900	3640	4450
		Gharsana (Loose)	NR	NR	3640	4425
		Raisinghnagar (Loose)	4080	3900	3600	4525
	Bikaner	Bikaner (Loose)	4110	3930	3650	4550

		Bikaner (Delivery)	4316	4127	3833	4778
		Nokha(Loose)	4100	3975	3700	4420
		Nokha (Delivery)	4305	4174	3885	4641
		Khajuwala (Loose)	4060	3890	3680	4350
		Khajuwala (Delivery)	4263	4085	3864	4568
		Lunkaransar (Loose)	4100	3950	3700	4400
	Hanumangarh	Hanumangarh (Loose)	4100	3950	3700	4503
		Hanumangarh (Delivery)	4305	4148	3885	4728
		Nohar (Loose)	4080	3900	3700	4425
		Pilibanga (Loose)	NR	4000	3695	4430
	Nagaur	Nagaur (Loose)	4025	3975	3600	4300
	Churu	Churu (Delivery)	4200	4000	3900	4450
	Alwar	Alwar (Loose)	3900	3700	3600	4200
Haryana	Hisar	Adampur (Loose)	4050	3900	3700	4370
		Adampur (Delivery)	4253	4095	3885	4589
	Bhiwani	Bhiwani (Delivery)	4300	4000	3870	4550
		Siwani (Loose)	4250	4060	3770	4500
	Sirsa	Sirsa (Loose)	4100	3935	3725	4385
		Dhabwali (Loose)	4050	3900	3600	4335
		Dhabwali (Delivery)	4253	4095	3780	4552
		Ellanabad (Loose)	NR	NR	NR	4600
	Fatehabad	Fatehabad (Loose)	4000	3850	3550	4250
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	3600	4400
	Patan	Patan (Loose)	3850	3645	NA	4565
	Rajkot	Rajkot (Loose)	3925	3830	3550	4520
	Jamnagar	Dhrol (Loose)	NA	NA	NA	4410
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8100	7900	7450	10100
	Alwar	Alwar	8000	7600	7500	10000
	Hanumangarh	Nohar	7800	7700	7500	10150
Haryana	Bhiwani	Bhiwani	8000	7800	6900	9950
	Sirsa	Sirsa	8100	7900	7400	10000
		Dhabwali	8090	7800	7400	9500
		Ellanabad	NR	NR	NR	10300
	Fatehabad	Fatehabad	8090	7800	7300	9942

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			02nd to 08th Nov 2019	26 Oct to 01 Nov 2019	
Rajasthan	Jodhpur	Jodhpur	369	80	289
	Sri-Ganganagar	Sri-Ganganagar	11000	11000	Unch
		Rawla	2630	980	1650
		Gharsana	4353	3000	1353
		Raisinghnagar	6100	4700	1400
	Bikaner	Bikaner	1600	1250	350
		Nokha	4000	1450	2550
		Khajuwala	3800	2100	1700
		Lunkaransar	1750	800	950
	Hanumangarh	Hanumangarh	1680	2550	-870
		Nohar	1750	1500	250
		Pilibanga	944	550	394
	Nagaur	Nagaur	2150	350	1800
	Churu	Churu	4000	2800	1200
	Alwar	Alwar	1600	500	1100
Haryana	Hisar	Adampur	4700	4100	600
	Bhiwani	Bhiwani	3300	1600	1700
		Siwani	3700	3000	700
	Sirsa	Sirsa	5000	8200	-3200
		Dhabwali	3900	3500	400
		Ellanabad	NR	NR	-
	Fatehabad	Fatehabad	1650	1300	350
Gujarat	Banaskantha	Deesa	3	NA	-
	Patan	Patan	177	16	161
	Rajkot	Rajkot	230	110	120
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			70386	55436	14950

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