

Guar Weekly Research Report

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Executive Summary
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Domestic Guar Seed Market Summary

All India weekly average prices declined by 8.07 percent to Rs. 3487 per quintal during the week ended 8th December 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3794.13 per quintal during 1 to 8 December 2019. As compared to prices in the week 1-8 December 2018, the prices are lower by 3.57 percent. Prices are expected to steady to weak tone in coming days.

Guar seed prices closed at Rs 3900 per quintal lower by Rs 140 per quintal. Prices are likely to be on lower side on less demand. Prices are not getting much support from exports due to low export demand. Prices are likely to stay steady to weak in near future with some technical selling pressures.

As per trade sources, average recovery of guar gum from guar seed is coming around 29.00-30.00 kg in Rajasthan. Quality of guar seed is expected to be better compared to last season leading to better recoveries. No arrival of black guar in big quantity was reported.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 806 as on 15th November 2019 down by 11 compared to 08th November 2019 and down by 276 compared to 16th 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 lower arrivals at 4400 quintals compared to previous week arrivals of 4000 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals at 6600 quintals compared to 8000 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 sell Guar seed at 3900 levels for a target of 3800 with a stop loss at 4050 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

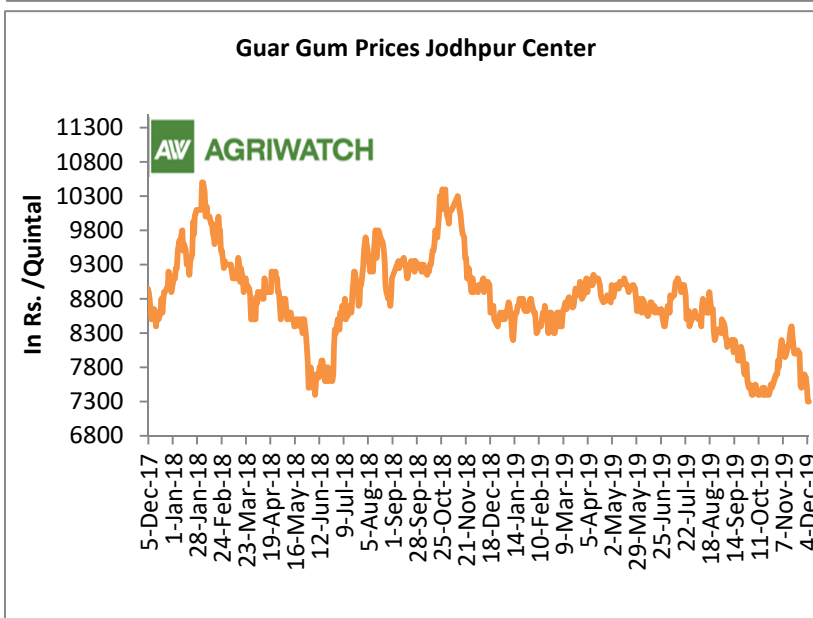
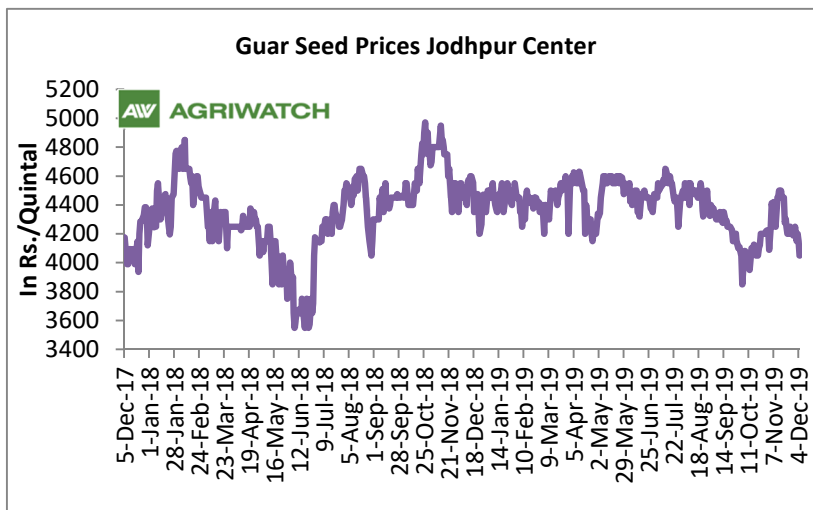
➤ In the week ended 5th December, Guar seed weekly average prices declined by Rs 47/qrtl and settled at Rs. 4166.67 per quintal.

➤ In addition, Guar gum average weekly price decreased by Rs 230 per quintal and settled at Rs. 7500 per quintal. Weak demand for guar gum from domestic as well as overseas market kept prices at lower side in this 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.

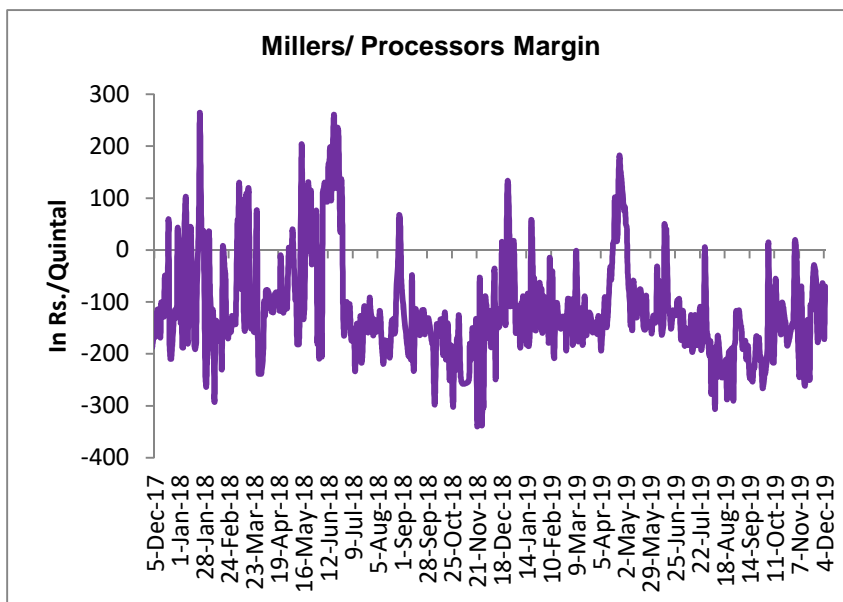


Millers/Processors Margin

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In the week ended 5th Dec, average crush margin was Rs.-126.17/Quintal, compared to last week -106.14 Quintal.

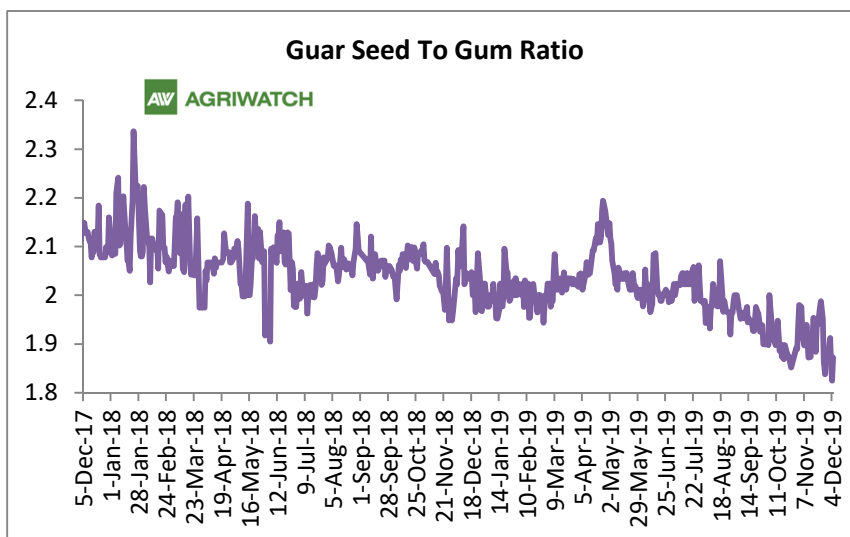
High degrees of fall in guar seed prices compared to guar gum prices, led the margin lower this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 5 Dec'19 is 1.86 lower from last week.

Overall, weak demand of gum from overseas and domestic markets has kept the overall ratio lower side.



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:

- Fall in prices and less volume indicates short build up phase.
- RSI is moving in oversold region.
- Prices closed below 9 and 18 EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	December	3780	3830	3944	4150	4250
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	December	Sell	Below 3940	3880	3840	3980

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: December

Exchange: NCDEX
Expiry: December 20, 2019



Technical Commentary:

- Fall in price and lower volume indicates short build up phase.
- RSI is moving in oversold region.
- Prices closed below 9 and 18 EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	December	6800	7200	7335	7500	7750
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	December	Sell	Below 7340	7280	7200	7400

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	5 th Dec. to 28 th Nov 2019	21 st Nov to 28 th Nov 2019	Change
Churi	Jodhpur	1900	1892	
Korma	Jodhpur	2475	2463	
Churi	Sri-Ganganagar	1700	1675	
Korma	Sri-Ganganagar	2329	2338	

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	5 th Dec. to 28 th Nov 2019	21 st Nov to 28 th Nov 2019	Change
Guargum Split		1046	1084	
Guargum Powder	200 Mesh 5000 CPS	1325	1364	
	200 Mesh 3500 CPS	1256	1294	
Guargum Meal	40%	363	363	
	50%	446	456	

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			5 th Dec to 28 th Nov 2019	21 st Nov to 28 th Nov 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4017	4062	-45
		Jodhpur(Delivery)	4218	4265	-47
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3883	3933	-50
		Sri-Ganganagar (Delivery)	4033	4083	-50
		Rawla (Loose)	3900	3913	-13
		Gharsana (Loose)	1536	2656	-1120
		Raisinghnagar (Loose)	3820	3953	-133
	Bikaner	Bikaner (Loose)	3856	3986	-130
		Bikaner (Delivery)	4049	4185	-137
		Nokha(Loose)	3783	3933	-149
		Nokha (Delivery)	3973	4129	-157
		Khajuwala (Loose)	3837	3944	-107
		Khajuwala (Delivery)	4029	4141	-113
		Lunkaransar (Loose)	3825	3932	-107
	Hanumangarh	Hanumangarh (Loose)	3878	3993	-115
		Hanumangarh (Delivery)	4072	4193	-121

		Nohar (Loose)	3858	3947	-88
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	3666	3875	-209
	Churu	Churu (Delivery)	4167	4242	-75
	Alwar	Alwar (Loose)	3883	3950	-67
Haryana	Hisar	Adampur (Loose)	3890	4025	-135
		Adampur (Delivery)	4085	4226	-142
	Bhiwani	Bhiwani (Delivery)	3953	4141	-188
		Siwani (Loose)	3953	4064	-111
	Sirsa	Sirsa (Loose)	3869	3986	-117
		Dhabwali (Loose)	3841	3950	-109
		Dhabwali (Delivery)	4033	4148	-115
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3825	3950	-125
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	3822	3968	-146
	Rajkot	Rajkot (Loose)	3770	3921	-151
	Jamnagar	Dhrol (Loose)	1432	605	827
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7500	7775	-275
	Alwar	Alwar	7500	7950	-450
	Hanumangarh	Nohar	7650	7867	-217
Haryana	Bhiwani	Bhiwani	7682	7872	-190
	Sirsa	Sirsa	7483	7810	-327
		Dhabwali	7396	7700	-304
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	7450	7720	-270

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			5-Dec-16	28-Nov-19	5-Nov-19	5-Dec-18
Rajasthan	Jodhpur	Jodhpur (Loose)	3900	4040	4260	4300
		Jodhpur(Delivery)	4095	4242	4473	4515
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3800	3950	3750	4200
		Sri-Ganganagar (Delivery)	3950	4100	3900	4350
		Rawla (Loose)	3890	3870	4070	4130
		Gharsana (Loose)	NR	3995	4130	4150
		Raisinghnagar (Loose)	3750	3900	3950	4160

	Bikaner	Bikaner (Loose)	3725	4025	4050	4200
		Bikaner (Delivery)	3911	4226	4253	4410
		Nokha (Loose)	3700	3900	4100	4110
		Nokha (Delivery)	3885	4095	4305	4316
		Khajuwala (Loose)	3800	3900	4050	4180
		Khajuwala (Delivery)	3990	4095	4253	4389
		Lunkaransar (Loose)	3700	3900	4100	4150
	Hanumangarh	Hanumangarh (Loose)	3820	3950	4140	4100
		Hanumangarh (Delivery)	4011	4148	4347	4305
		Nohar (Loose)	3750	3930	4200	4175
		Pilibanga (Loose)	NR	0	4120	4115
	Nagaur	Nagaur (Loose)	3670	3800	4000	4000
	Churu	Churu (Delivery)	4050	4200	4300	4350
	Alwar	Alwar (Loose)	3800	3900	4000	4050
Haryana	Hisar	Adampur (Loose)	3780	4000	4100	4200
		Adampur (Delivery)	3969	4200	4305	4410
	Bhiwani	Bhiwani (Delivery)	3850	4070	4150	4400
		Siwani (Loose)	3870	4020	4160	4350
	Sirsa	Sirsa (Loose)	3790	3960	4135	4225
		Dhabwali (Loose)	3800	3925	4100	4150
		Dhabwali (Delivery)	3990	4121	4305	4358
		Ellanabad (Loose)	NR	0	0	4175
	Fatehabad	Fatehabad (Loose)	3750	3875	3980	4050
Gujarat	Banaskantha	Deesa (Loose)	NA	0	0	4175
	Patan	Patan (Loose)	3625	4125	3955	4265
	Rajkot	Rajkot (Loose)	3600	3850	4000	4285
	Jamnagar	Dhrol (Loose)	NA	0	0	NA
M.P.	Gwalior	Dabra (Loose)	NA	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7300	7550	8200	9000
	Alwar	Alwar	7200	7800	8200	9000
	Hanumangarh	Nohar	7500	7800	8000	9000
Haryana	Bhiwani	Bhiwani	7500	7850	7900	9270
	Sirsa	Sirsa	7200	7600	8250	8800
		Dhabwali	7200	7500	8100	8800
		Ellanabad	NR	0	0	8900
	Fatehabad	Fatehabad	7200	7500	8100	8780

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			5th Dec to 28th Nov 2019	21st Nov to 28th Nov 2019	
Rajasthan	Jodhpur	Jodhpur	150	371	-221
	Sri-Ganganagar	Sri-Ganganagar	3000	4900	-1900
		Rawla	1800	1700	100
		Gharsana	520	815	-295
		Raisinghnagar	2600	3100	-500
	Bikaner	Bikaner	6600	8000	-1400
		Nokha	7300	4350	2950
		Khajuwala	6400	1200	5200
		Lunkaransar	4800	3900	900
	Hanumangarh	Hanumangarh	480	480	Unch
		Nohar	2000	1200	800
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	3350	4050	-700
	Churu	Churu	3000	3600	-600
	Alwar	Alwar	1000	1700	-700
Haryana	Hisar	Adampur	4400	4000	400
	Bhiwani	Bhiwani	1650	2050	-400
		Siwani	2400	3300	-900
	Sirsa	Sirsa	4300	3270	1030
		Dhabwali	1600	1450	150
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	400	100	300
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	233	235	-2
	Rajkot	Rajkot	470	424	46
	Jamnagar	Dhrol	23	9	14
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			58476	54204	194

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