



# Guar Weekly Research Report

## Table of Contents

- ❖ **Executive Summary**
- ❖ **Recommendations**
- ❖ **Domestic Market Fundamentals**
- ❖ **Processing Margins**
- ❖ **Guar Seed to Gum Ratio**
- ❖ **Guar Gum Weekly Exports**
- ❖ **Technical Analysis (Guar Seed)**
- ❖ **Technical Analysis (Guar Gum)**
- ❖ **Guar Seed & Gum Prices at Key Spot Markets**
- ❖ **Guar Seed Arrivals at Key Centers**

**Executive Summary**
[\(Back to Table of Contents\)](#)
**Domestic Guar Seed Market Summary**

All India weekly average prices declined by 3.18 percent to Rs. 3485.75 per quintal during the week ended 15<sup>th</sup> December 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3600.61 per quintal during 1 to 8 December 2019. As compared to prices in the week 9- 15 December 2018, the prices are lower by 13.75 percent. Prices are expected to steady to weak tone in coming days.

Guar seed average weekly prices closed at Rs 4095.83 per quintal lower by Rs 70 per quintal. Prices are likely to be on lower side after higher supplies. 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 15<sup>th</sup> November 2019 down by 11 compared to 08<sup>th</sup> November 2019 and down by 276 compared to 16<sup>th</sup> 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 at 4900 quintals compared to previous week arrivals of 4400 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals at 11000 quintals compared to 6600 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:**
[\(Back to Table of Contents\)](#)

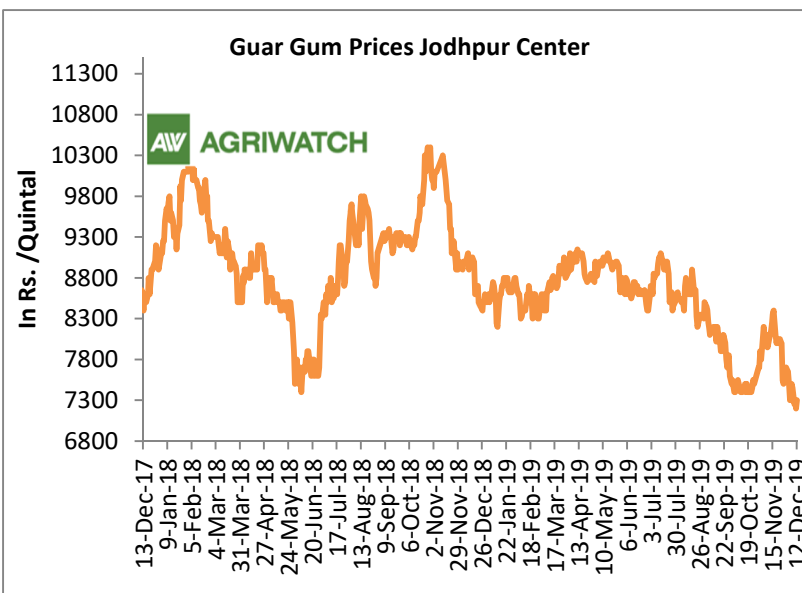
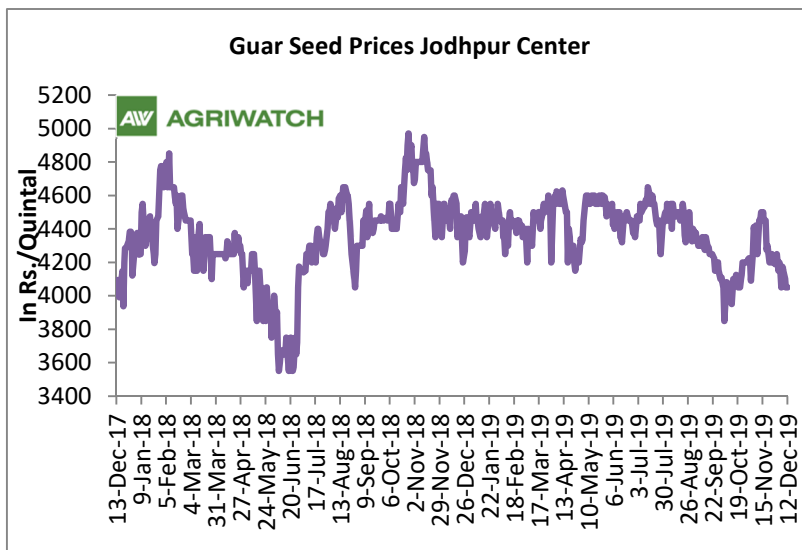
**Weekly Call- : Market participants are advised to sell Guar seed at 3980 levels for a target of 3900 with a stop loss at 4040 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

[\(Back to Table of Contents\)](#)

Domestic Front

- In the week ended 12<sup>th</sup> December, Guar seed weekly average prices declined by Rs 70/qrtl and settled at Rs. 4095.83 per quintal.
- In addition, Guar gum average weekly price decreased by Rs 166 per quintal and settled at Rs. 7333.33 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.

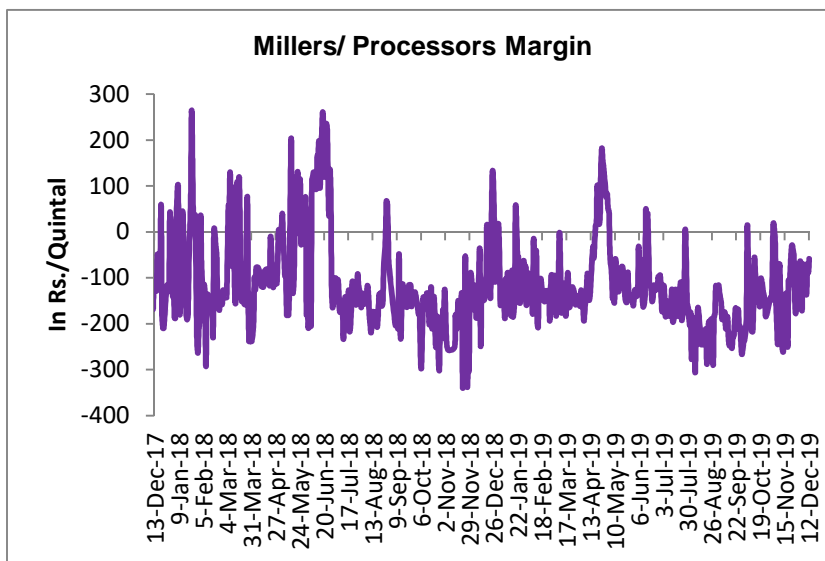


### Millers/Processors Margin

[\(Back to Table of Contents\)](#)

In the week ended 12<sup>th</sup> Dec, average crush margin was Rs.-102.16/Quintal, compared to last week -126.17 Quintal.

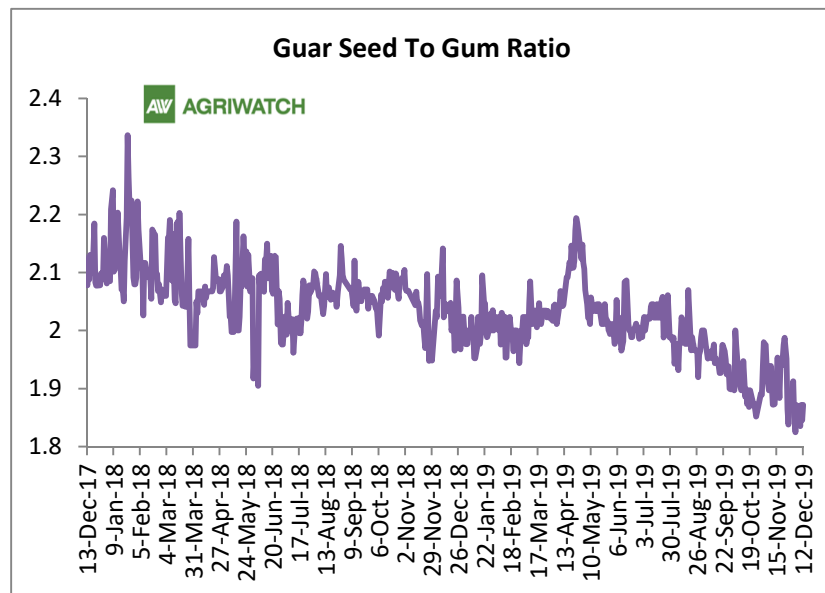
High degrees of fall in guar gum prices compared to guar seed prices, led the margin higher this week.



### Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 12 Dec'19 is 1.85 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

[\(Back to Table of Contents\)](#)

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)
[\(Back to Table of Contents\)](#)
**Commodity: Guar Seed**  
**Contract: January**
**Exchange: NCDEX**  
**Expiry: January 20, 2019**

**Technical Commentary:**

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

**Strategy: Sell**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	January	3700	3800	3972	4195	4280
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	January	<b>Sell</b>	Below 3980	3900	3820	4040

Technical Analysis (Guar Gum)

[\(Back to Table of Contents\)](#)

Commodity: Guar Gum  
Contract: January

Exchange: NCDEX  
Expiry: January 20, 2019



**Technical Commentary:**

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

**Strategy: Sell**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	January	6750	6900	7183	7500	7750
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	<b>Sell</b>	Below 7195	7020	6910	7300

Guar Seed & Gum Prices at Key Spot Markets

[\(Back to Table of Contents\)](#)

Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	12th Dec to 5th Dec 2019	5 Dec to 28th Nov 2019	Change
Churi	Jodhpur	1908	1892	17
Korma	Jodhpur	2475	2463	12
Churi	Sri-Ganganagar	1706	1675	31
Korma	Sri-Ganganagar	2317	2338	-21

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	12th Dec to 5th Dec 2019	5 Dec to 28th Nov 2019	Change
Guargum Split		1051	1084	-33
Guargum Powder	200 Mesh 5000 CPS	1333	1364	-31
	200 Mesh 3500 CPS	1263	1294	-31
Guargum Meal	40%	357	363	-6
	50%	455	456	-1

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
			12th Dec to 5th Dec 2019	5 Dec to 28th Nov 2019	
Guar Seed	Jodhpur	Jodhpur (Loose)	3946	4017	-71
		Jodhpur(Delivery)	4143	4218	-74
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3842	3883	-42
		Sri-Ganganagar (Delivery)	3942	4033	-92
		Rawla (Loose)	3820	3900	-80
		Gharsana (Loose)	2903	1536	1367
		Raisinghnagar (Loose)	3771	3820	-49
	Bikaner	Bikaner (Loose)	3782	3856	-74
		Bikaner (Delivery)	3971	4049	-78
		Nokha(Loose)	3746	3783	-38
		Nokha (Delivery)	3933	3973	-39
		Khajuwala (Loose)	3750	3837	-87
		Khajuwala (Delivery)	3938	4029	-91
		Lunkaransar (Loose)	3785	3825	-40
	Hanumangarh	Hanumangarh (Loose)	3842	3878	-36
		Hanumangarh (Delivery)	4034	4072	-38
		Nohar (Loose)	3778	3858	-80

		Pilibanga (Loose)	0	0	Unch
	<b>Nagaur</b>	Nagaur (Loose)	3713	3666	47
	<b>Churu</b>	Churu (Delivery)	4083	4167	-83
	<b>Alwar</b>	Alwar (Loose)	3783	3883	-100
Haryana	<b>Hisar</b>	Adampur (Loose)	3837	3890	-53
		Adampur (Delivery)	4029	4085	-56
	<b>Bhiwani</b>	Bhiwani (Delivery)	3954	3953	1
		Siwani (Loose)	3909	3953	-44
	<b>Sirsa</b>	Sirsa (Loose)	3874	3869	5
		Dhabwali (Loose)	3826	3841	-15
		Dhabwali (Delivery)	4017	4033	-16
		Ellanabad (Loose)	0	0	Unch
	<b>Fatehabad</b>	Fatehabad (Loose)	3808	3825	-17
Gujarat	<b>Banaskantha</b>	Deesa (Loose)	0	0	Unch
	<b>Patan</b>	Patan (Loose)	3693	3822	-128
	<b>Rajkot</b>	Rajkot (Loose)	3690	3770	-80
	<b>Jamnagar</b>	Dhrol (Loose)	3448	1432	2016
Madhya Pradesh	<b>Gwalior</b>	Dabra (Loose)	0	0	Unch
<b>Guar Gum</b>					
Rajasthan	<b>Jodhpur</b>	Jodhpur	7333	7775	-442
	<b>Alwar</b>	Alwar	7433	7950	-517
	<b>Hanumangarh</b>	Nohar	7817	7867	-50
Haryana	<b>Bhiwani</b>	Bhiwani	7108	7872	-763
	<b>Sirsa</b>	Sirsa	7310	7810	-500
		Dhabwali	7290	7700	-410
		Ellanabad	0	0	Unch
	<b>Fatehabad</b>	Fatehabad	7300	7720	-420

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			12-Dec-19	5-Dec-19	12-Nov-19	12-Dec-18
Rajasthan	<b>Jodhpur</b>	Jodhpur (Loose)	3900	3900	Closed	4425
		Jodhpur(Delivery)	4095	4095	Closed	4646
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	3800	3800	4000	4200
		Sri-Ganganagar (Delivery)	3800	3950	4150	4350
		Rawla (Loose)	3700	3890	4000	4200
		Gharsana (Loose)	NR	0	4050	4219
		Raisinghnagar (Loose)	Closed	3750	4075	4250
	<b>Bikaner</b>	Bikaner (Loose)	Closed	3725	4100	4250

		Bikaner (Delivery)	Closed	3911	4305	4463
		Nokha(Loose)	3700	3700	4100	4170
		Nokha (Delivery)	3885	3885	4305	4379
		Khajuwala (Loose)	Closed	3800	4050	4220
		Khajuwala (Delivery)	Closed	3990	4253	4431
		Lunkaransar (Loose)	Closed	3700	4170	4250
	Hanumangarh	Hanumangarh (Loose)	Closed	3820	4150	4200
		Hanumangarh (Delivery)	Closed	4011	4358	4410
		Nohar (Loose)	3742	3750	4050	4250
		Pilibanga (Loose)	NR	0	0	4290
	Nagaur	Nagaur (Loose)	3750	3670	4025	4050
	Churu	Churu (Delivery)	4100	4050	4300	4450
	Alwar	Alwar (Loose)	3800	3800	4000	4200
Haryana	Hisar	Adampur (Loose)	3800	3780	4080	4250
		Adampur (Delivery)	3990	3969	4284	4463
	Bhiwani	Bhiwani (Delivery)	3950	3850	Closed	4400
		Siwani (Loose)	3910	3870	4230	4400
	Sirsa	Sirsa (Loose)	Closed	3790	4100	4225
		Dhabwali (Loose)	Closed	3800	4025	4175
		Dhabwali (Delivery)	Closed	3990	4226	4384
		Ellanabad (Loose)	NR	0	0	4200
	Fatehabad	Fatehabad (Loose)	3750	3750	4050	4050
Gujarat	Banaskantha	Deesa (Loose)	NA	0	Closed	4240
	Patan	Patan (Loose)	3655	3625	Closed	4300
	Rajkot	Rajkot (Loose)	3625	3600	3975	4210
	Jamnagar	Dhrol (Loose)	3590	NA	0	4110
M.P.	Gwalior	Dabra (Loose)	NA	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7300	7300	Closed	9000
	Alwar	Alwar	7300	7200	8100	9000
	Hanumangarh	Nohar	7800	7500	7800	9000
Haryana	Bhiwani	Bhiwani	7200	7500	Closed	9250
	Sirsa	Sirsa	Closed	7200	8050	8900
		Dhabwali	Closed	7200	8050	8900
		Ellanabad	NR	0	0	8900
	Fatehabad	Fatehabad	7300	7200	8050	8900

Guar Seed Arrivals at Key Spot Markets[\(Back to Table of Contents\)](#)

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			12th Dec to 5th Dec 2019	5 Dec to 28th Nov 2019	
Rajasthan	Jodhpur	Jodhpur	244	150	94
	Sri-Ganganagar	Sri-Ganganagar	4400	3000	1400
		Rawla	2200	1800	400
		Gharsana	2610	520	2090
		Raisinghnagar	2350	2600	-250
	Bikaner	Bikaner	11000	6600	4400
		Nokha	9100	7300	1800
		Khajuwala	6400	6400	Unch
		Lunkaransar	4200	4800	-600
	Hanumangarh	Hanumangarh	410	480	-70
		Nohar	2400	2000	400
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	2550	3350	-800
	Churu	Churu	3000	3000	Unch
	Alwar	Alwar	800	1000	-200
Haryana	Hisar	Adampur	4900	4400	500
	Bhiwani	Bhiwani	3100	1650	1450
		Siwani	2300	2400	-100
	Sirsa	Sirsa	4000	4300	-300
		Dhabwali	1150	1600	-450
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	350	400	-50
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	218	233	-15
	Rajkot	Rajkot	525	470	55
	Jamnagar	Dhrol	95	23	72
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			68302	58476	468

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