

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 6.13 percent to Rs. 3233.99 per quintal during the week ended 30th December 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3445.37 per quintal during 16 to 23 December 2019. As compared to prices in the week 24-31 December 2018, the prices are lower by 8.33 percent. Prices are expected to steady to weak tone in coming days in expectation of less demand.

Guar seed average weekly prices closed at Rs. 4220 per quintal higher by Rs 107.5 per quintal against last week. Prices are likely to be on lower side in hope of poor demand of regular buyers. However, prices are not getting much support from exports due to low export demand. However, NCDEX Prices are likely to stay steady to firm in near future with some technical buying interest.

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 oil rigs 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 4300 quintals compared to previous week arrivals of 4700 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals at 11500 quintals compared to 1600 quintals in the previous week.

Previous Updates:

As per trade sources, exports of Guar and Guar gum (Refined Guar Splits, Guar bean splits, DP Guar Gum Refined Splits II grade, Split with pallet, Guar splits 93% Dehusked), Refined Guar gum Grill Guar Refined Splits, Guar 312 GMS*12 & *24(Frozen processed) decreased in November 2019 by 29.95% compared to previous month. India exported around 1543.55 MT at an average FoB of \$ 776.62 per tonne in the month of November-19 compared to 2203.79 tonnes in October-19 at an average FoB of \$ 1190.44 per tonne. China, Netherlands, UK, Australia, Canada, U.S, Switzerland. Exports are expected to remain at slightly higher in December-19.

Recommendation:
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Weekly Call- : Market participants are advised to buy Guar seed at 4290 levels for a target of 4390 with a stop loss at 4150 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

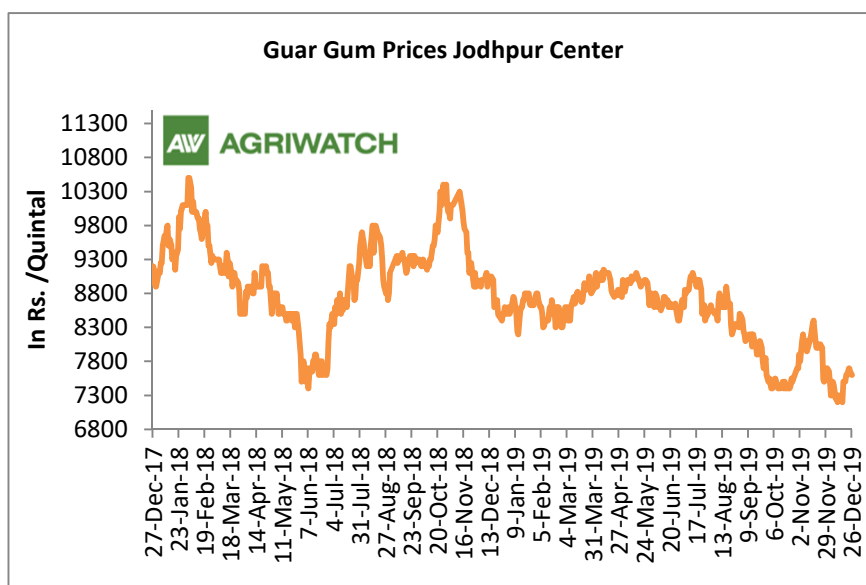
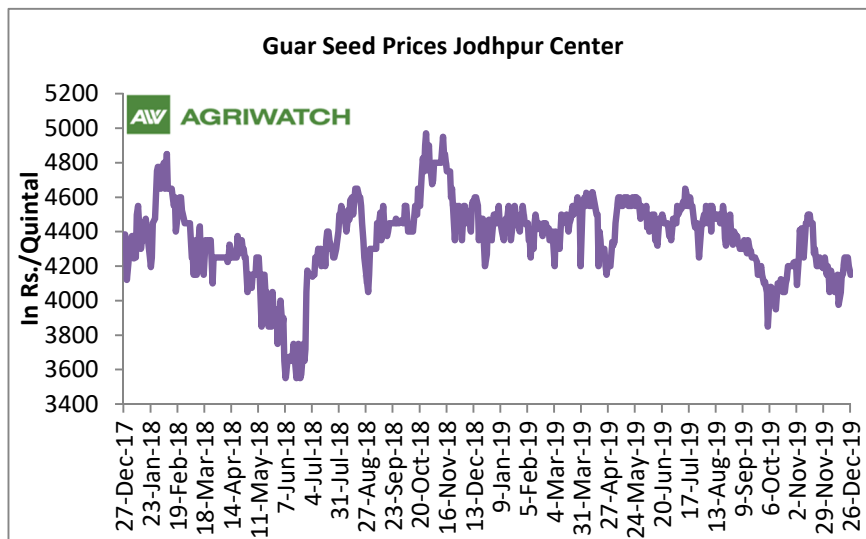
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Domestic Front

- In the week ended 26th December, Guar seed weekly average prices increased by Rs 107.5/qlt and settled at Rs. 4150 per quintal.

- In addition, Guar gum average weekly price increased by Rs 255 per quintal and settled at Rs. 7630 per quintal. Firm demand for guar gum from domestic as well as overseas market kept prices at higher 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.



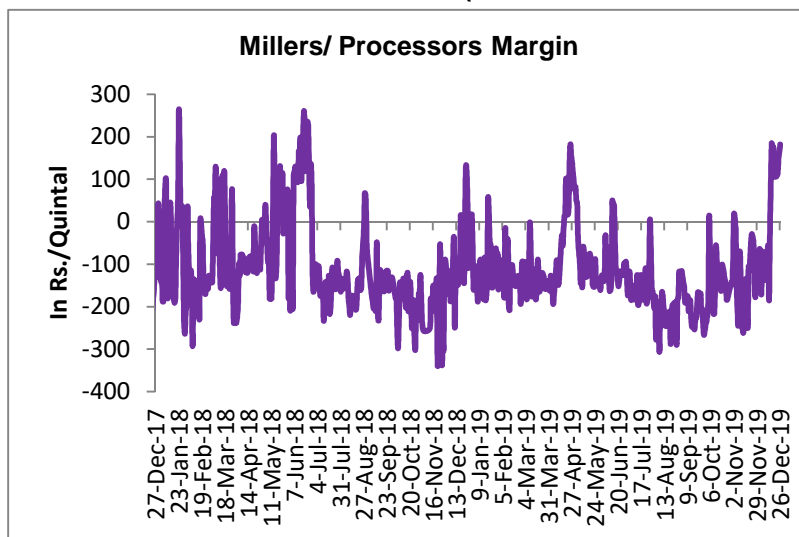
- According to fourth advance estimate for 2018-19, issued by Rajasthan's Department of Agriculture for Guar seed, the area, production and yield are 3087789 hectares, 1031427 tonnes and 334 kg/hectare respectively. As per third advance estimate for 2018-19 issued by Rajasthan's Department of Agriculture 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 26th Dec, average crush margin was Rs.130.75/Quintal, compared to last week 74.87 Quintal.

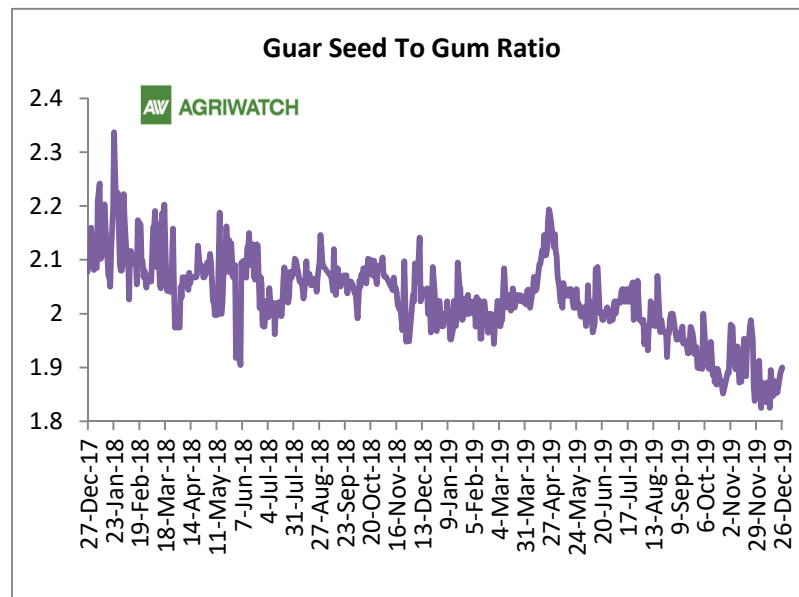
Higher degrees of increase in guar gum prices compared to guar seed prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 26th Dec'19 is 1.87 higher from last week.

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



Guar gum Monthly Export

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Month On Month Exports	Quantity in MT	Average FoB (\$/T)
November-2019	1543.55	776.62
October-2019	2203.79	1190.44
September-2019	2467.52	1040.88
Total	6214.86	1002.64

Source: Trade

Technical Analysis (Guar Seed)

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Commodity: Guar Seed
Contract: January

Exchange: NCDEX
Expiry: January 20, 2019



Technical Commentary:

- Rise in prices and volume indicates long build up phase.
- RSI is moving in neutral region.
- Prices closed above 9 and 18 EMAs.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	January	4000	4100	4234	4390	4500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	January	Buy	Above 4230	4390	4495	4150

Technical Analysis (Guar Gum)
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Commodity: Guar Gum
Contract: January

Exchange: NCDEX
Expiry: January 20, 2019

Technical Commentary:

- Rise in price and higher volume indicates long build up phase.
- RSI is moving in neutral region.
- Prices closed above 9 and 18 EMAs.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	January	7230	7420	7707	8000	8120
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Buy	Above 7700	7900	8000	7500

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices			(Prices in Rs/75kg)	
Commodity	Centre	20 to 26th Dec 2019	13th Dec to 19th Dec 2019	Change
Churi	Jodhpur	1917	1854	63
Korma	Jodhpur	3200	2488	712
Churi	Sri-Ganganagar	2258	1660	599
Korma	Sri-Ganganagar	3100	2338	762

Guar Export Weekly Average Prices			(Prices in \$/MT)	
Commodity	Variety	20 to 26th Dec 2019	13th Dec to 19th Dec 2019	Change
Guargum Split		1063	1168	-105
Guargum Powder	200 Mesh 5000 CPS	1335	1450	-115
	200 Mesh 3500 CPS	1264	1380	-115
Guargum Meal	40%	347	358	-12
	50%	450	465	-16

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			20 to 26th Dec 2019	13th Dec to 19th Dec 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4067	4173	-106
		Jodhpur(Delivery)	4270	4381	-111
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3942	4002	-60
		Sri-Ganganagar (Delivery)	4092	4152	-60
		Rawla (Loose)	3842	4008	-166
		Gharsana (Loose)	3935	4092	-157
		Raisinghnagar (Loose)	3919	4013	-94
	Bikaner	Bikaner (Loose)	3933	4092	-160
		Bikaner (Delivery)	4129	4297	-167
		Nokha(Loose)	3867	4060	-193
		Nokha (Delivery)	4060	4263	-203
		Khajuwala (Loose)	3885	4008	-123
		Khajuwala (Delivery)	4079	4208	-129
		Lunkaransar (Loose)	3867	4042	-175
	Hanumangarh	Hanumangarh (Loose)	3950	4088	-138
		Hanumangarh (Delivery)	4148	4293	-145

		Nohar (Loose)	3900	4038	-139
		Pilibanga (Loose)	3923	4054	-132
	Nagaur	Nagaur (Loose)	3733	3994	-261
	Churu	Churu (Delivery)	4133	4217	-83
	Alwar	Alwar (Loose)	3833	3917	-83
Haryana	Hisar	Adampur (Loose)	3875	4068	-193
		Adampur (Delivery)	4069	4271	-202
	Bhiwani	Bhiwani (Delivery)	4135	4167	-32
		Siwani (Loose)	3987	4158	-172
	Sirsa	Sirsa (Loose)	3900	4072	-172
		Dhabwali (Loose)	3896	4018	-122
		Dhabwali (Delivery)	4091	4218	-128
		Ellanabad (Loose)	0	NA	-
	Fatehabad	Fatehabad (Loose)	3819	3988	-170
Gujarat	Banaskantha	Deesa (Loose)	0	1267	-1267
	Patan	Patan (Loose)	2547	3856	-1309
	Rajkot	Rajkot (Loose)	3863	3929	-67
	Jamnagar	Dhrol (Loose)	3590	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	0	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7633	8058	-425
	Alwar	Alwar	7533	8033	-500
	Hanumangarh	Nohar	8100	7833	267
Haryana	Bhiwani	Bhiwani	7455	7933	-478
	Sirsa	Sirsa	7625	8138	-513
		Dhabwali	7600	8013	-413
		Ellanabad	0	NR	-
	Fatehabad	Fatehabad	7400	8013	-613

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			26-Dec-19	19-Dec-19	26-Nov-19	26-Dec-18
Rajasthan	Jodhpur	Jodhpur (Loose)	4000	4050	4050	4120
		Jodhpur(Delivery)	4200	4253	4253	4326
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3900	3900	3900	4060
		Sri-Ganganagar (Delivery)	4050	4050	4050	4210
		Rawla (Loose)	3900	3700	3800	4040
		Gharsana (Loose)	NR	3955	3980	4040
		Raisinghnagar (Loose)	3925	3840	3900	4000

	Bikaner	Bikaner (Loose)	3890	3900	3900	4050
		Bikaner (Delivery)	4085	4095	4095	4253
		Nokha (Loose)	3900	3775	3825	4060
		Nokha (Delivery)	4095	3964	4016	4263
		Khajuwala (Loose)	3900	3900	3900	4000
		Khajuwala (Delivery)	4095	4095	4095	4200
		Lunkaransar (Loose)	3900	3850	3850	4100
	Hanumangarh	Hanumangarh (Loose)	3900	3900	3950	4000
		Hanumangarh (Delivery)	4095	4095	4148	4200
		Nohar (Loose)	3900	3860	3900	4150
		Pilibanga (Loose)	3910	3885	0	4020
	Nagaur	Nagaur (Loose)	3750	3850	3800	4000
	Churu	Churu (Delivery)	4100	4100	4200	4200
	Alwar	Alwar (Loose)	3800	3800	3900	3950
Haryana	Hisar	Adampur (Loose)	3860	3870	4000	4100
		Adampur (Delivery)	4053	4064	4200	4305
	Bhiwani	Bhiwani (Delivery)	4100	4100	4100	4200
		Siwani (Loose)	4020	4000	4000	4200
	Sirsa	Sirsa (Loose)	3911	3885	NA	4070
		Dhabwali (Loose)	3925	3900	3925	4100
		Dhabwali (Delivery)	4121	4095	4121	4305
		Ellanabad (Loose)	NR	0	0	4125
	Fatehabad	Fatehabad (Loose)	3838	3800	NA	4000
Gujarat	Banaskantha	Deesa (Loose)	NA	0	0	4000
	Patan	Patan (Loose)	3790	0	4000	4115
	Rajkot	Rajkot (Loose)	3800	3790	3925	4040
	Jamnagar	Dhrol (Loose)	NA	3590	0	NA
M.P.	Gwalior	Dabra (Loose)	0	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7600	7500	7550	8400
	Alwar	Alwar	7500	7500	7800	8400
	Hanumangarh	Nohar	8100	8000	7800	8600
Haryana	Bhiwani	Bhiwani	7500	7450	7900	8350
	Sirsa	Sirsa	7700	7500	NA	8400
		Dhabwali	7650	7450	7600	8400
		Ellanabad	NR	0	0	8450
	Fatehabad	Fatehabad	7500	7200	NA	8200

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			20 to 26th Dec 2019	13th Dec to 19th Dec 2019	
Rajasthan	Jodhpur	Jodhpur	261	369	-108
	Sri-Ganganagar	Sri-Ganganagar	3000	11000	-8000
		Rawla	3600	2630	970
		Gharsana	780	4353	-3573
		Raisinghnagar	2000	6100	-4100
	Bikaner	Bikaner	11500	1600	9900
		Nokha	11800	4000	7800
		Khajuwala	5800	3800	2000
		Lunkaransar	3800	1750	2050
	Hanumangarh	Hanumangarh	270	1680	-1410
		Nohar	4000	1750	2250
		Pilibanga	360	944	-584
	Nagaur	Nagaur	2149	2150	-1
	Churu	Churu	3000	4000	-1000
	Alwar	Alwar	600	1600	-1000
Haryana	Hisar	Adampur	4300	4700	-400
	Bhiwani	Bhiwani	4400	3300	1100
		Siwani	2900	3700	-800
	Sirsa	Sirsa	5000	5000	Unch
		Dhabwali	1150	3900	-2750
		Ellanabad	0	NR	-
	Fatehabad	Fatehabad	200	1650	-1450
Gujarat	Banaskantha	Deesa	0	3	-3
	Patan	Patan	330	177	153
	Rajkot	Rajkot	540	230	310
	Jamnagar	Dhrol	75	NA	-
Madhya Pradesh	Gwalior	Dabra	0	NA	-
Total Arrivals/Above Markets			71815	70386	1429

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