

Guar Weekly Research Report

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Executive Summary
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Domestic Guar Seed Market Summary

All India weekly average prices higher by 12.85 percent to Rs. 3753.59 per quintal during the week ended 6th Jan 2020. Guar seed (Cluster bean seeds) average price were ruling at Rs 3325.94 per quintal during 24 to 31 December 2019. As compared to prices in the week 1-6 January 2018, the prices are higher by 13.04 percent. Prices are expected to move in steady to weak tone in coming days in absence of millers' and crushers demand.

Guar seed average weekly prices closed at Rs. 4290 per quintal higher by Rs 70 per quintal against last week. However, prices are likely to be on lower side in hope of less demand of crushers and millers. Prices are not getting much support from exports due to low export demand. NCDEX Prices are likely to stay steady to weak tone 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 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 higher arrivals at 4400 quintals compared to previous week arrivals of 4300 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals at 10200 quintals compared to 11500 quintals in the previous week.

Previous Updates:

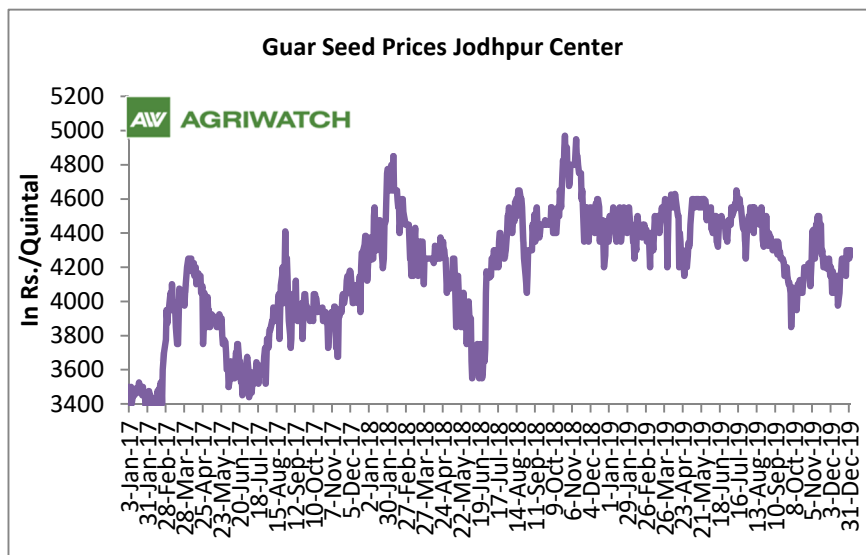
As per trade sources, exports of Guar and Guar gum (Refined Guar Splits, Guar bean splits, DP Guar Gum Refined Splits II grade, Split with pallet, Guar splits 93% Dehusked), Refined Guar gum Grill Guar Refined Splits, Guar 312 GMS*12 & *24(Frozen processed) decreased in November 2019 by 29.95% compared 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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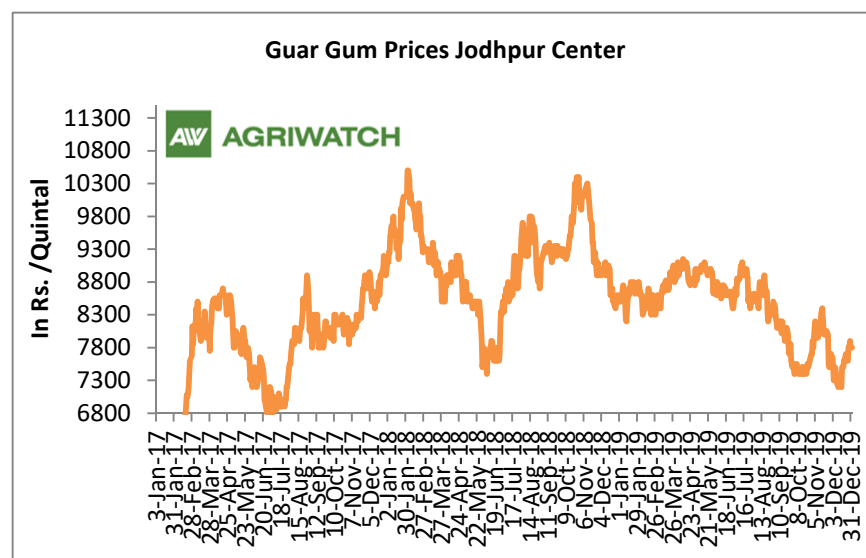
Weekly Call- : Market participants are advised to sell Guar seed at 4130 levels for a target of 4046 with a stop loss at 4270 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-
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Domestic Front

- In the week ended 2nd January 20, Guar seed weekly average prices increased by Rs 70/qtl and settled at Rs. 4290 per quintal.



- In addition, Guar gum average weekly price increased by Rs 190 per quintal and settled at Rs. 7820 per quintal. Firm demand for guar gum from domestic as well as overseas market kept prices at higher side in this week.



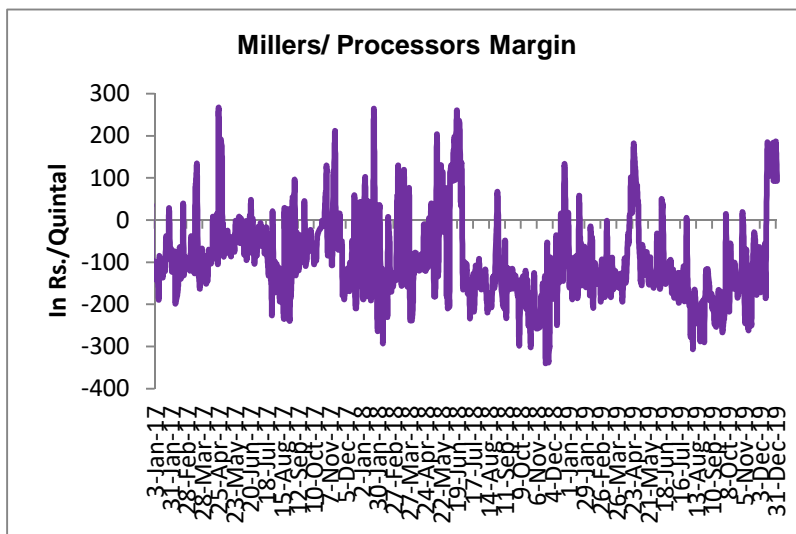
- According to fourth advance estimate for 2018-19, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 135060 hectares, 76020 tonnes and 562.85 kg/hectare respectively. As per third estimate for 2018-19 issued by Gujarat's Department of Agriculture for Guar 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 2nd Jan 20, average crush margin was Rs.93/Quintal, compared to last week 182/ Quintal.

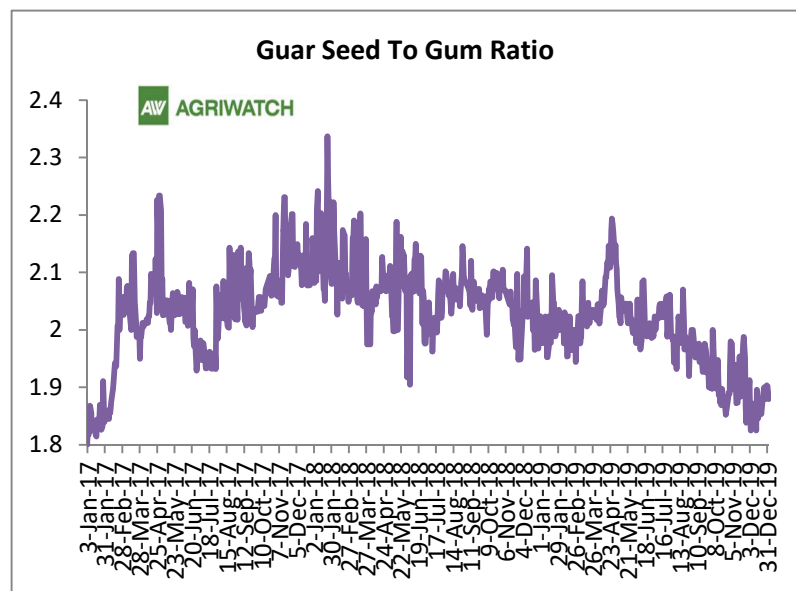
Higher degrees of increase in guar gum prices compared to guar seed prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 2nd Jan'20 is 1.88 slightly higher from last week.

Overall, improved demand of gum from 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:

- 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	3910	4000	4120	4298	4325
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	January	Sell	Below 4130	4046	4006	4270

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

Exchange: NCDEX
 Expiry: January 20, 2019


Technical Commentary:

- Fall in price 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 Gum	NCDEX	January	7139	7238	7454	7800	7939
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Sell	Below 7450	7350	7298	7590

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	26 th Dec to 2nd Jan 2020	19 th Dec to 26 th Dec 2019	Change
Churi	Jodhpur	1917	1925	-8
Korma	Jodhpur	3217	3200	17
Churi	Sri-Ganganagar	2267	2258	8
Korma	Sri-Ganganagar	3100	3100	Unch

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	26 th Dec to 2nd Jan 2020	19 th Dec to 26 th 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			26 th Dec to 2nd Jan 2020	19 th Dec to 26 th Dec 2019	
Rajasthan	Jodhpur	Jodhpur (Loose)	4092	4067	25
		Jodhpur(Delivery)	4296	4270	26
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3975	3942	33
		Sri-Ganganagar (Delivery)	4125	4092	33
		Rawla (Loose)	3883	3842	42
		Gharsana (Loose)	3180	3935	-755
		Raisinghnagar (Loose)	4008	3919	88
	Bikaner	Bikaner (Loose)	3965	3933	33
		Bikaner (Delivery)	4163	4129	34
		Nokha(Loose)	3921	3867	54
		Nokha (Delivery)	4117	4060	57
		Khajuwala (Loose)	3917	3885	32
		Khajuwala (Delivery)	4113	4079	33
		Lunkaransar (Loose)	3917	3867	50
	Hanumangarh	Hanumangarh (Loose)	3923	3950	-28
		Hanumangarh (Delivery)	4119	4148	-29

		Nohar (Loose)	3929	3900	29
		Pilibanga (Loose)	3909	3923	-14
	Nagaur	Nagaur (Loose)	3804	3733	71
	Churu	Churu (Delivery)	4175	4133	42
	Alwar	Alwar (Loose)	3888	3833	54
Haryana	Hisar	Adampur (Loose)	3932	3875	57
		Adampur (Delivery)	4128	4069	60
	Bhiwani	Bhiwani (Delivery)	4137	4135	2
		Siwani (Loose)	4043	3987	57
	Sirsa	Sirsa (Loose)	3918	3900	18
		Dhabwali (Loose)	3933	3896	38
		Dhabwali (Delivery)	4130	4091	39
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3856	3819	38
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	3848	2547	1301
	Rajkot	Rajkot (Loose)	3887	3863	24
	Jamnagar	Dhrol (Loose)	0	3590	-3590
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7758	7633	125
	Alwar	Alwar	7633	7533	100
	Hanumangarh	Nohar	7967	8100	-133
Haryana	Bhiwani	Bhiwani	7630	7455	175
	Sirsa	Sirsa	7758	7625	133
		Dhabwali	7633	7600	33
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	7533	7400	133

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			2-Jan-20	26-Dec-19	2-Dec-19	2-Jan-19
Rajasthan	Jodhpur	Jodhpur (Loose)	4150	4000	4000	4350
		Jodhpur(Delivery)	4358	4200	4200	4568
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3950	3900	3950	4150
		Sri-Ganganagar (Delivery)	4100	4050	4100	4300
		Rawla (Loose)	3860	3900	3900	4125
		Gharsana (Loose)	NR	NR	0	4110
		Raisinghnagar (Loose)	4100	3925	3780	4150

	Bikaner	Bikaner (Loose)	3950	3890	3850	4115
		Bikaner (Delivery)	4148	4085	4043	4321
		Nokha (Loose)	3925	3900	3800	4080
		Nokha (Delivery)	4121	4095	3990	4284
		Khajuwala (Loose)	3950	3900	3850	4120
		Khajuwala (Delivery)	4148	4095	4043	4326
		Lunkaransar (Loose)	3950	3900	3800	4150
	Hanumangarh	Hanumangarh (Loose)	3950	3900	3800	4050
		Hanumangarh (Delivery)	4148	4095	3990	4253
		Nohar (Loose)	3950	3900	3850	4160
		Pilibanga (Loose)	NR	3910	3905	4100
	Nagaur	Nagaur (Loose)	3850	3750	3700	4100
	Churu	Churu (Delivery)	4250	4100	4200	4375
	Alwar	Alwar (Loose)	4000	3800	3900	4000
Haryana	Hisar	Adampur (Loose)	3980	3860	3900	4125
		Adampur (Delivery)	4179	4053	4095	4331
	Bhiwani	Bhiwani (Delivery)	4250	4100	3920	4350
		Siwani (Loose)	4060	4020	3960	4250
	Sirsa	Sirsa (Loose)	3940	3911	3850	4120
		Dhabwali (Loose)	4000	3925	3800	4100
		Dhabwali (Delivery)	4200	4121	3990	4305
		Ellanabad (Loose)	NR	NR	0	4125
	Fatehabad	Fatehabad (Loose)	3900	3838	3800	4000
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	0	4115
	Patan	Patan (Loose)	3800	3790	3850	4220
	Rajkot	Rajkot (Loose)	3965	3800	3825	4125
	Jamnagar	Dhrol (Loose)	NA	NA	0	0
M.P.	Gwalior	Dabra (Loose)	NA	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7800	7600	7650	8600
	Alwar	Alwar	7900	7500	7500	8600
	Hanumangarh	Nohar	8000	8100	7500	8600
Haryana	Bhiwani	Bhiwani	7850	7500	7500	8550
	Sirsa	Sirsa	7650	7700	7500	8500
		Dhabwali	7700	7650	7400	8400
		Ellanabad	NR	NR	0	8400
	Fatehabad	Fatehabad	7700	7500	7400	8500

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			26 th Dec to 2nd Jan 2020	19 th Dec to 26 th Dec 2019	
Rajasthan	Jodhpur	Jodhpur	152	261	-109
	Sri-Ganganagar	Sri-Ganganagar	4100	3000	1100
		Rawla	1720	3600	-1880
		Gharsana	1359	780	579
		Raisinghnagar	2100	2000	100
	Bikaner	Bikaner	10200	11500	-1300
		Nokha	11800	11800	Unch
		Khajuwala	5900	5800	100
		Lunkaransar	3000	3800	-800
	Hanumangarh	Hanumangarh	570	270	300
		Nohar	2750	4000	-1250
		Pilibanga	325	360	-35
	Nagaur	Nagaur	1800	2149	-349
	Churu	Churu	2800	3000	-200
	Alwar	Alwar	900	600	300
Haryana	Hisar	Adampur	4400	4300	100
	Bhiwani	Bhiwani	2900	4400	-1500
		Siwani	2800	2900	-100
	Sirsa	Sirsa	6200	5000	1200
		Dhabwali	1350	1150	200
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	400	200	200
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	227	330	-103
	Rajkot	Rajkot	820	540	280
	Jamnagar	Dhrol	0	75	-75
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			68573	71815	-3242

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