

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 lower by 0.11 percent to Rs. 3735.27 per quintal during the week ended 13th Jan 2020. Guar seed (Cluster bean seeds) average price were ruling at Rs 3739.64 per quintal during 1 to 8 January 2020. As compared to prices in the week 9-13 January 2019, the prices are higher by 12.13 percent. Prices are expected to move in steady to firm tone in coming days in expectation of improved demand of millers' and crushers.

Guar seed average weekly prices closed at Rs. 4126.66 per quintal lower by Rs 123 per quintal against last week. However, prices are likely to be on higher side in hope of improved demand of crushers and millers. Prices may also get little support from improved exports demand. However, NCDEX Prices are likely to stay steady to weak tone in near future due to higher volatility in prices.

As per sources, rise in crude oil prices after the killing of Iranian military commander Qassem Soleimani by U.S. is likely to support to rise guar gum exports of India in the coming weeks as oil drilling companies in U.S. may increase its drilling activities. Sources expect total 330,000 tonnes of guar gum shipments in the current financial year which is lower from 360,000 tonnes in financial year 2019. Total Kharif's output of Guarseed in India stood at 750,000 tonnes in this year.

As per data released by Baker Hughes the number of oil rigs in USA has decreased by 11 to 659 as on 10th January 2020 compared to 670 in last week and also down by 873 compared to 10th January 2019. The total active U.S. rig count was down 15 from last week at 781. Therefore, exports are likely to be affected.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported lower arrivals at 3200 quintals compared to previous week arrivals of 4400 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals at 5300 quintals compared to 10200 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:
[\(Back to Table of Contents\)](#)

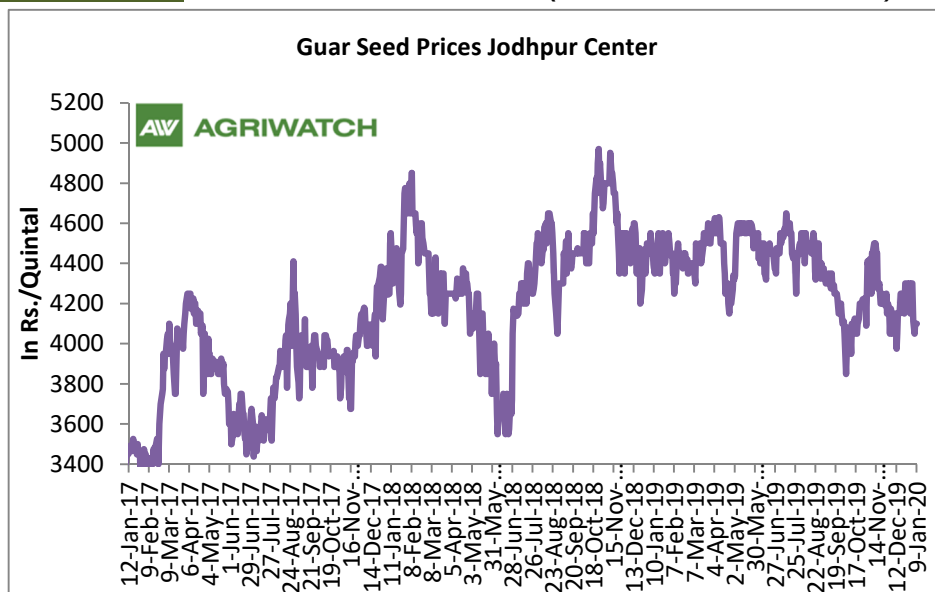
Weekly Call- : Market participants are advised to sell Guar seed future at 4100 levels for a target of 4000 with a stop loss at 4180 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

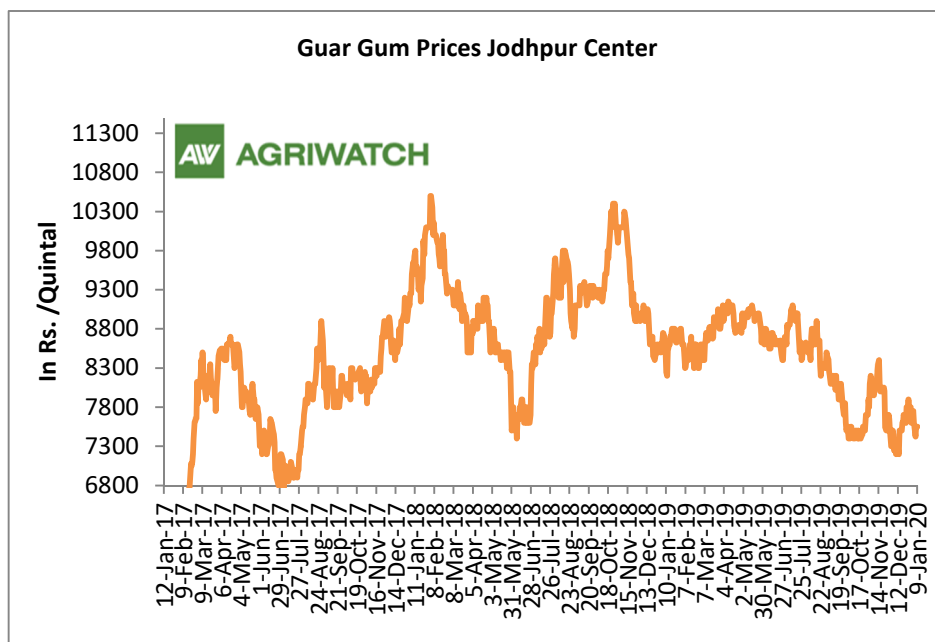
[\(Back to Table of Contents\)](#)

Domestic Front

- In the week ended 9th January 20, Guar seed weekly average prices declined by Rs 123/qrtl and settled at Rs. 4126.66 per quintal.



- In addition, Guar gum average weekly price declined by 166.67 per quintal and settled at Rs. 7570.83 per quintal. Lower demand for guar gum from domestic kept prices at lower side in this week.



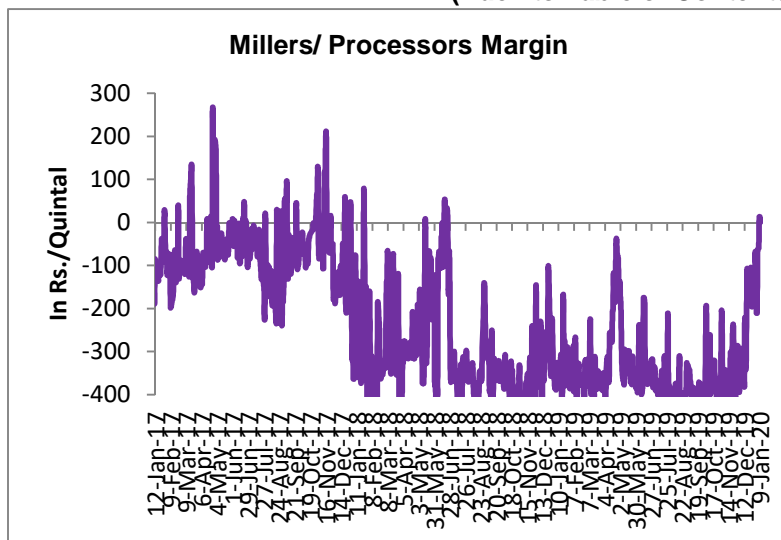
- According to fourth advance estimate for 2018-19, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 135060 hectares, 76020 tonnes and 562.85 kg/hectare respectively. As per third estimate for 2018-19 issued by Gujarat's Department of Agriculture for Guar 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

In the week ended 9th Jan 20, average crush margin was lower at Rs.19.85/Quintal, compared to last week 158.3/ Quintal.

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

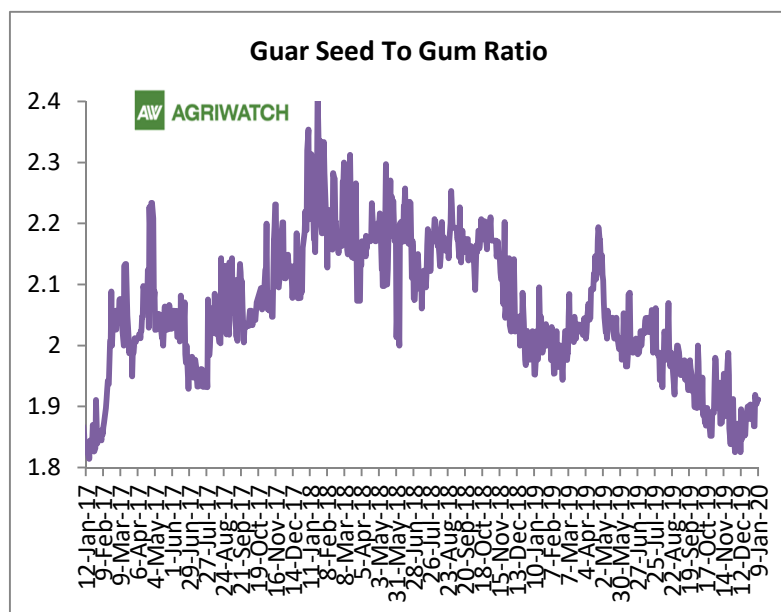
[\(Back to Table of Contents\)](#)



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 9th Jan'20 is 1.90 slightly higher from last week.

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



Guar gum Monthly Export

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

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)
[\(Back to Table of Contents\)](#)
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	3780	3900	4092	4300	4390
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	January	Sell	Below 4100	4000	3920	4180

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 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	6980	7100	7323	7600	7750
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	January	Sell	Below 7350	7270	7120	7520

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	Unit	2nd to 9th Jan 2020	26th Dec to 2nd Jan 2020	Change
Churi	Jodhpur	Rs per 75 kg	2000	1917	83
Korma	Jodhpur	Rs per quintal	2400	2413	-13
Churi	Sri-Ganganagar	Rs per quintal	1740	1700	40
Korma	Sri-Ganganagar	Rs per quintal	2295	2325	-30

Guar Export Weekly Average Prices			(Prices in \$/MT)	
Commodity	Variety	2nd to 9th Jan 2020	26th Dec to 2nd Jan 2020	Change
Guargum Split		1059	1063	-4
Guargum Powder	200 Mesh 5000 CPS	1323	1335	-12
	200 Mesh 3500 CPS	1254	1264	-10
Guargum Meal	40%	348	347	1
	50%	446	450	-4

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			2nd to 9th Jan 2020	26 th Dec to 2nd Jan 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	4018	4092	-74
		Jodhpur(Delivery)	4219	4296	-77
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3910	3975	-65
		Sri-Ganganagar (Delivery)	4060	4125	-65
		Rawla (Loose)	3828	3883	-56
		Gharsana (Loose)	1973	3180	-1207
		Raisinghnagar (Loose)	3903	4008	-105
	Bikaner	Bikaner (Loose)	3912	3965	-53
		Bikaner (Delivery)	4108	4163	-55
		Nokha(Loose)	3833	3921	-88
		Nokha (Delivery)	4025	4117	-92
		Khajuwala (Loose)	3946	3917	29
		Khajuwala (Delivery)	4143	4113	30
		Lunkaransar (Loose)	3829	3917	-88
	Hanumangarh	Hanumangarh (Loose)	3933	3923	10

		Hanumangarh (Delivery)	4130	4119	11
		Nohar (Loose)	3830	3929	-99
		Pilibanga (Loose)	1281	3909	-2628
	Nagaur	Nagaur (Loose)	3742	3804	-62
	Churu	Churu (Delivery)	4067	4175	-108
	Alwar	Alwar (Loose)	3742	3888	-146
Haryana	Hisar	Adampur (Loose)	3877	3932	-55
		Adampur (Delivery)	4071	4128	-58
	Bhiwani	Bhiwani (Delivery)	3987	4137	-150
		Siwani (Loose)	3977	4043	-66
	Sirsa	Sirsa (Loose)	3877	3918	-41
		Dhabwali (Loose)	3880	3933	-53
		Dhabwali (Delivery)	4074	4130	-56
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3808	3856	-48
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	3782	3848	-66
	Rajkot	Rajkot (Loose)	3900	3887	13
	Jamnagar	Dhrol (Loose)	3478	0	3478
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7613	7758	-146
	Alwar	Alwar	7517	7633	-116
	Hanumangarh	Nohar	7900	7967	-67
Haryana	Bhiwani	Bhiwani	7423	7630	-207
	Sirsa	Sirsa	7475	7758	-283
		Dhabwali	7567	7633	-66
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	7567	7533	34

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			9-Jan-20	2-Jan-20	9-Dec-19	9-Jan-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3950	4150	3950	4300
		Jodhpur(Delivery)	4148	4358	4148	4515
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3900	3950	3950	4050
		Sri-Ganganagar (Delivery)	4050	4100	4100	4200
		Rawla (Loose)	3800	3860	3850	4040
		Gharsana (Loose)	3970	3970	NR	4050

		Raisinghnagar (Loose)	3900	4100	3780	4050
	Bikaner	Bikaner (Loose)	3850	3950	3800	4080
		Bikaner (Delivery)	4043	4148	3990	4284
		Nokha(Loose)	3800	3925	3750	4025
		Nokha (Delivery)	3990	4121	3938	4226
		Khajuwala (Loose)	4000	3950	3750	4050
		Khajuwala (Delivery)	4200	4148	3938	4253
		Lunkaransar (Loose)	3800	3950	3800	4070
	Hanumangarh	Hanumangarh (Loose)	3950	3950	3850	4020
		Hanumangarh (Delivery)	4148	4148	4043	4221
		Nohar (Loose)	3800	3950	3760	4060
		Pilibanga (Loose)	0	3955	3905	4000
	Nagaur	Nagaur (Loose)	3765	3850	3690	3950
	Churu	Churu (Delivery)	4100	4250	4100	4500
	Alwar	Alwar (Loose)	3800	4000	3800	4000
Haryana	Hisar	Adampur (Loose)	3910	3980	3825	4080
		Adampur (Delivery)	4106	4179	4016	4284
	Bhiwani	Bhiwani (Delivery)	3925	4250	3950	4250
		Siwani (Loose)	4010	4060	3900	4200
	Sirsa	Sirsa (Loose)	3913	3940	3840	4075
		Dhabwali (Loose)	3870	4000	3790	4050
		Dhabwali (Delivery)	4064	4200	3980	4253
		Ellanabad (Loose)	0	0	0	4050
	Fatehabad	Fatehabad (Loose)	3800	3900	3800	4000
Gujarat	Banaskantha	Deesa (Loose)	NA	0	0	4050
	Patan	Patan (Loose)	3825	3800	3750	4105
	Rajkot	Rajkot (Loose)	3900	3965	3740	4035
	Jamnagar	Dhrol (Loose)	3295	NA	3500	0
M.P.	Gwalior	Dabra (Loose)	0	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7550	7800	7250	8600
	Alwar	Alwar	7500	7900	7500	8500
	Hanumangarh	Nohar	7900	8000	7800	8400
Haryana	Bhiwani	Bhiwani	7400	7850	6950	8380
	Sirsa	Sirsa	7550	7650	7200	8600
		Dhabwali	7600	7700	7400	8400
		Ellanabad	0	0	0	8400
	Fatehabad	Fatehabad	7500	7700	7400	8300

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			2nd to 9th Jan 2020	26 th Dec to 2nd Jan 2020	
Rajasthan	Jodhpur	Jodhpur	142	152	-10
	Sri-Ganganagar	Sri-Ganganagar	2300	4100	-1800
		Rawla	941	1720	-779
		Gharsana	1005	1359	-354
		Raisinghnagar	1100	2100	-1000
	Bikaner	Bikaner	5300	10200	-4900
		Nokha	7900	11800	-3900
		Khajuwala	2700	5900	-3200
		Lunkaransar	3800	3000	800
	Hanumangarh	Hanumangarh	140	570	-430
		Nohar	2000	2750	-750
		Pilibanga	345	325	20
	Nagaur	Nagaur	950	1800	-850
	Churu	Churu	3000	2800	200
	Alwar	Alwar	900	900	Unch
Haryana	Hisar	Adampur	3200	4400	-1200
	Bhiwani	Bhiwani	1900	2900	-1000
		Siwani	2050	2800	-750
	Sirsa	Sirsa	1350	6200	-4850
		Dhabwali	640	1350	-710
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	200	400	-200
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	281	227	54
	Rajkot	Rajkot	354	820	-466
	Jamnagar	Dhrol	30	0	30
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			42528	68573	-26045

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2019 Indian Agribusiness Systems Ltd.