

Guar Weekly Research Report

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Executive Summary
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Domestic Guar Seed Market Summary

All India weekly average prices lower by 0.22 percent to Rs. 3731.36 per quintal during the week ended 15th 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 9-15th January 2019, the prices are lower by 4.07 percent. Prices are expected to move in steady to weak tone in coming days in expectation of less 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. NCDEX Prices are likely to stay upside in near future in expectation of good buying activities.

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 increased by 14 to 673 as on 17th January 2020 compared to 659 in last week and also down by 852 compared to 17th January 2019. However, total number of oilrigs was recorded at 2002 in Janaury'20 compared to 2602 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 2800 quintals compared to previous week arrivals of 3200 quintals.

As far as Arrivals are concerned, Bikaner market reported lower arrivals at 4200 quintals compared to 5300 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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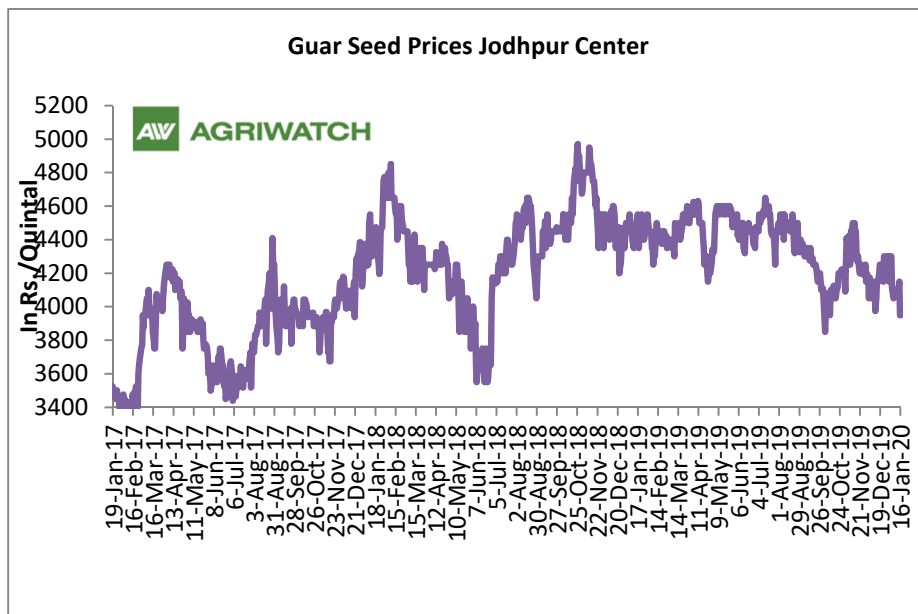
Weekly Call- : Market participants are advised to sell Guar seed future at 4148 levels for a target of 3990 with a stop loss at 4200 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

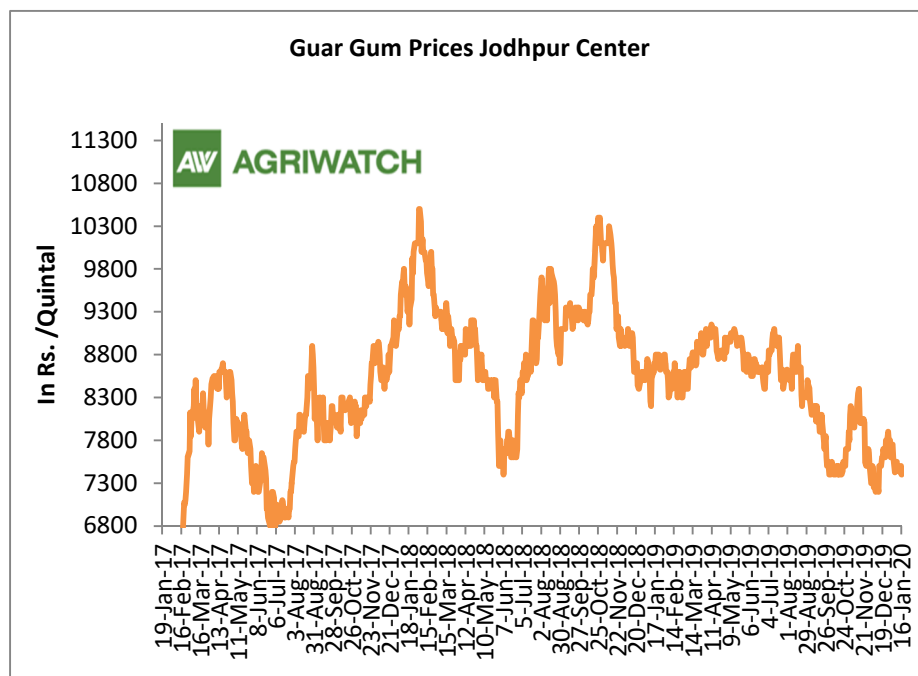
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Domestic Front

- In the week ended 16th January 20, Guar seed weekly average prices declined by Rs 68.33/qtl and settled at Rs. 4058.33 per quintal.



- In addition, Guar gum average weekly price declined by 125 per quintal and settled at Rs. 7445.83 per quintal. Lower demand for gar gum from domestic markets kept prices at lower side in this week.



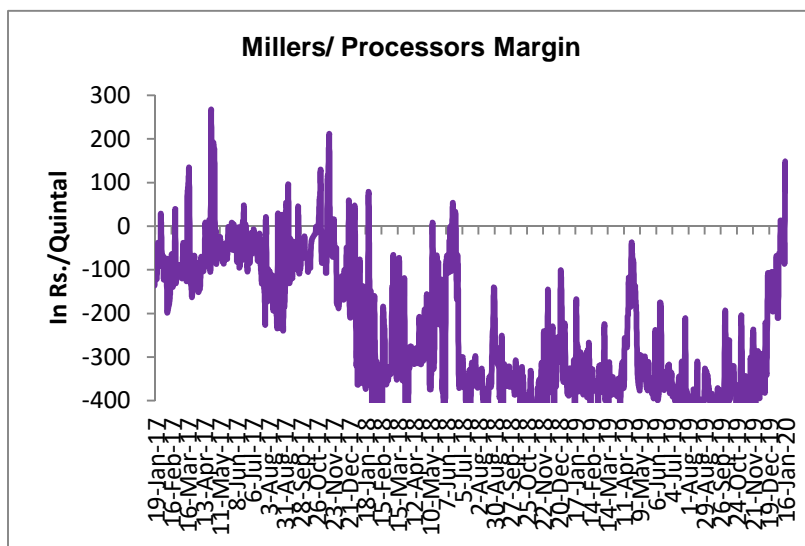
- According to fourth advance estimate for 2018-19, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 135060 hectares, 76020 tonnes and 562.85 kg/hectare respectively. As per third estimate for 2018-19 issued by Gujarat's Department of Agriculture for Guar 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 16th Jan 20, average crush margin was higher at Rs.10/Quintal, compared to last week 19.82/ Quintal.

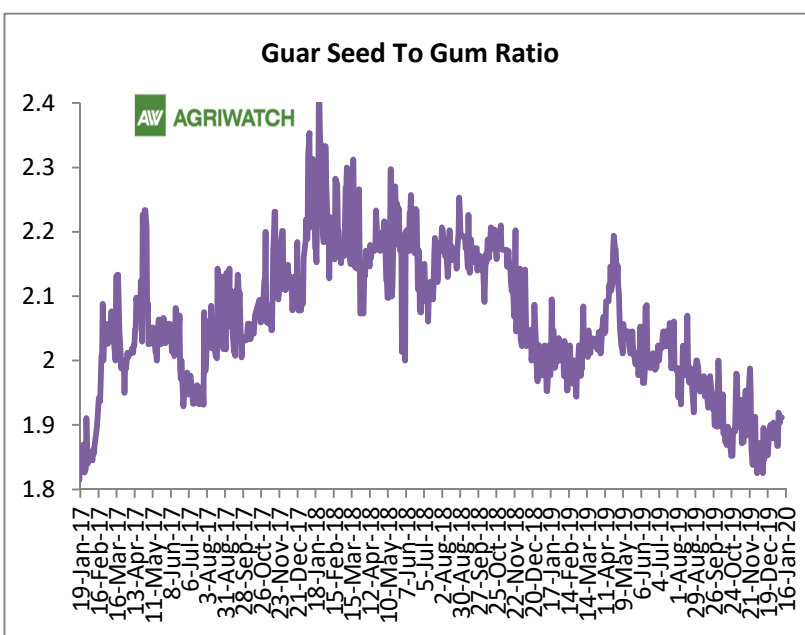
Higher degrees of increase in guar seed prices compared to guar gum prices, led the margin higher this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 16th 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

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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: February

Exchange: NCDEX

Expiry: February 20, 2019

Guar Seed (January Daily Chart)



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: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	February	3900	3940	4150	4219	4278
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	February	Sell	Below 4148	3990	3950	4200

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: February

Exchange: NCDEX
Expiry: February 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	February	7000	7216	7411	7595	7639
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	February	Sell	Below 7410	7310	7226	7585

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	9th Jan to 16th Jan 2020	2nd Jan to 9th Jan 2020	Change
Churi	Jodhpur	Rs per 75 kg	2042	2000	42
Korma	Jodhpur	Rs per quintal	2409	2400	9
Churi	Sri-Ganganagar	Rs per quintal	1800	1740	60
Korma	Sri-Ganganagar	Rs per quintal	2300	2295	5

Guar Export Weekly Average Prices			(Prices in \$/MT)		
Commodity	Variety		9th Jan to 16th Jan 2020	2nd Jan to 9th Jan 2020	Change
Guargum Split			1071	1059	13
Guargum Powder	200 Mesh 5000 CPS		1339	1323	16
	200 Mesh 3500 CPS		1269	1254	15
Guargum Meal	40%		352	348	4
	50%		451	446	5

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			9th Jan to 16th Jan 2020	2nd Jan to 9th Jan 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3908	4018	-110
		Jodhpur(Delivery)	4107	4219	-112
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3870	3910	-40
		Sri-Ganganagar (Delivery)	4020	4060	-40
		Rawla (Loose)	3855	3828	28
		Gharsana (Loose)	4000	1973	2027
		Raisinghnagar (Loose)	3878	3903	-26
	Bikaner	Bikaner (Loose)	3915	3912	3
		Bikaner (Delivery)	4111	4108	3
		Nokha(Loose)	3842	3833	8
		Nokha (Delivery)	4034	4025	9
		Khajuwala (Loose)	3968	3946	22
		Khajuwala (Delivery)	4167	4143	23
		Lunkaransar (Loose)	3850	3829	21
	Hanumangarh	Hanumangarh (Loose)	3881	3933	-52

		Hanumangarh (Delivery)	4075	4130	-55
		Nohar (Loose)	3863	3830	33
		Pilibanga (Loose)	NA	1281	-
	Nagaur	Nagaur (Loose)	3768	3742	26
	Churu	Churu (Delivery)	4000	4067	-67
	Alwar	Alwar (Loose)	3750	3742	8
Haryana	Hisar	Adampur (Loose)	3860	3877	-17
		Adampur (Delivery)	4053	4071	-18
	Bhiwani	Bhiwani (Delivery)	3929	3987	-58
		Siwani (Loose)	3998	3977	22
	Sirsa	Sirsa (Loose)	3925	3877	48
		Dhabwali (Loose)	3856	3880	-24
		Dhabwali (Delivery)	4049	4074	-25
		Ellanabad (Loose)	-	-	-
	Fatehabad	Fatehabad (Loose)	3813	3808	4
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	3717	3782	-65
	Rajkot	Rajkot (Loose)	3876	3900	-24
	Jamnagar	Dhrol (Loose)	3648	3478	170
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7446	7613	-167
	Alwar	Alwar	7500	7517	-17
	Hanumangarh	Nohar	7800	7900	-100
Haryana	Bhiwani	Bhiwani	7386	7423	-38
	Sirsa	Sirsa	7400	7475	-75
		Dhabwali	7456	7567	-110
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	7433	7567	-133

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			16-Jan-20	9-Jan-20	16-Dec-19	16-Jan-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3800	3950	3900	4350
		Jodhpur(Delivery)	4000	4148	4095	4568
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3800	3900	3850	4100
		Sri-Ganganagar (Delivery)	3950	4050	4000	4250
		Rawla (Loose)	NR	3800	3750	4075
		Gharsana (Loose)	4000	3970	3925	4120

		Raisinghnagar (Loose)	3830	3900	3700	4150
	Bikaner	Bikaner (Loose)	Closed	3850	3750	4120
		Bikaner (Delivery)	Closed	4043	3938	4326
		Nokha(Loose)	3750	3800	3700	4100
		Nokha (Delivery)	3938	3990	3885	4305
		Khajuwala (Loose)	3850	4000	3680	4100
		Khajuwala (Delivery)	4043	4200	3864	4305
		Lunkaransar (Loose)	3800	3800	3675	4150
	Hanumangarh	Hanumangarh (Loose)	3800	3950	3800	4030
		Hanumangarh (Delivery)	3990	4148	3990	4232
		Nohar (Loose)	3840	3800	3741	4080
		Pilibanga (Loose)	NR	NR	3800	4090
	Nagaur	Nagaur (Loose)	3720	3765	3700	4000
	Churu	Churu (Delivery)	3900	4100	4000	4400
	Alwar	Alwar (Loose)	3700	3800	3700	4100
Haryana	Hisar	Adampur (Loose)	3850	3910	3780	4125
		Adampur (Delivery)	4043	4106	3969	4331
	Bhiwani	Bhiwani (Delivery)	3900	3925	3900	4350
		Siwani (Loose)	3980	4010	3870	4275
	Sirsa	Sirsa (Loose)	3942	3913	3790	4155
		Dhabwali (Loose)	3800	3870	Closed	4100
		Dhabwali (Delivery)	3990	4064	Closed	4305
		Ellanabad (Loose)	NR	NR	NR	NR
	Fatehabad	Fatehabad (Loose)	3800	3800	3700	4000
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	NA	NA
	Patan	Patan (Loose)	3680	3825	3660	4175
	Rajkot	Rajkot (Loose)	3825	3900	3620	4080
	Jamnagar	Dhrol (Loose)	NA	3295	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7400	7550	7200	8600
	Alwar	Alwar	7400	7500	7200	8600
	Hanumangarh	Nohar	7800	7900	7800	8500
Haryana	Bhiwani	Bhiwani	7350	7400	7000	8700
	Sirsa	Sirsa	7400	7550	7300	8700
		Dhabwali	7425	7600	Closed	8600
		Ellanabad	NR	NR	NR	NR
	Fatehabad	Fatehabad	7300	7500	7200	8400

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			9th Jan to 16th Jan 2020	2nd Jan to 9th Jan 2020	
Rajasthan	Jodhpur	Jodhpur	49	142	-93
	Sri-Ganganagar	Sri-Ganganagar	2700	2300	400
		Rawla	300	941	-641
		Gharsana	1090	1005	85
		Raisinghnagar	1500	1100	400
	Bikaner	Bikaner	4200	5300	-1100
		Nokha	2650	7900	-5250
		Khajuwala	3450	2700	750
		Lunkaransar	2700	3800	-1100
	Hanumangarh	Hanumangarh	305	140	165
		Nohar	1900	2000	-100
		Pilibanga	NA	345	NA
	Nagaur	Nagaur	1185	950	235
	Churu	Churu	3000	3000	Unch
	Alwar	Alwar	650	900	-250
Haryana	Hisar	Adampur	2800	3200	-400
	Bhiwani	Bhiwani	2400	1900	500
		Siwani	2200	2050	150
	Sirsa	Sirsa	2700	1350	1350
		Dhabwali	600	640	-40
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	200	200	Unch
Gujarat	Banaskantha	Deesa	-	-	-
	Patan	Patan	150	281	-131
	Rajkot	Rajkot	420	354	66
	Jamnagar	Dhrol	17	30	-13
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			37166	42528	-5362

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