

# 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 11.15 percent to Rs. 3235.2 per quintal during the week ended 9<sup>th</sup> Feb 2020. Guar seed (Cluster bean seeds) average price were ruling at Rs. 3641.22 per quintal during 1<sup>st</sup> to 8<sup>th</sup> February 2020. As compared to prices in the week 9-15 February 2019, the prices are lower by 17.08 percent. Prices are expected to move in steady to weak tone in coming days in expectation of sluggish demand of millers' and crushers.

Guar seed average weekly prices closed at Rs. 3997.5 per quintal lower by Rs. 110 per quintal against last week. Prices are likely to be on lower side in hope of weak demand of crushers and millers. Prices may get more pressures after weak exports demand of guar split and gum. NCDEX prices are likely to stay downside in near future in expectation of selling pressures in the market.

As per data released by Baker Hughes, the number of oil rigs in USA has unchanged to 790 as on 7<sup>th</sup> February 2020 compared to last week and down by 259 compared to 8<sup>th</sup> Feb 2019. Total number of oilrigs was recorded at 3957 in Janaury'20 compared to 4259 in the corresponding period in last year. 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 3250 quintals compared to previous week arrivals of 3400 quintals.

**Previous Updates:**

As per trade sources, export of guar split has increased in the month of December-19. Exports in the month of December-19 are higher by around 79.66% compared to previous month. India exported around 2120 tonnes of guar split in the month of December-19 at an average FoB of \$ 1293 per tonne. Of the total quantity, around 540 tonnes have been exported to China.

As per trade sources, export of guar gum has declined in the month of December-19 by 6.58 percent compared to previous month. India exported around 17779.68 tonnes of guar gum at an average FoB of \$ 1830.69 per tonne in the month of December-19 compared to 19032.16 tonnes in October-19 at an average FoB of \$ 1873.41 per tonne. Exports are expected to decline in January-20 on weak demand.

**Recommendation:**

**Weekly Call- : Market participants are advised to sell Guar seed future Feb contract at 3925 levels for a target of 3800 with a stop loss at 4020 on closing basis.**

Guar Seed Fundamental Analysis and Outlook:-

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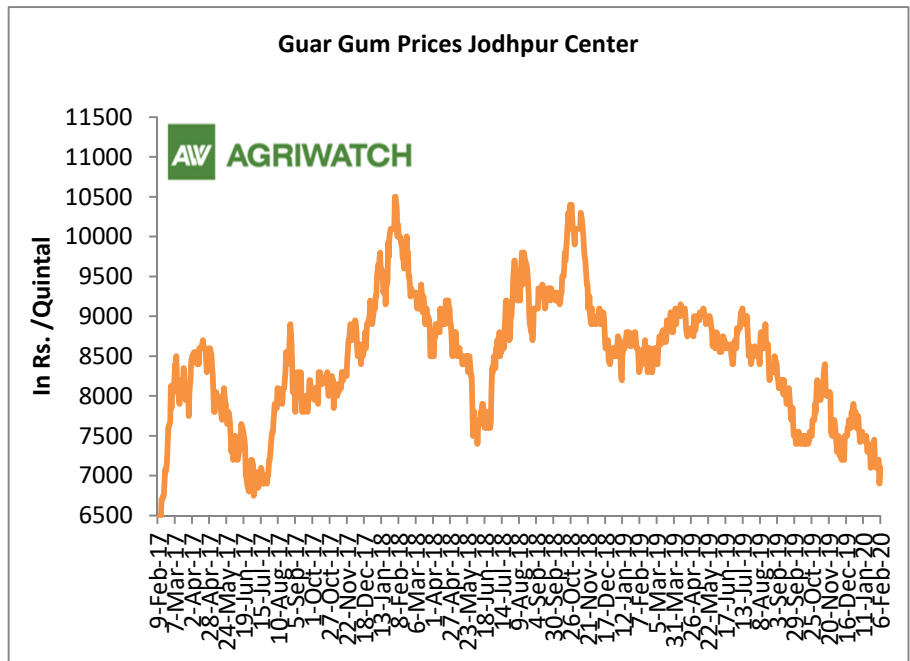
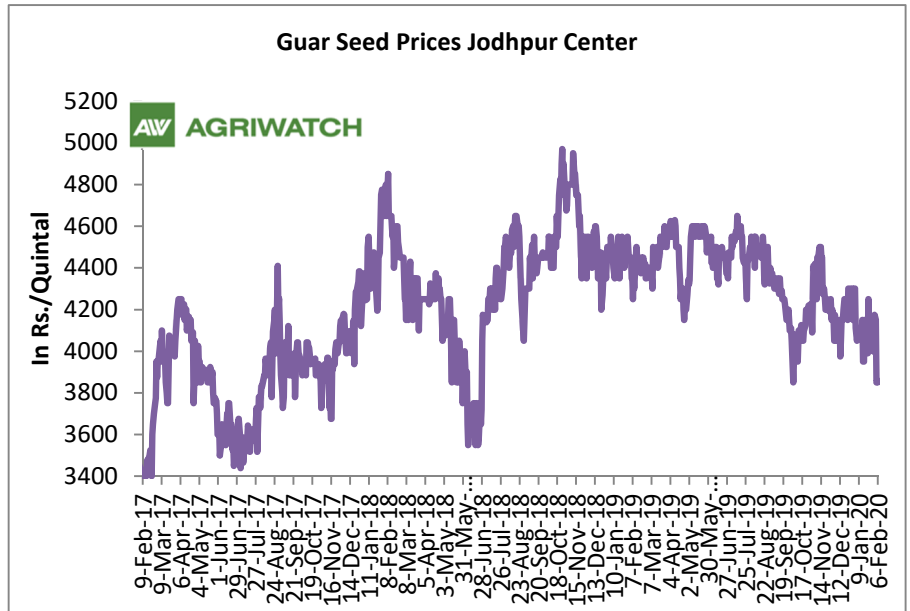
Domestic Front

➤ In the week ended 6<sup>th</sup> February 20, Guar seed weekly average prices decreased by Rs 110.33/qtl and settled at Rs. 3997.5 per quintal.

➤ In addition, Guar gum average weekly price declined by 191.66 per quintal and settled at Rs. 7083.33 per quintal lower demand for guar gum from domestic and overseas markets kept prices at lower side in this week.

➤ According to first advance estimate for 2019-20, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 145000 hectares, 107960 tonnes and 744.52 kg/hectare respectively. As per final estimate for 2018-19 issued by Gujarat's Department of Agriculture for Guar seed the area, production and yield are 134100 hectares, 75380 tonnes and 562.11 kg/hectare respectively.

➤ According to second advance estimate for Kharif 2019-20, issued by Rajasthan's Department of Agriculture for Guar seed, the area, production and yield are 2841314 hectares, 1208100 tonnes and 425 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.

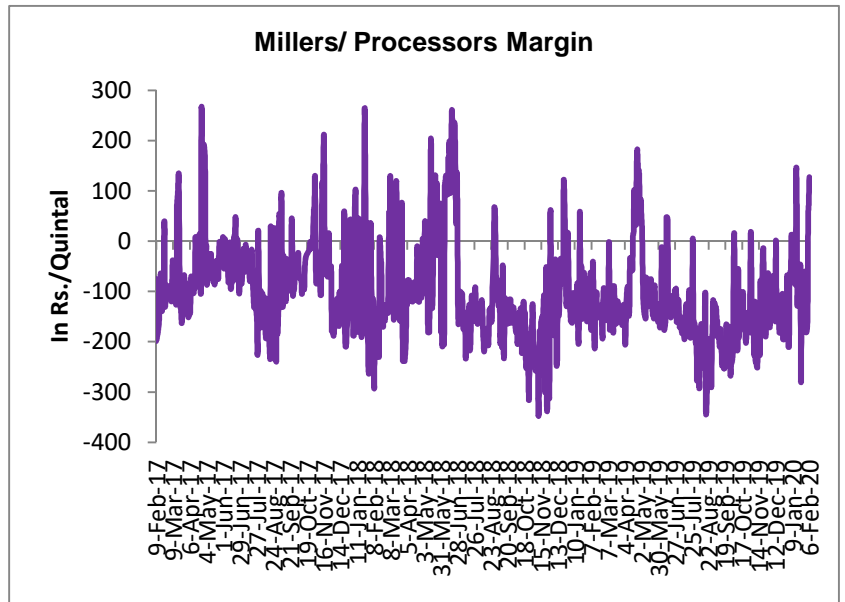


Millers/Processors Margin

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In the week ended 6<sup>th</sup> Feb 20, average crush margin was at Rs.-31.75/Quintal compared to last week margin Rs.-155.45/Quintal.

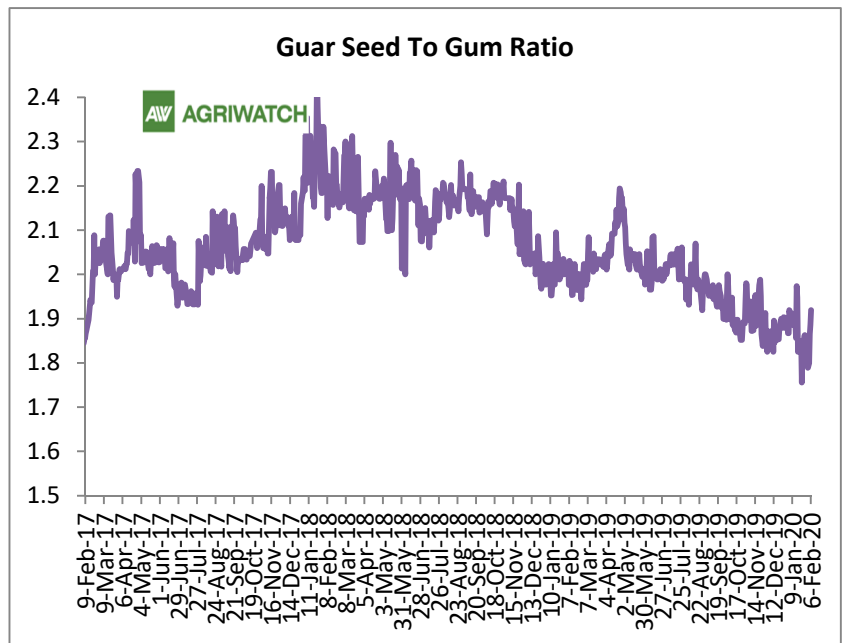
Less degree of increase in guar seed prices compared to guar gum prices, led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 6<sup>th</sup> Feb'20 is 1.84 higher from last week.

Overall, weak demand of gum from domestic millers and overseas markets has kept the overall ratio almost unchanged in this week.



Guar gum Weekly Export

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Week On Week Exports	Quantity in MT	Average FoB (\$/T)
02-08 December-2019	3000.29	1905.3
09-14 December-2019	4377.55	1830.57
17-23 December-2019	4671.2	1752.78
24-30 December-2019	5730.64	1837.62
<b>Total</b>	<b>17779.68</b>	<b>1830.69</b>

Source: Trade

Technical Analysis (Guar Seed)

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Commodity: Guar Seed  
Contract: February

Exchange: NCDEX  
Expiry: February 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	February	3650	3700	3918	4024	4150
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	February	<b>Sell</b>	Below 3925	3800	3710	4020

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	6500	6600	6936	7083	7230
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	February	<b>Sell</b>	Below 6938	6700	6610	7050

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	6th to 31st Jan 2020	24th to 30th Jan 2020	Change
Churi	Jodhpur	2050	2000	50
Korma	Jodhpur	2406	2400	6
Churi	Sri-Ganganagar	1857	1800	57
Korma	Sri-Ganganagar	2294	2300	-6

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	6th to 31st Jan 2020	24th to 30th Jan 2020	Change
Guargum Split		1019	1040	-21
Guargum Powder	200 Mesh 5000 CPS	1299	1320	-21
	200 Mesh 3500 CPS	1229	1250	-21
Guargum Meal	40%	392	385	7
	50%	453	453	Unch

**Guar Seed Weekly Average Prices:**

Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
			6th to 31st Jan 2020	24th to 30th Jan 2020	
Guar Seed	Jodhpur	Jodhpur (Loose)	3848	3958	-111
		Jodhpur(Delivery)	4040	4156	-116
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3783	3825	-42
		Sri-Ganganagar (Delivery)	3933	3975	-42
		Rawla (Loose)	2256	3922	-1665
		Gharsana (Loose)	788	3870	-3082
		Raisinghnagar (Loose)	3780	3829	-49
	Bikaner	Bikaner (Loose)	3808	3841	-33
		Bikaner (Delivery)	3999	4033	-34
		Nokha(Loose)	3721	3760	-39
		Nokha (Delivery)	3907	3948	-41
		Khajuwala (Loose)	3783	3770	13
		Khajuwala (Delivery)	3973	3959	14
		Lunkaransar (Loose)	3708	3775	-67
	Hanumangarh	Hanumangarh (Loose)	3792	2875	917
		Hanumangarh (Delivery)	3982	3019	963
		Nohar (Loose)	3795	3870	-75
		Pilibanga (Loose)	3735	1865	1871

	<b>Nagaur</b>	Nagaur (Loose)	3694	3730	<b>-36</b>
	<b>Churu</b>	Churu (Delivery)	3860	3933	<b>-73</b>
	<b>Alwar</b>	Alwar (Loose)	3620	3650	<b>-30</b>
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3795	3838	<b>-43</b>
		Adampur (Delivery)	3985	4030	<b>-46</b>
	<b>Bhiwani</b>	Bhiwani (Delivery)	3830	3871	<b>-41</b>
		Siwani (Loose)	3873	3928	<b>-54</b>
	<b>Sirsa</b>	Sirsa (Loose)	3807	3858	<b>-51</b>
		Dhabwali (Loose)	3734	3836	<b>-102</b>
		Dhabwali (Delivery)	3921	4028	<b>-107</b>
		Ellanabad (Loose)	-	-	-
	<b>Fatehabad</b>	Fatehabad (Loose)	3721	3755	<b>-34</b>
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	-	1975	-
	<b>Patan</b>	Patan (Loose)	3723	3724	<b>-2</b>
	<b>Rajkot</b>	Rajkot (Loose)	3673	3766	<b>-94</b>
	<b>Jamnagar</b>	Dhrol (Loose)	-	-	-
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	-	-	-
<b>Guar Gum</b>					
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	7083	7275	<b>-192</b>
	<b>Alwar</b>	Alwar	7060	7250	<b>-190</b>
	<b>Hanumangarh</b>	Nohar	7700	7700	Unch
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	7070	7233	<b>-163</b>
	<b>Sirsa</b>	Sirsa	7058	7258	<b>-200</b>
		Dhabwali	7115	7320	<b>-205</b>
		Ellanabad	-	-	-
	<b>Fatehabad</b>	Fatehabad	7067	7340	<b>-273</b>



Week on Week Price: Scenario of Guarseed and Guargum:							
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago	
			6-Feb-20	30-Jan-20	6-Jan-20	6-Feb-19	
Guar Seed	Rajasthan	Jodhpur	Jodhpur (Loose)	3700	3850	4150	4200
			Jodhpur(Delivery)	3885	4043	4358	4410
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3750	3800	NA	4000	
		Sri-Ganganagar (Delivery)	3900	3950	NA	4150	
		Rawla (Loose)	NR	3967	3860	3950	
		Gharsana (Loose)	NR	3890	-	3970	
		Raisinghnagar (Loose)	3760	3750	-	4000	
		Bikaner	Bikaner (Loose)	3750	3920	3850	3970
	Bikaner (Delivery)		3938	4116	4043	4169	
	Nokha(Loose)		3725	3700	3800	4000	
	Nokha (Delivery)		3911	3885	3990	4200	
	Khajuwala (Loose)		3750	3800	NA	3950	
	Khajuwala (Delivery)		3938	3990	NA	4148	
	Lunkaransar (Loose)		3650	3800	3800	4050	
	Hanumangarh	Hanumangarh (Loose)	3800	3800	NA	4000	
		Hanumangarh (Delivery)	3990	3990	NA	4200	
		Nohar (Loose)	3800	3780	3800	3950	
		Pilibanga (Loose)	NA	3720	-	4075	
	Nagaur	Nagaur (Loose)	3725	Closed	3725	4050	
	Churu	Churu (Delivery)	3800	3800	4100	4200	
Alwar	Alwar (Loose)	3600	3500	3600	3925		
Haryana	Hisar	Adampur (Loose)	3780	3825	3850	4045	
		Adampur (Delivery)	3969	4016	4043	4247	
	Bhiwani	Bhiwani (Delivery)	3800	3850	3900	4150	
		Siwani (Loose)	3880	3900	3940	4150	
	Sirsa	Sirsa (Loose)	3790	3840	NA	4000	
		Dhabwali (Loose)	3780	3785	NA	3950	
		Dhabwali (Delivery)	3969	3974	NA	4148	
		Ellanabad (Loose)	NR	NR	-	4000	
Fatehabad	Fatehabad (Loose)	3700	3700	3750	3900		
Gujarat	Banaskantha	Deesa (Loose)	-	-	-	-	
	Patan	Patan (Loose)	3710	Closed	3785	3955	
	Rajkot	Rajkot (Loose)	3640	3740	3825	4025	
	Jamnagar	Dhrol (Loose)	-	-	-	-	
M.P.	Gwalior	Dabra (Loose)	-	-	-	-	

Guar Gum						
Rajasthan	Jodhpur	Jodhpur	7100	7100	7750	8500
	Alwar	Alwar	7000	7000	7400	8500
	Hanumangarh	Nohar	7700	7700	7900	8200
Haryana	Bhiwani	Bhiwani	7000	7180	7270	8570
	Sirsa	Sirsa	7000	7150	NA	8300
		Dhabwali	7000	7150	NA	8400
		Ellanabad	-	-	-	-
	Fatehabad	Fatehabad	7000	7200	7500	8380

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			6th to 31st Jan 2020	24th to 30th Jan 2020	
Rajasthan	Jodhpur	Jodhpur	85	124	-39
	Sri-Ganganagar	Sri-Ganganagar	3400	2800	600
		Rawla	1394	3065	-1671
		Gharsana	380	2449	-2069
		Raisinghnagar	1850	1500	350
	Bikaner	Bikaner	5600	5800	-200
		Nokha	2700	3440	-740
		Khajuwala	6100	3300	2800
		Lunkaransar	1200	1650	-450
	Hanumangarh	Hanumangarh	265	140	125
		Nohar	1600	2910	-1310
		Pilibanga	210	380	-170
	Nagaur	Nagaur	40	300	-260
	Churu	Churu	1300	3100	-1800
Alwar	Alwar	700	800	-100	
Haryana	Hisar	Adampur	3250	3400	-150
	Bhiwani	Bhiwani	850	1150	-300
		Siwani	1700	2200	-500
	Sirsa	Sirsa	5100	6350	-1250
		Dhabwali	775	675	100
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	100	870	-770

Gujarat	Banaskantha	Deesa	-	50	-
	Patan	Patan	168	210	-42
	Rajkot	Rajkot	155	295	-140
	Jamnagar	Dhrol	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
<b>Total Arrivals/Above Markets</b>			<b>38922</b>	<b>46958</b>	<b>-8036</b>

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