



Guar Weekly Research Report

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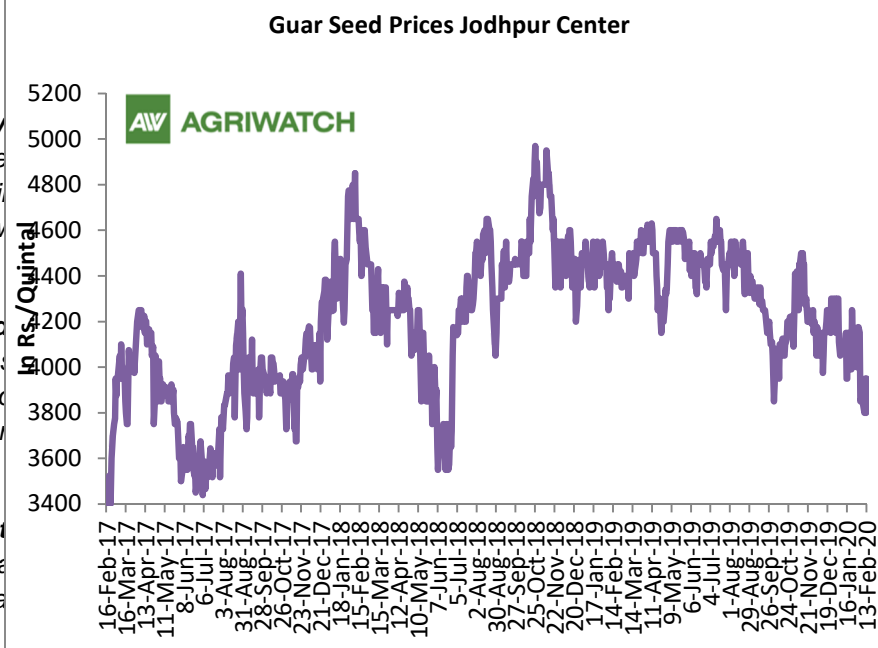
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Guar Seed Fundamental Analysis and Outlook:-[\(Back to Table of Contents\)](#)**Executive Summary****Domestic Guar Seed Market Summary**

All India weekly average prices lower by 15th Feb 2020. Guar seed (Cluster bean seed) prices are lower by 15th Feb 2020. As compared to prices in 8th February 2020. As compared to prices in 8th February 2020. Prices are expected to move in steady to weak demand of gum in the overseas market.

Guar seed average weekly prices closed lower last week. Prices are likely to be on lower side due to more pressures after weak exports demand and near future in expectation of selling pressures sustaining at higher price level.

As per data released by Baker Hughes, 14th February 2020 compared to last week a was recorded at 3957 in January 2020 compared to last week exports are being slightly affected.



As per the Agricultural and Processed Food Products Export Development Authority, India shipped 19% lower guar derivatives products to 267823.67 MTs in the first eight month of this financial year against 330974.88 MTs in 2018-19 during the corresponding period. India is likely to export 20 % lower guar derivatives in 2019-20 (Apr-Mar) because of poor demand for guar gum from the U.S. as it has started to use other alternatives of gum. Weak crude oil prices and declining numbers of oil rings have also weakened U.S. demand for gum. Polyacrylamide, carboxymethyl cellulose, xanthan gum, and partially hydrolyzed polyacrylamide are the major alternatives products of guar gum and likely to replace and affect demand of gum in this year. Exporters expect 20% lower shipment in the range of 280,000-300,000 tonnes in this fiscal year. However, guar meal exports are likely to increase by 17% to 175,000 tonnes in this year as demand is rising due to its higher amino acid profile and overseas buyers are switching from soymeal to guar meal. Good exports demand of guar meal is supporting guar meal prices to rise.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals at 3500 quintals compared to previous week arrivals of 3250 quintals.

Previous Updates:

As per trade sources, export of guar split has increased in the month of January-20. Exports in the month of January-20 are higher by around 60.38% compared to previous month. India exported around 3400 tonnes of guar split in the month of January-20 at an average FoB of \$ 1241 per tonne. Of the total quantity, around 2180 tonnes have been exported to China.

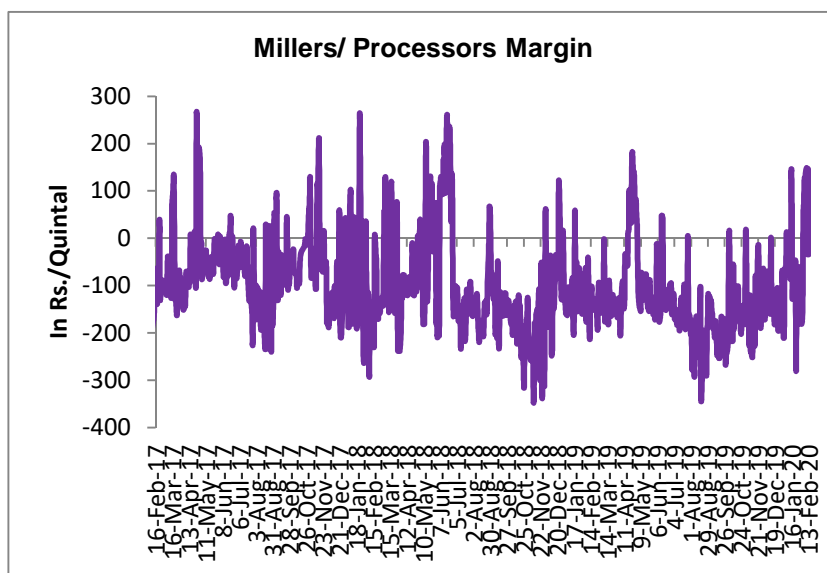
As per trade sources, export of guar gum has increased in the month of January-20 by 30.37 percent compared to previous month. India exported around 23178.89 tonnes of guar gum at an average FoB of \$ 1710.37 per tonne in the month of January-20 compared to 17779.68 tonnes in December-19 at an average FoB of \$ 1830.69 per tonne. Exports are expected to increase in February-20 on firm demand.

Recommendation:

Weekly Call- : Market participants are advised to sell Guar seed future March contract at 3840 levels for a target of 3750 with a stop loss at 3970 on closing basis.

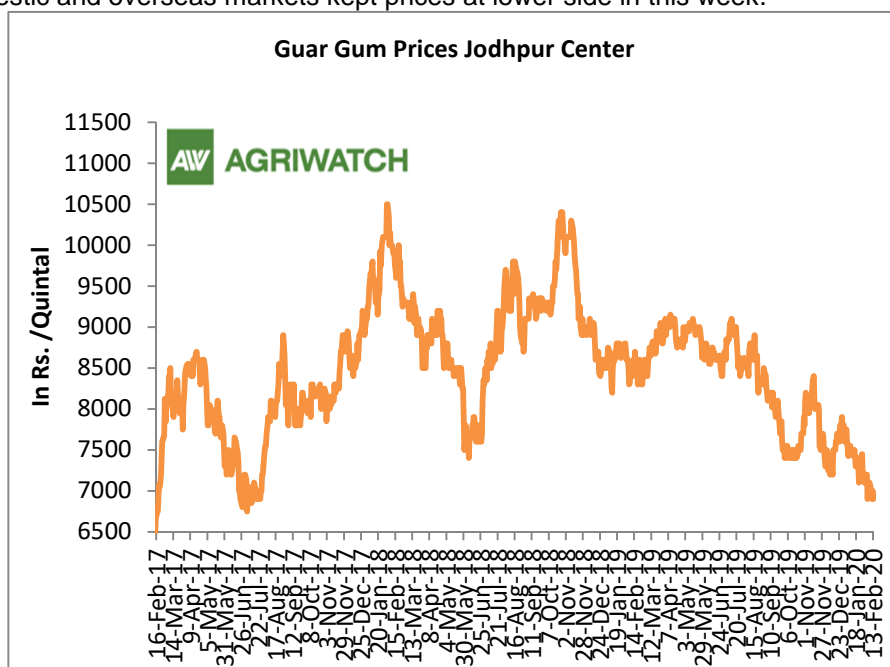
Domestic Front

- In the week ended 13th February 20, Guar seed weekly average prices decreased by Rs. 127.5/qlt and settled at Rs. 3870 per quintal.



- In addition, Guar gum average weekly price declined by 103.33 per quintal and settled at Rs. 6983 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.

In the week ended 13th Feb 20, average crush margin was higher at Rs 70/Quintal compared to last week margin Rs.-31.75/ Quintal.

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

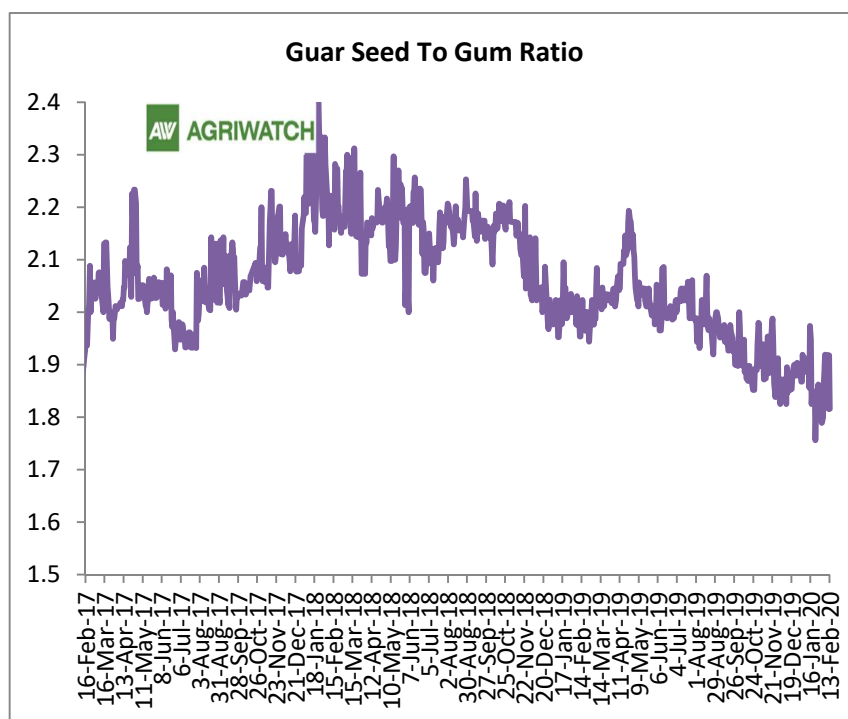
Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 13th Feb'20 is 1.87 higher from last week.

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

Guar gum Weekly Export

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Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08 January-2020	4698.14	1676.587
9-16 January-2020	4689.97	1833.055
17-24 January-2020	7912.59	1639.771
25-31 January-2020	5878.19	1692.075
Total	23178.89	1710.372

Source: Trade

[Technical Analysis \(Guar Seed\)](#)

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Commodity: Guar Seed

Exchange: NCDEX



Contract: March

Expiry: March 20, 2020

Guar Seed (February Daily Chart)



Technical Commentary:

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

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	March	3600	3680	3864	4000	4150
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	March	Sell	Below 3840	3750	3700	3970



Contract: March

Expiry: March 20, 2020

Guar Gum (March Daily Chart)



Technical Commentary:

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

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	March	6400	6480	6744	6970	7020
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	March	Sell	Below 6740	6610	6500	6830

Commodity	Centre	5th to 13th Feb 2020	30th Jan to 5th Feb 2020	Change
Churi	Jodhpur	2050	2050	Unch
Korma	Jodhpur	2431	2406	25
Churi	Sri-Ganganagar	1838	1857	-19
Korma	Sri-Ganganagar	2319	2294	25

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	5th to 13th Feb 2020	30th Jan to 5th Feb 2020	Change
Guargum Split		1009	1019	-10
Guargum Powder	200 Mesh 5000 CPS	1290	1299	-9
	200 Mesh 3500 CPS	1220	1229	-9
Guargum Meal	40%	393	392	1
	50%	453	453	0

Guar Seed Weekly Average Prices:

Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			5th to 13th Feb 2020	30th Jan to 5th Feb 2020	
Guar Seed	Jodhpur	Jodhpur (Loose)	3702	3848	-146
		Jodhpur(Delivery)	3887	4040	-153
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3763	3783	-21
		Sri-Ganganagar (Delivery)	3913	3933	-21
		Rawla (Loose)	3078	2256	822
		Gharsana (Loose)	3763	788	2975
		Raisinghnagar (Loose)	3706	3780	-74
	Bikaner	Bikaner (Loose)	3707	3808	-101
		Bikaner (Delivery)	3892	3999	-107
		Nokha(Loose)	3718	3721	-4
		Nokha (Delivery)	3903	3907	-4
		Khajuwala (Loose)	3700	3783	-83
		Khajuwala (Delivery)	3885	3973	-88
		Lunkaransar (Loose)	3690	3708	-18
	Hanumangarh	Hanumangarh (Loose)	3750	3792	-42
		Hanumangarh (Delivery)	3938	3982	-45
		Nohar (Loose)	3776	3795	-19
		Pilibanga (Loose)	2798	3735	-938
	Nagaur	Nagaur (Loose)	3700	3694	6
	Churu	Churu (Delivery)	3820	3860	-40
	Alwar	Alwar (Loose)	3600	3620	-20

Haryana	Hisar	Adampur (Loose)	3775	3795	-20
		Adampur (Delivery)	3964	3985	-21
	Bhiwani	Bhiwani (Delivery)	3840	3830	10
		Siwani (Loose)	3862	3873	-11
	Sirsa	Sirsa (Loose)	3771	3807	-36
		Dhabwali (Loose)	3747	3734	13
		Dhabwali (Delivery)	3934	3921	13
		Ellanabad (Loose)	0	-	-
	Fatehabad	Fatehabad (Loose)	3680	3721	-41
Gujarat	Banaskantha	Deesa (Loose)	0	-	-
	Patan	Patan (Loose)	3683	3723	-41
	Rajkot	Rajkot (Loose)	3645	3673	-28
	Jamnagar	Dhrol (Loose)	1765	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	0	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	7017	7083	-66
	Alwar	Alwar	6980	7060	-80
	Hanumangarh	Nohar	7620	7700	-80
Haryana	Bhiwani	Bhiwani	7016	7070	-54
	Sirsa	Sirsa	6983	7058	-75
		Dhabwali	6920	7115	-195
		Ellanabad	0	-	-
	Fatehabad	Fatehabad	6950	7067	-117

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
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Guar Seed			13-Feb-20	6-Feb-20	13-Jan-20	13-Feb-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3800	3700	3950	4350
		Jodhpur(Delivery)	3990	3885	4148	4568
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3725	3750	NA	4038
		Sri-Ganganagar (Delivery)	3875	3900	NA	4188
		Rawla (Loose)	3620	0	3470	3970
		Gharsana (Loose)	3550	3805	0	4040
		Raisinghnagar (Loose)	3625	3760	NA	4025
	Bikaner	Bikaner (Loose)	3680	3750	NA	4070
		Bikaner (Delivery)	3864	3938	NA	4274
		Nokha(Loose)	3700	3725	3850	4000
		Nokha (Delivery)	3885	3911	4043	4200
		Khajuwala (Loose)	3700	3750	3960	4050
		Khajuwala (Delivery)	3885	3938	4158	4253
		Lunkaransar (Loose)	3740	3650	NA	4100
	Hanumangarh	Hanumangarh (Loose)	3700	3800	NA	4050
		Hanumangarh (Delivery)	3885	3990	NA	4253
		Nohar (Loose)	NR	3800	3850	4050
		Pilibanga (Loose)	NR	3735	0	4025
	Nagaur	Nagaur (Loose)	3700	3725	NA	3950
	Churu	Churu (Delivery)	NR	3800	4000	4200
	Alwar	Alwar (Loose)	NR	3600	3700	3900
Haryana	Hisar	Adampur (Loose)	3745	3780	3850	4100
		Adampur (Delivery)	3932	3969	4043	4305
	Bhiwani	Bhiwani (Delivery)	NR	3800	3925	4230
		Siwani (Loose)	3840	3880	4000	4180
	Sirsa	Sirsa (Loose)	3745	3790	NA	4090
		Dhabwali (Loose)	NR	3780	NA	4000
		Dhabwali (Delivery)	NR	3969	NA	4200
		Ellanabad (Loose)	NR	0	0	4100
	Fatehabad	Fatehabad (Loose)	3650	3700	3825	3900
Gujarat	Banaskantha	Deesa (Loose)	NA	0	0	4025
	Patan	Patan (Loose)	3765	3710	3720	3995
	Rajkot	Rajkot (Loose)	Closed	3640	3925	3975
	Jamnagar	Dhrol (Loose)	3430	0	3680	0
M.P.	Gwalior	Dabra (Loose)	NA	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6900	7100	7450	8500
	Alwar	Alwar	NR	7000	7500	8400

	Hanumangarh	Nohar	NR	7700	7800	8400
Haryana	Bhiwani	Bhiwani	NR	7000	7380	8790
	Sirsa	Sirsa	6900	7000	NA	8500
		Dhabwali	NR	7000	NA	8600
		Ellanabad	NR	0	0	8500
	Fatehabad	Fatehabad	6900	7000	7500	8450

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			5th to 13th Feb 2020	30th Jan to 5th Feb 2020	
Rajasthan	Jodhpur	Jodhpur	234	85	149
	Sri-Ganganagar	Sri-Ganganagar	3000	3400	-400
		Rawla	3006	1394	1612
		Gharsana	2984	380	2604
		Raisinghnagar	1800	1850	-50
	Bikaner	Bikaner	5600	5600	Unch
		Nokha	2475	2700	-225
		Khajuwala	9500	6100	3400
		Lunkaransar	2450	1200	1250
	Hanumangarh	Hanumangarh	400	265	135
		Nohar	1500	1600	-100
		Pilibanga	220	210	10
	Nagaur	Nagaur	0	40	-40
	Churu	Churu	700	1300	-600
	Alwar	Alwar	550	700	-150
Haryana	Hisar	Adampur	3500	3250	250
	Bhiwani	Bhiwani	1200	850	350
		Siwani	2100	1700	400
	Sirsa	Sirsa	5800	5100	700
		Dhabwali	1050	775	275
		Ellanabad	0	-	-
	Fatehabad	Fatehabad	200	100	100
Gujarat	Banaskantha	Deesa	0	-	-
	Patan	Patan	131	168	-37
	Rajkot	Rajkot	60	155	-95



	Jamnagar	Dhrol	7	-	-
Madhya Pradesh	Gwalior	Dabra	0	-	-
Total Arrivals/Above Markets			48467	38922	9538

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