

Guar Weekly Research Report

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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 higher by 0.16 percent to Rs. 3544.45 per quintal during the week ended 24th Feb 2020. Guar seed (Cluster bean seeds) average price were ruling at Rs. 3538.63 per quintal during 16th to 23rd February 2020. As compared to prices in the week 24-28 February 2019, the prices are lower by 8.20 percent. Prices are expected to move in steady to weak tone in coming days as less demand of millers due to weak demand of gum in the overseas market.

Guar seed average weekly prices closed at Rs. 3783.33 per quintal lower by Rs. 86.66 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. Future prices of Guar and Gum are volatile and not sustaining at higher price level.

As per data released by Baker Hughes, the number of oilrigs in USA has lowered by 1 to 791 as on 21st February 2020 compared to 790 in last week and down by 256 compared to 22nd 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 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 4200 quintals compared to previous week arrivals of 3500 quintals.

Previous Updates:

As per trade sources, export of guar split has increased in the month of January-20. Exports in the month of Janaury-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.

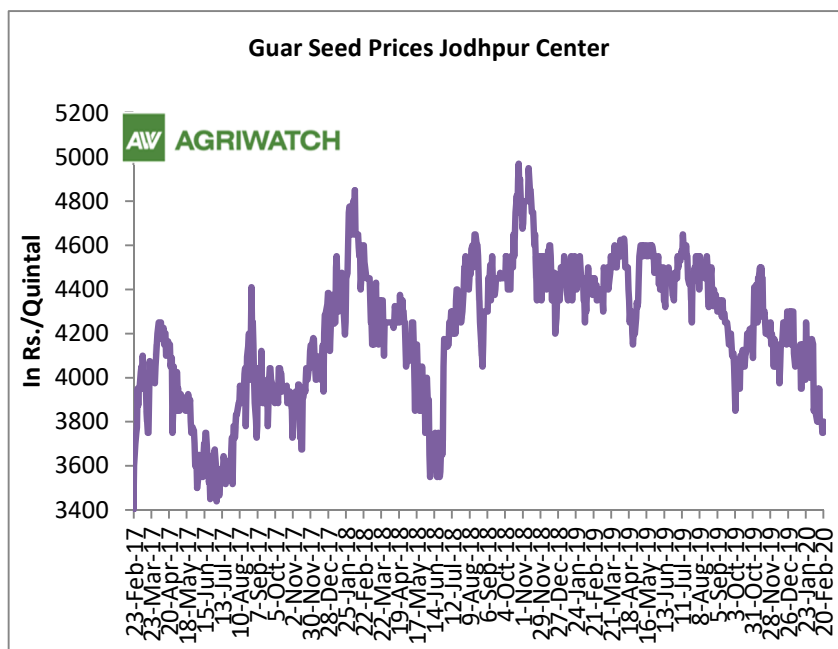
As per trade sources, export of guar gum has increased in the month of Janaury-20 by 30.37 percent compared to previous month. India exported around 23178.89 tonnes of guar gum at an average FoB of \$ 1710.37 per tonne in the month of January-20 compared to 17779.68 tonnes in December-19 at an average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

Recommendation:

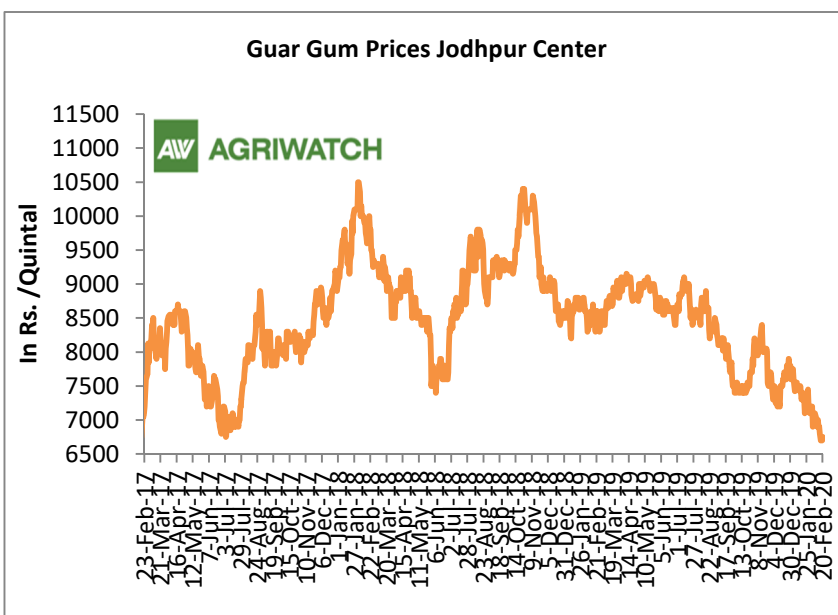
Weekly Call- : Market participants are advised to sell Guar seed future March contract at 3824 levels for a target of 3780 with a stop loss at 3909 on closing basis.

Domestic Front

- In the week ended 20th February 20, Guar seed weekly average prices decreased by Rs. 86.66/qrtl and settled at Rs. 3783.33 per quintal.



- In addition, Guar gum average weekly price declined by Rs. 221.66 per quintal and settled at Rs. 6758.33 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.

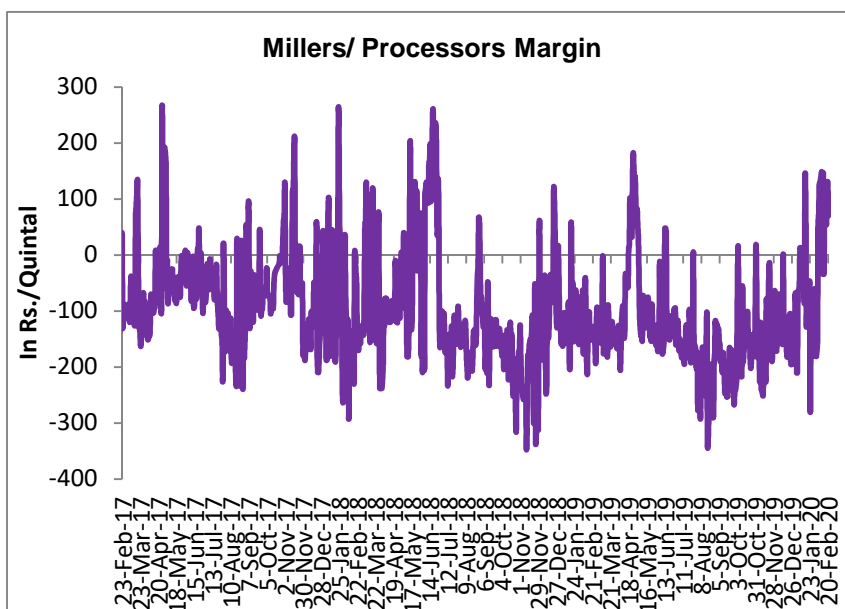
- According to second advance estimate for Kharif 2019-20, issued by Rajasthan's Department of Agriculture for Guar seed, the area, production and yield are 2841314 hectares, 1208100 tonnes and 425 kg/hectare respectively. According to fourth advance estimate for 2018-19, issued by Rajasthan's Department 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 20th Feb 20, average crush margin was higher at Rs. 97.95/Quintal compared to last week margin Rs.70.4/ Quintal.

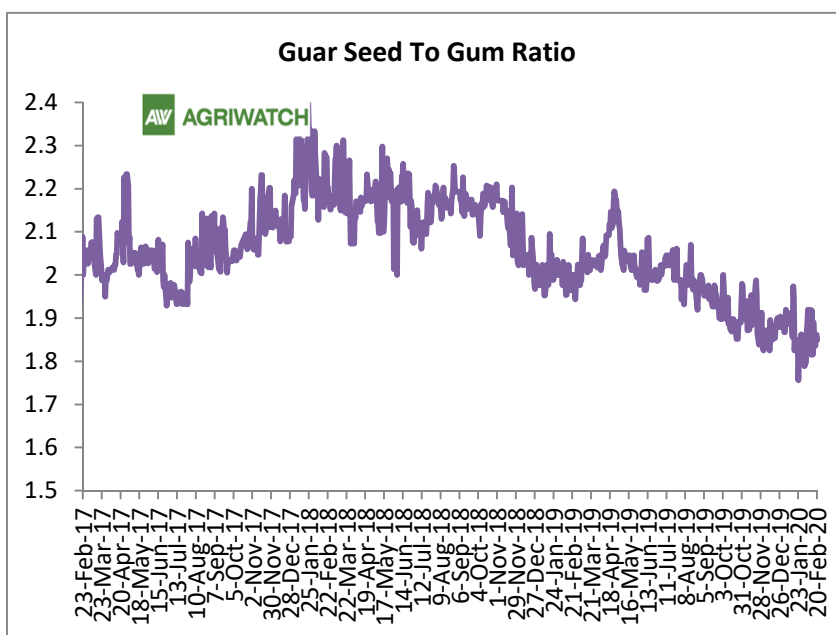
Higher degree of increase in guar seed prices compared to guar gum prices, led the margin up this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 20th Feb'20 is 1.86 lower from last week.

Overall, weak demand of gum from domestic millers and overseas markets has kept the overall ratio lower 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
Contract: March

Exchange: NCDEX
Expiry: March 20, 2020

Guar Seed (February Daily Chart)



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	March	3600	3654	3824	3968	4010
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	March	Sell	Below 3824	3780	3700	3909



Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: March

Exchange: NCDEX
Expiry: March 20, 2020



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	March	6250	6350	6631	6820	7020
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	March	Sell	Below 6635	6510	6400	6780

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	14th to 20th Feb 2020	5th to 13th Feb 2020	Change
Churi	Jodhpur	2058	2050	8
Korma	Jodhpur	2450	2431	19
Churi	Sri-Ganganagar	1857	1838	19
Korma	Sri-Ganganagar	2350	2319	31

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	14th to 20th Feb 2020	5th to 13th Feb 2020	Change
Guargum Split		961	1009	-48
Guargum Powder	200 Mesh 5000 CPS	1241	1290	-48
	200 Mesh 3500 CPS	1171	1220	-48
Guargum Meal	40%	383	393	-10
	50%	453	453	-1

Guar Seed Weekly Average Prices:

Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			14th to 20th Feb 2020	5th to 13th Feb 2020	
Guar Seed	Jodhpur	Jodhpur (Loose)	3633	3702	-68
		Jodhpur(Delivery)	3815	3887	-72
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3692	3763	-71
		Sri-Ganganagar (Delivery)	3842	3913	-71
		Rawla (Loose)	3768	3078	690
		Gharsana (Loose)	3668	3763	-95
		Raisinghnagar (Loose)	3693	3706	-14
	Bikaner	Bikaner (Loose)	3643	3707	-64
		Bikaner (Delivery)	3825	3892	-67
		Nokha(Loose)	3677	3718	-41
		Nokha (Delivery)	3861	3903	-43
		Khajuwala (Loose)	3608	3700	-92
		Khajuwala (Delivery)	3789	3885	-96
		Lunkaransar (Loose)	3650	3690	-40
	Hanumangarh	Hanumangarh (Loose)	3637	3750	-113
		Hanumangarh (Delivery)	3819	3938	-119
		Nohar (Loose)	3653	3776	-123
		Pilibanga (Loose)	3635	2798	838

	Nagaur	Nagaur (Loose)	3649	3700	-51
	Churu	Churu (Delivery)	3883	3820	63
	Alwar	Alwar (Loose)	3567	3600	-33
Haryana	Hisar	Adampur (Loose)	3685	3775	-90
		Adampur (Delivery)	3869	3964	-95
	Bhiwani	Bhiwani (Delivery)	3783	3840	-57
		Siwani (Loose)	3791	3862	-71
	Sirsa	Sirsa (Loose)	3729	3771	-42
		Dhabwali (Loose)	3670	3747	-77
		Dhabwali (Delivery)	3854	3934	-81
		Ellanabad (Loose)	-	-	-
	Fatehabad	Fatehabad (Loose)	3617	3680	-63
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	3668	3683	-15
	Rajkot	Rajkot (Loose)	3538	3645	-108
	Jamnagar	Dhrol (Loose)	3485	1765	1720
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6758	7017	-258
	Alwar	Alwar	6733	6980	-247
	Hanumangarh	Nohar	7300	7620	-320
Haryana	Bhiwani	Bhiwani	6920	7016	-96
	Sirsa	Sirsa	6900	6983	-83
		Dhabwali	6821	6920	-99
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	6783	6950	-167

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			20-Feb-20	13-Feb-20	20-Jan-20	20-Feb-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3650	3800	4000	4225
		Jodhpur(Delivery)	3833	3990	4200	4436
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3625	3725	3900	4050
		Sri-Ganganagar (Delivery)	3775	3875	4050	4200
		Rawla (Loose)	NR	3620	4050	4000
		Gharsana (Loose)	3520	3760	3960	4020
		Raisinghnagar (Loose)	3625	3625	3880	NR
	Bikaner	Bikaner (Loose)	3630	3680	3850	4000
		Bikaner (Delivery)	3812	3864	4043	4200
		Nokha(Loose)	3625	3700	3820	Closed
		Nokha (Delivery)	3806	3885	4011	Closed
		Khajuwala (Loose)	3650	3700	3600	4025
		Khajuwala (Delivery)	3833	3885	3780	4226
		Lunkaransar (Loose)	NR	3740	3800	4000
	Hanumangarh	Hanumangarh (Loose)	3600	3700	3840	3950
		Hanumangarh (Delivery)	3780	3885	4032	4148
		Nohar (Loose)	3650	3725	3800	4050
		Pilibanga (Loose)	3650	NR	NR	4000
	Nagaur	Nagaur (Loose)	3625	3700	3850	4000
	Churu	Churu (Delivery)	3900	NR	3900	4250
	Alwar	Alwar (Loose)	3600	NR	3900	4000
Haryana	Hisar	Adampur (Loose)	3670	3745	3880	4025
		Adampur (Delivery)	3854	3932	4074	4226
	Bhiwani	Bhiwani (Delivery)	3800	NR	3870	4175
		Siwani (Loose)	3800	3840	4000	4150
	Sirsa	Sirsa (Loose)	3725	3745	3895	4020
		Dhabwali (Loose)	3700	NR	3750	3950
		Dhabwali (Delivery)	3885	NR	3938	4148
		Ellanabad (Loose)	NR	NR	-	-
	Fatehabad	Fatehabad (Loose)	3650	3650	3800	3850
Gujarat	Banaskantha	Deesa (Loose)	-	-	-	4000
	Patan	Patan (Loose)	3685	3765	3755	3950
	Rajkot	Rajkot (Loose)	NA	Closed	3840	3955
	Jamnagar	Dhrol (Loose)	3630	3430	-	-
M.P.	Gwalior	Dabra (Loose)	-	-	-	-

Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6750	6900	7375	8300
	Alwar	Alwar	6600	NR	7400	8400
	Hanumangarh	Nohar	7300	7300	7700	8400
Haryana	Bhiwani	Bhiwani	6570	NR	7280	8425
	Sirsa	Sirsa	6800	6900	7350	8350
		Dhabwali	6900	NR	7400	8500
		Ellanabad	NR	NR	-	-
	Fatehabad	Fatehabad	6800	6900	7500	8360

Guar Seed Arrivals at Key Spot Markets[\(Back to Table of Contents\)](#)

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			14th to 20th Feb 2020	5th to 13th Feb 2020	
Rajasthan	Jodhpur	Jodhpur	64	234	-170
	Sri-Ganganagar	Sri-Ganganagar	4100	3000	1100
		Rawla	2535	3006	-471
		Gharsana	1917	2984	-1067
		Raisinghnagar	1600	1800	-200
	Bikaner	Bikaner	6800	5600	1200
		Nokha	2500	2475	25
		Khajuwala	9900	9500	400
		Lunkaransar	400	2450	-2050
	Hanumangarh	Hanumangarh	1060	400	660
		Nohar	1015	1500	-485
		Pilibanga	835	220	615
	Nagaur	Nagaur	-	-	-
	Churu	Churu	1500	700	800
	Alwar	Alwar	-	550	-
Haryana	Hisar	Adampur	4200	3500	700
	Bhiwani	Bhiwani	1850	1200	650
		Siwani	2150	2100	50
	Sirsa	Sirsa	4400	5800	-1400
		Dhabwali	1465	1050	415
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	400	200	200



Gujarat	Banaskantha	Deesa	-	-	-
	Patan	Patan	181	131	50
	Rajkot	Rajkot	270	60	210
	Jamnagar	Dhrol	5	7	-2
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			49147	48467	680

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