



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 are lower by 0.16 percent to Rs. 3431.29 per quintal during the week ended 8th Mar 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 1-8 March 2019, the prices are lower by 10.48%. Prices are expected to move in steady to weak tone in coming days on less demand of crushers due to weak demand of gum in the overseas market. However, Guarseed and Guargum prices may boost up again between May to June 2020. However, fear of spreading coronavirus in worldwide is the negative factor for gum prices. Churi prices may also decline due to weak demand in poultry firms after spreading coronavirus fear and confirmed cases in India.

Guar seed average weekly prices closed at Rs. 3729.17 per quintal lower by Rs. 83 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 of Guar and Guargum are likely to stay downside on selling pressures. 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 3 to 793 as on 6th March 2020 compared to 790 in last week and down by 234 compared to 8th March 2019. Total number of oilrigs was recorded at 3161 in February'20 compared to 4192 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 rigs 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 6300 quintals compared to previous week arrivals of 3300 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.

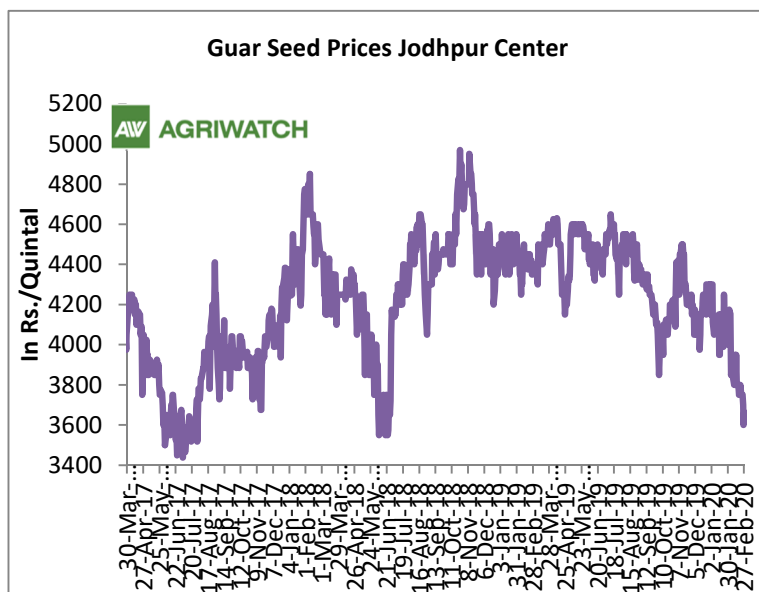
As per trade sources, export of guar gum has increased in the month of January-20 by 30.37 percent compared to previous month. India exported around 23178.89 tonnes of guar gum at an average FoB of \$ 1710.37 per tonne in the month of January-20 compared to 17779.68 tonnes in December-19 at an average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

Recommendation:

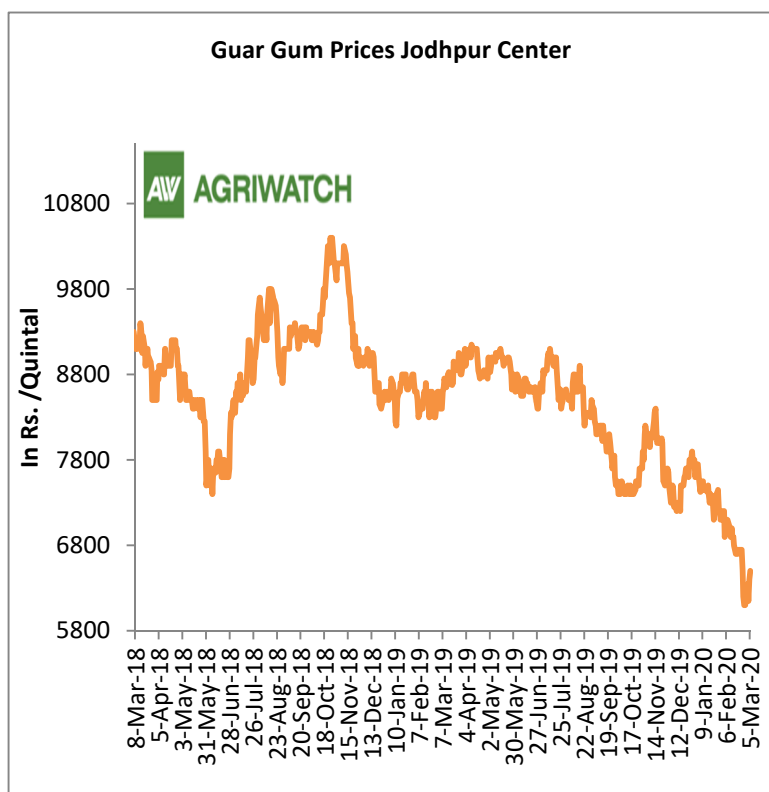
Weekly Call- : Market participants are advised to sell Guar seed future March contract at 3748 levels for a target of 3700 with a stop loss at 3820 on closing basis.

Domestic Front

- In the week ended 5th March 20, Guar seed weekly average prices decreased by Rs. 83.83/qtl and settled at Rs. 3729.17 per quintal.



- In addition, Guar gum average weekly price declined by Rs. 185 per quintal and settled at Rs. 6275 per quintal. Lower demand for guar gum from domestic and overseas markets kept prices at lower side in this week.



- According to second 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.

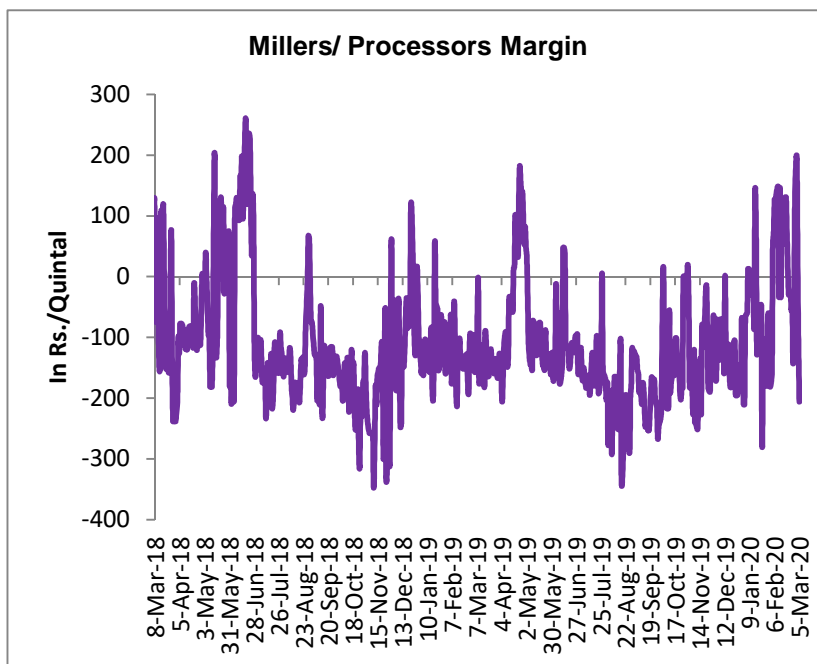
- According to second advance estimate for Kharif 2019-20, issued by Rajasthan's Department of Agriculture for Guar seed, the area, production and yield are 2841314 hectares, 1208100 tonnes and 425 kg/hectare respectively. According to fourth advance estimate for 2018-19, issued by Rajasthan's Department 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 5th Mar 20, average crush margin was lower at Rs. 5.79/Quintal compared to last week margin Rs.61.2/ Quintal.

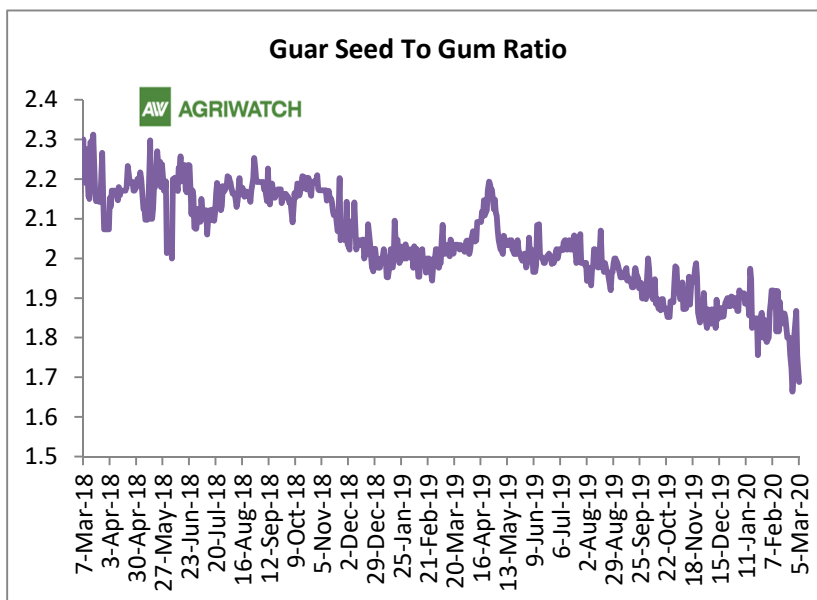
Less degree of decrease in guar seed prices compared to guar gum prices, led the margin down this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 5th Mar'20 is 1.75 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 (March Daily Chart)



Technical Commentary:

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

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	March	3500	3600	3780	3866	3900
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	March	Sell	Above 3748	3700	3620	3820



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 oversold region.
- Prices closed below 9 and 18 EMAs.

Strategy: Buy

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	March	5800	5900	6237	6350	6450
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	March	Sell	Below 6150	6050	5900	6320

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	27 th Feb to 6 th Mar 2020	20 th to 27 th Feb 2020	Change
Churi	Jodhpur	2046	2050	-4
Korma	Jodhpur	2438	2438	Unch
Churi	Sri-Ganganagar	1832	1856	-25
Korma	Sri-Ganganagar	2322	2325	-3

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	27 th Feb to 6 th Mar 2020	20 th to 27 th Feb 2020	Change
Guargum Split		923	948	-25
Guargum Powder	200 Mesh 5000 CPS	1198	1226	-28
	200 Mesh 3500 CPS	1129	1157	-28
Guargum Meal	40%	376	376	0
	50%	441	446	-5

Guar Seed Weekly Average Prices:

Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			27 th Feb to 6 th Mar 2020	20 th to 27 th Feb 2020	
Guar Seed	Jodhpur	Jodhpur (Loose)	3579	3686	-107
		Jodhpur(Delivery)	3758	3870	-112
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3598	3613	-14
		Sri-Ganganagar (Delivery)	3748	3763	-14
		Rawla (Loose)	3634	3637	-3
		Gharsana (Loose)	3677	3629	49
		Raisinghnagar (Loose)	3608	3650	-42
	Bikaner	Bikaner (Loose)	3588	3548	41
		Bikaner (Delivery)	3768	3725	43
		Nokha(Loose)	3563	3554	9
		Nokha (Delivery)	3742	3732	10
		Khajuwala (Loose)	3483	3605	-122
		Khajuwala (Delivery)	3658	3785	-128
		Lunkaransar (Loose)	3545	3450	95
	Hanumangarh	Hanumangarh (Loose)	3453	3513	-59
		Hanumangarh (Delivery)	3626	3688	-62
		Nohar (Loose)	3558	3592	-33
		Pilibanga (Loose)	2297	3488	-1191

	Nagaur	Nagaur (Loose)	3492	3638	-146
	Churu	Churu (Delivery)	-	3900	-
	Alwar	Alwar (Loose)	3475	3600	-125
Haryana	Hisar	Adampur (Loose)	3553	3605	-52
		Adampur (Delivery)	3731	3785	-54
	Bhiwani	Bhiwani (Delivery)	3617	3680	-63
		Siwani (Loose)	3660	3698	-38
	Sirsa	Sirsa (Loose)	3591	3637	-46
		Dhabwali (Loose)	3499	3620	-121
		Dhabwali (Delivery)	3674	3801	-127
		Ellanabad (Loose)	3543	3523	20
	Fatehabad	Fatehabad (Loose)	3480	3542	-62
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	3440	3608	-168
	Rajkot	Rajkot (Loose)	3460	-	-
	Jamnagar	Dhrol (Loose)	-	3630	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6275	6508	-233
	Alwar	Alwar	-	6533	-
	Hanumangarh	Nohar	6567	6717	-150
Haryana	Bhiwani	Bhiwani	6063	6194	-132
	Sirsa	Sirsa	6225	6442	-217
		Dhabwali	6258	6592	-333
		Ellanabad	6133	6025	108
	Fatehabad	Fatehabad	6180	6683	-503

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			5-Mar-20	27-Feb-20	5-Feb-20	5-Mar-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3850	3665	3710	4250
		Jodhpur(Delivery)	4043	3848	3896	4463
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3615	3500	3750	Closed
		Sri-Ganganagar (Delivery)	3765	3650	3900	Closed
		Rawla (Loose)	3594	3480	-	Closed
		Gharsana (Loose)	3620	3570	3825	Closed
		Raisinghnagar (Loose)	3600	3600	3790	Closed
	Bikaner	Bikaner (Loose)	3780	3450	3760	3980
		Bikaner (Delivery)	3969	3623	3948	4179
		Nokha(Loose)	3650	3500	3750	3970
		Nokha (Delivery)	3833	3675	3938	4169
		Khajuwala (Loose)	3550	3550	3750	3980
		Khajuwala (Delivery)	3728	3728	3938	4179
		Lunkaransar (Loose)	3600	3400	3700	4020
	Hanumangarh	Hanumangarh (Loose)	3520	3425	3800	Closed
		Hanumangarh (Delivery)	3696	3596	3990	Closed
		Nohar (Loose)	NR	3600	3800	Closed
		Pilibanga (Loose)	NA	3000	3730	Closed
	Nagaur	Nagaur (Loose)	3500	Closed	3700	4000
	Churu	Churu (Delivery)	NA	NA	3900	4150
	Alwar	Alwar (Loose)	NA	3500	3700	3900
Haryana	Hisar	Adampur (Loose)	3600	3500	3800	4000
		Adampur (Delivery)	3780	3675	3990	4200
	Bhiwani	Bhiwani (Delivery)	3650	3550	3850	4150
		Siwani (Loose)	3730	3650	3880	4150
	Sirsa	Sirsa (Loose)	3580	3550	3790	4050
		Dhabwali (Loose)	3550	3450	3750	4000
		Dhabwali (Delivery)	3728	3623	3938	4200
		Ellanabad (Loose)	3530	3400	-	4050
	Fatehabad	Fatehabad (Loose)	NR	3450	3650	3900
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	-	3975
	Patan	Patan (Loose)	3675	NA	3665	3900
	Rajkot	Rajkot (Loose)	3525	NA	NA	3950
	Jamnagar	Dhrol (Loose)	NA	NA	NA	NA
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA

Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6500	6100	7000	8400
	Alwar	Alwar	NA	NA	7100	8400
	Hanumangarh	Nohar	NR	6600	7700	Closed
Haryana	Bhiwani	Bhiwani	6150	5800	7000	8450
	Sirsa	Sirsa	6400	6150	7100	8500
		Dhabwali	6400	6250	7100	8450
		Ellanabad	6400	6100	0	8400
	Fatehabad	Fatehabad	NR	6500	7000	8410

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			27 th Feb to 6 th Mar 2020	20 th to 27 th Feb 2020	
Rajasthan	Jodhpur	Jodhpur	17	59	-42
	Sri-Ganganagar	Sri-Ganganagar	2900	3300	-400
		Rawla	1432	1785	-353
		Gharsana	1530	1484	46
		Raisinghnagar	850	1500	-650
	Bikaner	Bikaner	3800	2500	1300
		Nokha	1750	1800	-50
		Khajuwala	3600	5600	-2000
		Lunkaransar	800	900	-100
	Hanumangarh	Hanumangarh	160	450	-290
		Nohar	600	1170	-570
		Pilibanga	108	467	-359
	Nagaur	Nagaur	170	-	170
	Churu	Churu	-	1000	-
	Alwar	Alwar	158	-	158
Haryana	Hisar	Adampur	6300	3300	3000
	Bhiwani	Bhiwani	900	150	750
		Siwani	1900	2300	-400
	Sirsa	Sirsa	1400	2100	-700
		Dhabwali	650	585	65
		Ellanabad	630	100	530
	Fatehabad	Fatehabad	250	300	-50



Gujarat	Banaskantha	Deesa	-	-	-
	Patan	Patan	66	155	-89
	Rajkot	Rajkot	360	0	360
	Jamnagar	Dhrol	-	1	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			30331	31006	-675

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