



Guar Weekly Research Report

Table of Contents

- ❖ **Executive Summary**
- ❖ **Recommendations**
- ❖ **Domestic Market Fundamentals**
- ❖ **Processing Margins**
- ❖ **Guar Seed to Gum Ratio**
- ❖ **Guar Gum Weekly Exports**
- ❖ **Technical Analysis (Guar Seed)**
- ❖ **Technical Analysis (Guar Gum)**
- ❖ **Guar Seed & Gum Prices at Key Spot Markets**
- ❖ **Guar Seed Arrivals at Key Centers**

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

All India weekly average prices declined by 1.08 percent to Rs. 3242.17 per quintal during the week ended 16th Mar 2020. Guar seed (Cluster bean seeds) average price were ruling at Rs. 3277.6 per quintal during 16th March to 23rd March 2020. As compared to prices in the week 9-15 March 2019, the prices are lower by 13.40%. Prices are expected to move in steady to weak tone in coming days on less demand of crushers after weak demand of gum in the overseas markets. Major buyers like U.S and Russia are very slow due to major fall in oil industry. There is no shipment in China and likely to take another two months once the conditions from coronavirus will improve. Churi prices may also decline due to weak demand in poultry firms on impact of Covid-19.

Guar seed average weekly prices closed at Rs. 3800 per quintal higher by Rs. 70 per quintal against last week. Stockiest bought guarseeds due to lower prevailing prices for stock purpose, which has supported guar seed prices to rise in this week. However, prices are likely to be on lower side in hope of weak demand of crushers and millers as margin is very low for gum. 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 1 to 792 as on 13th March 2020 compared to 793 in last week and down by 234 compared to 15th 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 lower arrivals at 3500 quintals compared to previous week arrivals of 3605 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.

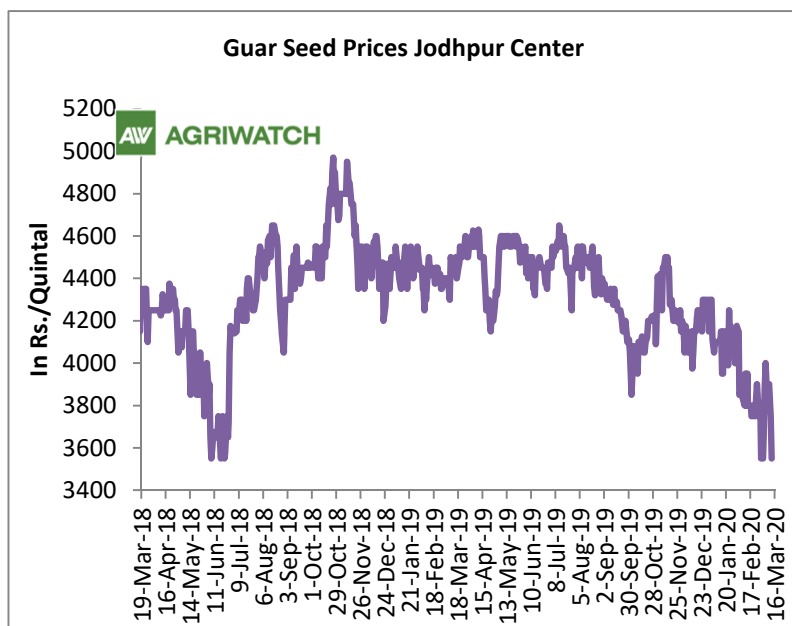
As per trade sources, export of guar gum has increased in the month of Janaury-20 by 30.37 percent compared to previous month. India exported around 23178.89 tonnes of guar gum at an average FoB of \$ 1710.37 per tonne in the month of January-20 compared to 17779.68 tonnes in December-19 at an average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

Recommendation:

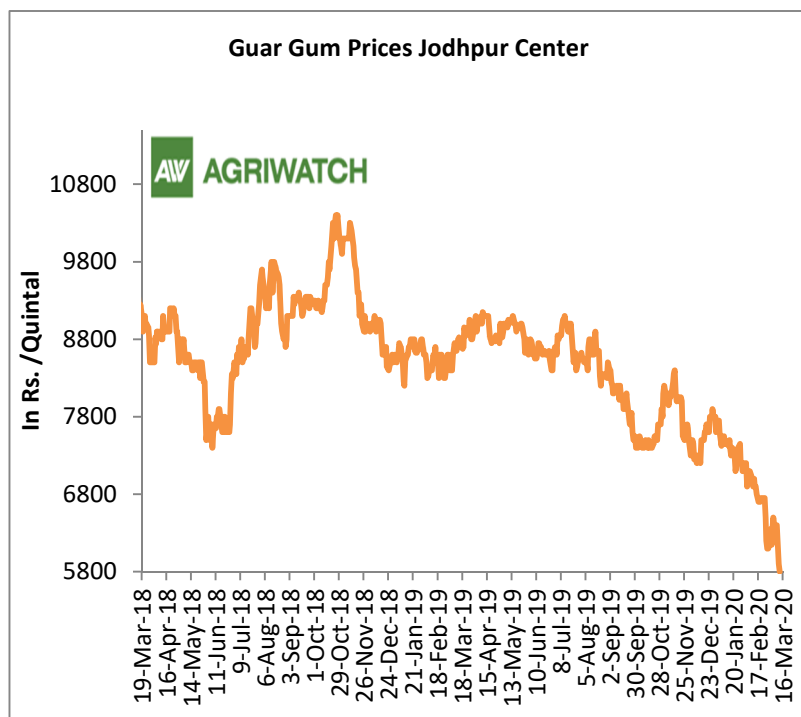
Weekly Call- : Market participants are advised to sell Guar seed future Apr contract at 3380 levels for a target of 3300 with a stop loss at 3200 on closing basis.

Domestic Front

- In the week ended 16th March 20, Guar seed weekly average prices decreased by Rs. 70.83/qtl and settled at Rs. 3800 per quintal.



- In addition, Guar gum average weekly price declined by Rs. 95 per quintal and settled at Rs. 6180 per quintal. Lower demand for guar gum from domestic and overseas markets kept prices at lower side in this week.



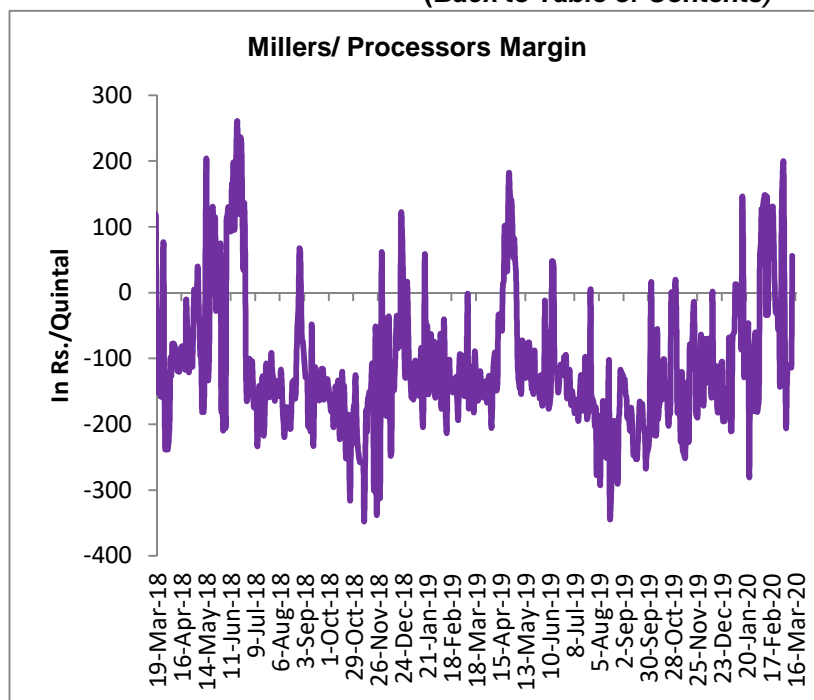
- According to second advance estimate for 2019-20, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 145000 hectares, 107960 tonnes and 744.52 kg/hectare respectively. As per final estimate for 2018-19 issued by Gujarat's Department of Agriculture for Guar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

In the week ended 16th Mar 20, average crush margin was lower at Rs. -83.16/Quintal compared to last week margin Rs.5.79/ Quintal.

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

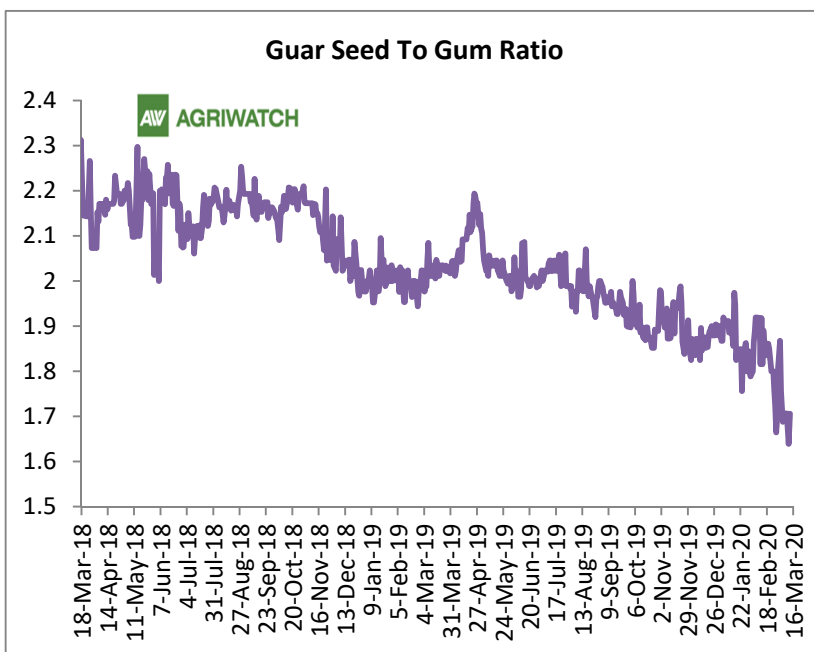
[\(Back to Table of Contents\)](#)



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 16th Mar'20 is 1.69 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

[\(Back to Table of Contents\)](#)

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)

([Back to Table of Contents](#))

Commodity: Guar Seed
Contract: April

Exchange: NCDEX
Expiry: Apr 20, 2020

Guar Seed (Apr Daily Chart)



Technical Commentary:

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

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Apr	3180	3230	3370	3590	3656
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Apr	Sell	Below 3380	3300	3200	3480



Technical Analysis (Guar Gum)

[\(Back to Table of Contents\)](#)

Commodity: Guar Gum
Contract: April

Exchange: NCDEX
Expiry: Apr. 20, 2020



Technical Commentary:

- Fall in price and volume indicates short build up phase.
- RSI is moving in oversold region.
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Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Apr	5100	5200	5439	5720	5890
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Apr	Sell	Below 5450	5380	5300	5600

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	5th to 12th Mar 2020	27th to 5th Mar 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	5th to 12th Mar 2020	27th to 5th Mar 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	Unch
	50%	441	446	-5

Guar Seed Weekly Average Prices:

Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			5th to 12th Mar 2020	27th to 5th Mar 2020	
Guar Seed	Jodhpur	Jodhpur (Loose)	3650	3686	-36
		Jodhpur(Delivery)	3833	3870	-38
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3533	3613	-80
		Sri-Ganganagar (Delivery)	3683	3763	-80
		Rawla (Loose)	3608	3637	-29
		Gharsana (Loose)	3613	3629	-15
		Raisinghnagar (Loose)	3650	3650	Unch
	Bikaner	Bikaner (Loose)	3533	3548	-15
		Bikaner (Delivery)	3709	3725	-16
		Nokha(Loose)	3535	3554	-19
		Nokha (Delivery)	3712	3732	-20
		Khajuwala (Loose)	3438	3605	-168
		Khajuwala (Delivery)	3609	3785	-176
		Lunkaransar (Loose)	3482	3450	32
	Hanumangarh	Hanumangarh (Loose)	3334	3513	-178
		Hanumangarh (Delivery)	3501	3688	-187
		Nohar (Loose)	3499	3592	-93
		Pilibanga (Loose)	-	3488	-
	Nagaur	Nagaur (Loose)	3457	3638	-181

	Churu	Churu (Delivery)	-	3900	-
	Alwar	Alwar (Loose)	-	3600	-
Haryana	Hisar	Adampur (Loose)	3500	3605	-105
		Adampur (Delivery)	3675	3785	-110
	Bhiwani	Bhiwani (Delivery)	3640	3680	-40
		Siwani (Loose)	3590	3698	-108
	Sirsa	Sirsa (Loose)	3477	3637	-160
		Dhabwali (Loose)	3440	3620	-180
		Dhabwali (Delivery)	3612	3801	-189
		Ellanabad (Loose)	3427	3523	-96
	Fatehabad	Fatehabad (Loose)	3250	3542	-292
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	3323	3608	-285
	Rajkot	Rajkot (Loose)	3498	-	-
	Jamnagar	Dhrol (Loose)	-	3630	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6150	6508	-358
	Alwar	Alwar	-	6533	-
	Hanumangarh	Nohar	-	6717	-
Haryana	Bhiwani	Bhiwani	5970	6194	-224
	Sirsa	Sirsa	6060	6442	-382
		Dhabwali	6125	6592	-467
		Ellanabad	6060	6025	35
	Fatehabad	Fatehabad	5763	6683	-921

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			12-Mar-20	5-Mar-20	12-Feb-20	12-Mar-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3400	3850	3650	4300
		Jodhpur(Delivery)	3570	4043	3833	4515
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3050	3615	3725	4090
		Sri-Ganganagar (Delivery)	3200	3765	3875	4240
		Rawla (Loose)	3300	3594	3715	4050
		Gharsana (Loose)	3280	3620	3750	4000
		Raisinghnagar (Loose)	NA	3600	3625	NR
	Bikaner	Bikaner (Loose)	3150	3780	3700	4070
		Bikaner (Delivery)	3308	3969	3885	4274
		Nokha(Loose)	3300	3650	3700	4100
		Nokha (Delivery)	3465	3833	3885	4305
		Khajuwala (Loose)	3250	3550	3700	4070
		Khajuwala (Delivery)	3413	3728	3885	4274
		Lunkaransar (Loose)	3200	3600	3750	4100
	Hanumangarh	Hanumangarh (Loose)	3120	3520	3700	3950
		Hanumangarh (Delivery)	3276	3696	3885	4148
		Nohar (Loose)	3300	3575	3750	4100
		Pilibanga (Loose)	NA	NA	NA	4000
	Nagaur	Nagaur (Loose)	3380	3500	3700	4050
	Churu	Churu (Delivery)	NA	NA	3900	4200
	Alwar	Alwar (Loose)	NA	NA	3600	4100
Haryana	Hisar	Adampur (Loose)	3300	3600	3800	4050
		Adampur (Delivery)	3465	3780	3990	4253
	Bhiwani	Bhiwani (Delivery)	3350	3650	3800	4300
		Siwani (Loose)	3350	3730	3850	4200
	Sirsa	Sirsa (Loose)	3340	3580	3775	4050
		Dhabwali (Loose)	3330	3550	3750	4050
		Dhabwali (Delivery)	3497	3728	3938	4253
		Ellanabad (Loose)	3290	3530	NR	4100
	Fatehabad	Fatehabad (Loose)	3200	NR	3650	3900
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	0	4000
	Patan	Patan (Loose)	3000	3675	3605	3890
	Rajkot	Rajkot (Loose)	NA	3525	NA	4025
	Jamnagar	Dhrol (Loose)	NA	NA	3630	-
M.P.	Gwalior	Dabra (Loose)	NA	NA	-	-
Guar Gum						

Rajasthan	Jodhpur	Jodhpur	5800	6500	7000	8650
	Alwar	Alwar	NA	NA	7000	8600
	Hanumangarh	Nohar	NR	NR	7500	8500
Haryana	Bhiwani	Bhiwani	5500	6150	6950	8750
	Sirsa	Sirsa	5800	6400	7000	8600
		Dhabwali	5800	6400	6700	8500
		Ellanabad	5800	6400	NR	8600
	Fatehabad	Fatehabad	5600	NR	6900	8600

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			5th to 12th Mar 2020	27th to 5th Mar 2020	
Rajasthan	Jodhpur	Jodhpur	21	17	4
	Sri-Ganganagar	Sri-Ganganagar	2100	2900	-800
		Rawla	721	1432	-711
		Gharsana	922	1530	-608
		Raisinghnagar	600	850	-250
	Bikaner	Bikaner	2000	3800	-1800
		Nokha	1400	1750	-350
		Khajuwala	1800	3600	-1800
		Lunkaransar	350	800	-450
	Hanumangarh	Hanumangarh	285	160	125
		Nohar	620	600	20
		Pilibanga	-	108	-
	Nagaur	Nagaur	250	170	80
	Churu	Churu	-	-	-
	Alwar	Alwar	-	158	-
Haryana	Hisar	Adampur	2000	6300	-4300
	Bhiwani	Bhiwani	1100	900	200
		Siwani	1850	1900	-50
	Sirsa	Sirsa	1350	1400	-50
		Dhabwali	600	650	-50
		Ellanabad	430	630	-200
	Fatehabad	Fatehabad	-	250	-250
Gujarat	Banaskantha	Deesa	-	-	-



	Patan	Patan	54	66	-12
	Rajkot	Rajkot	260	360	-100
	Jamnagar	Dhrol	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			18713	30331	-11618

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