

Guar Weekly Research Report

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Guar Seed Fundamental Analysis and Outlook:-

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Executive Summary

Domestic Guar Seed Market Summary

All India weekly average prices declined by 4.33 percent to Rs. 3131.60 per quintal during the week ended 23rd Mar 2020. Guar seed (Cluster bean seeds) average price were ruling at Rs. 3273.37 per quintal during 9th March to 15th March 2020. As compared to prices in the week 9-15 March 2019, the prices are lower by 20.26%. 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.

There is dull trading activity in guarseed and guar gum markets because of two factors- guar gum consumption in fracking has been affected as crude oil has witnessed a sharp fall, and the consumption in food industry is likely to be affected as consumption of processed foods declines in light of the coronavirus epidemic. As a result, the price of guar gum has declined, but that of guarseed is largely stable as less stock availability has limited the fall in prices and stockiest are buying for the investment purpose. Lock down announcement at various states may slow down trading activities in next week.

Guar seed average weekly prices closed at Rs. 3437.5 per quintal lower by Rs. 362.5 per quintal against last week. 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.

As per data released by Baker Hughes, the number of oilrigs in USA has lowered by 20 to 772 as on 20th March 2020 compared to 792 in last week and down by 244 compared to 22nd 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 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 3300 quintals.

Previous Updates:

As per trade sources, export of guar split has declined in the month of February-20. Exports in the month of February-20 are lower by around 40% compared to previous month. India exported around 2020 tonnes of guar split in the month of February-20 at an average FoB of \$ 1119 per tonne. Of the total quantity, around 1700 tonnes have been exported to China.

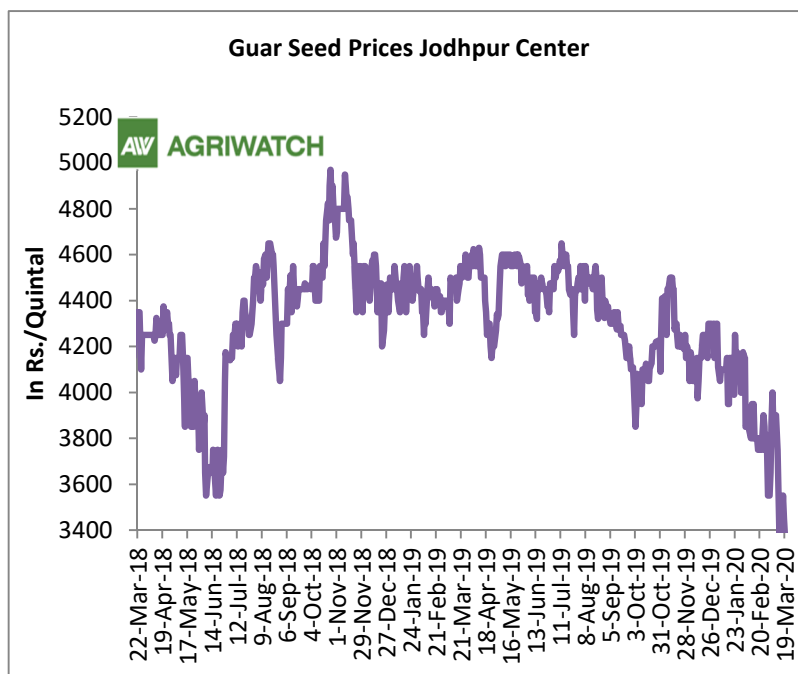
As per trade sources, export of guar gum has declined in the month of February-20 by 38.27 percent compared to previous month. India exported around 14596.11 tonnes of guar gum at an average FoB of \$ 1685.40 per tonne in the month of February-20 compared to 23178.89 tonnes in January-20 at an average FoB of \$ 1710.37 per tonne. Exports are expected to decline in March-20 on weak demand in overseas markets.

Recommendation:

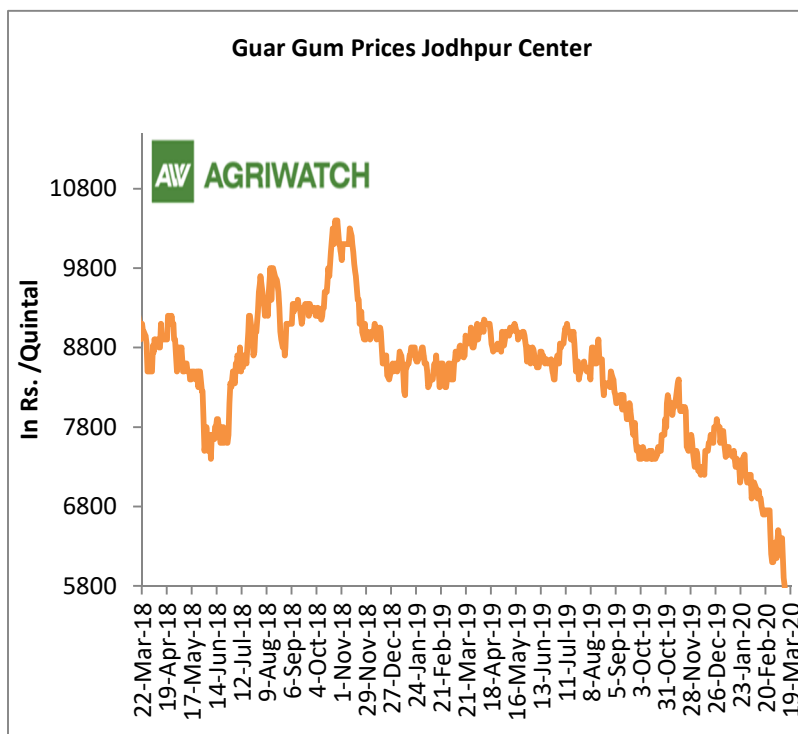
Weekly Call- : Market participants are advised to sell Guar seed future Apr contract at 3322 levels for a target of 3280 with a stop loss at 3350 on closing basis.

Domestic Front

- In the week ended 23rd March 20, Guar seed weekly average prices decreased by Rs. 362.5/qtl and settled at Rs. 3375 per quintal.



- In addition, Guar gum average weekly price declined by Rs. 663 per quintal and settled at Rs. 5516.66 per quintal. Lower demand for guar gum from domestic and overseas markets kept prices at lower side in this week.



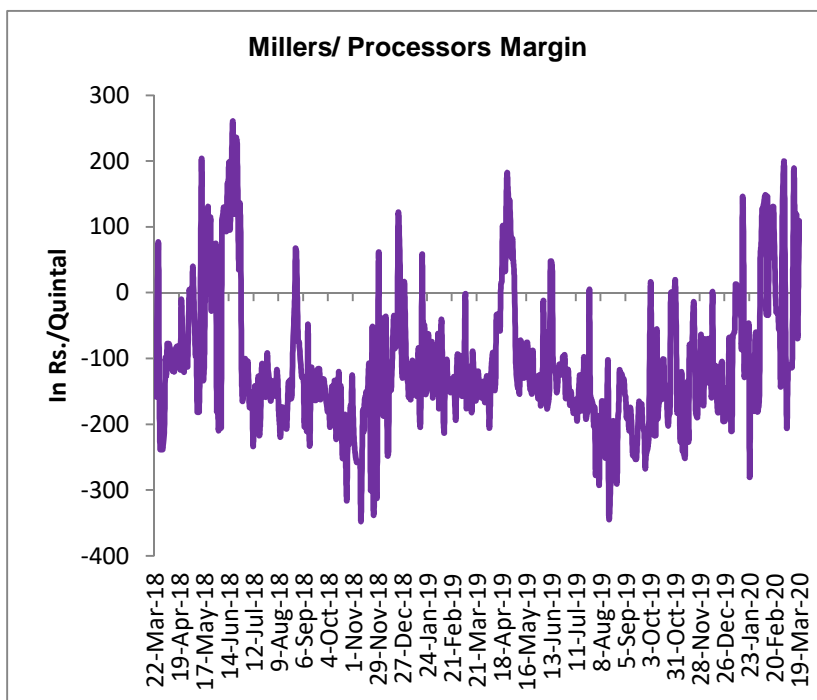
- According to second advance estimate for 2019-20, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 145000 hectares, 107960 tonnes and 744.52 kg/hectare respectively. As per final estimate for 2018-19 issued by Gujarat's Department of Agriculture for Guar 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 23rd Mar 20, average crush margin was higher at Rs.78.66/Quintal compared to last week margin Rs.-83.16/ Quintal.

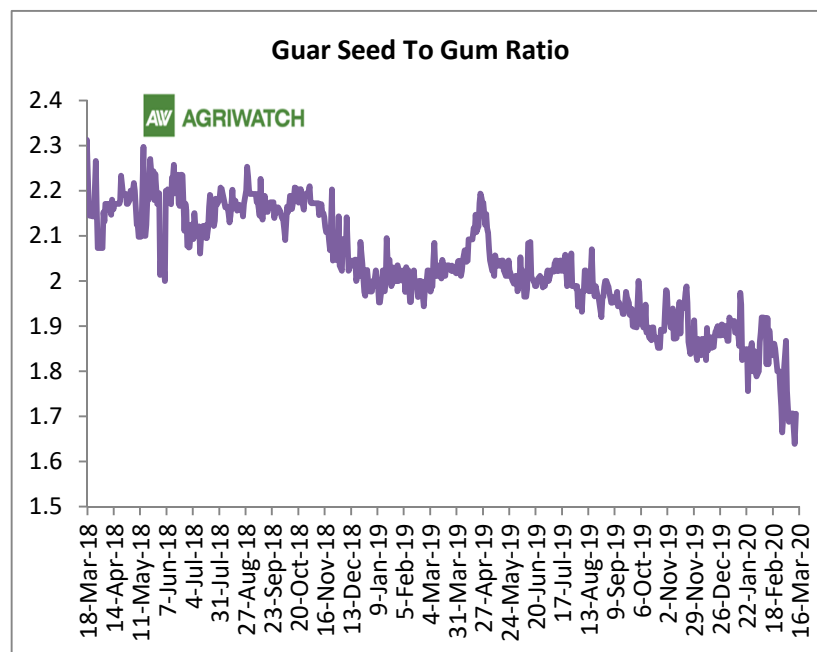
Less degree of decrease in guar seed prices compared to guar gum prices, led the margin higher this week.



Guar Seed to Gum Ratio

Ratio of guar seed to guar gum for week ended 23rd Mar'20 is 1.67 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 February-2020	2968.84	1621.83
9-16 February-2020	3171.51	1841.83
17-24 February-2020	3833.68	1576.78
25-31 February-2020	4344.01	1787.24
Total	14596.11	1685.4

Source: Trade

Technical Analysis (Guar Seed)

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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	3150	3200	3370	3408	3544
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Apr	Sell	Below 3322	3280	3200	3350



Technical Analysis (Guar Gum)

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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.
- Prices closed below 9 and 18 EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Apr	4700	4800	5101	5380	5500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Apr	Sell	Below 5100	4950	4850	5250

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices				(Prices in Rs/75kg)
Commodity	Centre	12th to 19th Mar 2020	5th to 12th Mar 2020	Change
Churi	Jodhpur	2075	2065	10
Korma	Jodhpur	2466	2460	5
Churi	Sri-Ganganagar	1875	1860	15
Korma	Sri-Ganganagar	2372	2348	24

Guar Export Weekly Average Prices				(Prices in \$/MT)
Commodity	Variety	12th to 19th Mar 2020	5th to 12th Mar 2020	Change
Guargum Split		810	859	-50
Guargum Powder	200 Mesh 5000 CPS	1080	1131	-51
	200 Mesh 3500 CPS	1012	1063	-51
Guargum Meal	40%	391	384	7
	50%	445	439	7

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			12th to 19th Mar 2020	5th to 12th Mar 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3288	3650	-363
		Jodhpur(Delivery)	3452	3833	-381
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3288	3533	-246
		Sri-Ganganagar (Delivery)	3438	3683	-246
		Rawla (Loose)	3930	3608	322
		Gharsana (Loose)	3585	3613	-28
		Raisinghnagar (Loose)	3850	3650	200
	Bikaner	Bikaner (Loose)	3300	3533	-233
		Bikaner (Delivery)	3465	3709	-244
		Nokha(Loose)	3342	3535	-193
		Nokha (Delivery)	3509	3712	-203
		Khajuwala (Loose)	3325	3438	-113
		Khajuwala (Delivery)	3491	3609	-118
		Lunkaransar (Loose)	3225	3482	-257
	Hanumangarh	Hanumangarh (Loose)	3200	3334	-134
		Hanumangarh (Delivery)	3360	3501	-141
		Nohar (Loose)	3269	3499	-230
		Pilibanga (Loose)	3192	-	-
	Nagaur	Nagaur (Loose)	3216	3457	-241

	Churu	Churu (Delivery)	-	-	-
	Alwar	Alwar (Loose)	-	-	-
Haryana	Hisar	Adampur (Loose)	3278	3500	-223
		Adampur (Delivery)	3441	3675	-234
	Bhiwani	Bhiwani (Delivery)	3300	3640	-340
		Siwani (Loose)	3399	3590	-191
	Sirsa	Sirsa (Loose)	3285	3477	-192
		Dhabwali (Loose)	3240	3440	-200
		Dhabwali (Delivery)	3402	3612	-210
		Ellanabad (Loose)	3213	3427	-214
	Fatehabad	Fatehabad (Loose)	3167	3250	-83
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	3281	3323	-42
	Rajkot	Rajkot (Loose)	-	3498	-
	Jamnagar	Dhrol (Loose)	3025	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	5517	6150	-633
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	5525	-	-
Haryana	Bhiwani	Bhiwani	5425	5970	-545
	Sirsa	Sirsa	5400	6060	-660
		Dhabwali	5383	6125	-742
		Ellanabad	5450	6060	-610
	Fatehabad	Fatehabad	5417	5763	-346

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			19-Mar-20	12-Mar-20	19-Feb-20	19-Mar-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3225	3400	3600	4300
		Jodhpur(Delivery)	3386	3570	3780	4515
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3225	3050	3650	4000
		Sri-Ganganagar (Delivery)	3375	3200	3800	4150
		Rawla (Loose)	NR	3300	3650	4000
		Gharsana (Loose)	NR	3280	3450	4000
		Raisinghnagar (Loose)	NA	NA	3650	4025
		Bikaner	Bikaner (Loose)	3250	3150	3640
	Bikaner (Delivery)		3413	3308	3822	4253
	Nokha(Loose)		3300	3300	3625	4060
	Nokha (Delivery)		3465	3465	3806	4263
	Khajuwala (Loose)		3340	3250	3600	4020
	Khajuwala (Delivery)		3507	3413	3780	4221
	Lunkaransar (Loose)		3200	3200	NR	4100
	Hanumangarh		Hanumangarh (Loose)	3200	3120	3600
		Hanumangarh (Delivery)	3360	3276	3780	4200
		Nohar (Loose)	NA	3300	3650	4070
		Pilibanga (Loose)	3150	3350	3550	3945
	Nagaur	Nagaur (Loose)	3200	3380	3650	4100
	Churu	Churu (Delivery)	NA	NA	3900	4250
	Alwar	Alwar (Loose)	NA	NA	3600	4000
Haryana	Hisar	Adampur (Loose)	3250	3300	3670	4040
		Adampur (Delivery)	3413	3465	3854	4242
	Bhiwani	Bhiwani (Delivery)	3300	3350	3800	4270
		Siwani (Loose)	3400	3350	3775	4200
	Sirsa	Sirsa (Loose)	3200	3340	3680	4045
		Dhabwali (Loose)	3150	3330	3625	3995
		Dhabwali (Delivery)	3308	3497	3806	4195
		Ellanabad (Loose)	3100	3290	NR	4050
Fatehabad	Fatehabad (Loose)	3150	3200	3600	3900	
Gujarat	Banaskantha	Deesa (Loose)	-	-	-	-
	Patan	Patan (Loose)	3150	3000	3750	3890
	Rajkot	Rajkot (Loose)	-	-	-	-
	Jamnagar	Dhrol (Loose)	3100	-	-	-
M.P.	Gwalior	Dabra (Loose)	-	-	-	-
Guar Gum						

Rajasthan	Jodhpur	Jodhpur	5400	5800	6700	8675
	Alwar	Alwar	-	-	6600	8700
	Hanumangarh	Nohar	-	5700	7300	8500
Haryana	Bhiwani	Bhiwani	5300	5500	6800	8700
	Sirsa	Sirsa	5200	5800	6650	8700
		Dhabwali	5400	5800	6700	8500
		Ellanabad	5400	5800	NR	8700
	Fatehabad	Fatehabad	5300	5600	6700	8700

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			12th to 19th Mar 2020	5th to 12th Mar 2020	
Rajasthan	Jodhpur	Jodhpur	20	21	-1
	Sri-Ganganagar	Sri-Ganganagar	2050	2100	-50
		Rawla	526	721	-195
		Gharsana	455	922	-467
		Raisinghnagar	200	600	-400
	Bikaner	Bikaner	1000	2000	-1000
		Nokha	1300	1400	-100
		Khajuwala	1650	1800	-150
		Lunkaransar	840	350	490
	Hanumangarh	Hanumangarh	100	285	-185
		Nohar	920	620	300
		Pilibanga	635	-	-
	Nagaur	Nagaur	50	250	-200
Haryana	Churu	Churu	-	-	-
	Alwar	Alwar	-	-	-
	Hisar	Adampur	1850	2000	-150
	Bhiwani	Bhiwani	-	1100	-
		Siwani	1650	1850	-200
	Sirsa	Sirsa	1350	1350	Unch
		Dhabwali	850	600	250
		Ellanabad	950	430	520
	Fatehabad	Fatehabad	-	-	-
	Banaskantha	Deesa	-	-	-
Gujarat	Patan	Patan	81	54	27
	Rajkot	Rajkot	-	260	-



	Jamnagar	Dhrol	2	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			16479	18713	-2234

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