

Guar Weekly Research Report

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Executive Summary[\(Back to Table of Contents\)](#)**Domestic Guar Seed Market Summary**

All India weekly average prices decreased by 1.01 percent to Rs. 3873.41 per quintal during the week ended 24th June 2019. Guar seed (Cluster bean seeds) average price were ruling at Rs 3912.9 per quintal during 09-15 June 2019. As compared to prices in the week 16-24 June 2018, the prices are firm by 15.82 percent. Prices are expected to remain steady to weak in coming days.

Guar is likely to remain weak due to low export as well as export demand with small technical recoveries in upcoming season. Guar future July contract touched a low of Rs 4174.00 per quintal before closing at Rs 4237.00 per quintal. Prices are likely to remain steady to weak and touch Rs 4150-4160 per quintal in the week.

As per latest update, area sown in Rajasthan until 21st June 2019 is 93.2 thousand hectares compared to target of 12.9 thousand hectares for 2018 Kharif season. Sowing is in initial stages. Area of guar is expected to be lower this season as farmers are shifting to Pulses and cotton this year due to better prices.

According to latest update, area sown in Gujarat until 17th June 2019 is 75 hectares compared to 13 hectares in the previous Kharif season. Sowing is in initial stages. Area of guar is expected to be lower this season as farmers are shifting to paddy as it is fetching more returns. The last three year average normal area for guar seed in Gujarat is 186650 hectares. Acreage is expected to be slightly lower in Gujarat.

As per data released by Baker Hughes the number of oil rigs in USA has decreased to 967 as on 21st June 2019 down by 2 compared to 14th June 2019 and by 85 compared to 22nd June 2018. The total number of oilrigs was recorded at 2182 worldwide in May'19 compared to 2096 in the same month last year. Slick water is slightly expensive compared to guar gum. However, U.S. is still importing slick water due to fear of unexpected surge in price of guar gum. Therefore, exports are being slightly affected.

As far as Arrivals are concerned, Adampur (Haryana) market (biggest market of guar in North) reported higher arrivals (5200 quintals) compared to previous week arrivals of 4100 quintals.

As far as Arrivals are concerned, Bikaner market reported higher arrivals (2100 quintals) compared to previous week arrivals of 1250 quintals.

Previous Updates:

The wholesale price index of guar seed has decreased from 100.6 in April -2019 to 100.00 in May- 2019. The WPI for May 2019 is up by 11.3 compared to last year for the same month.

As per trade sources, export of guar gum has decreased in the month of April-19 by 8.02 percent compared to previous month. India exported around 26588 tonnes of guar gum.

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

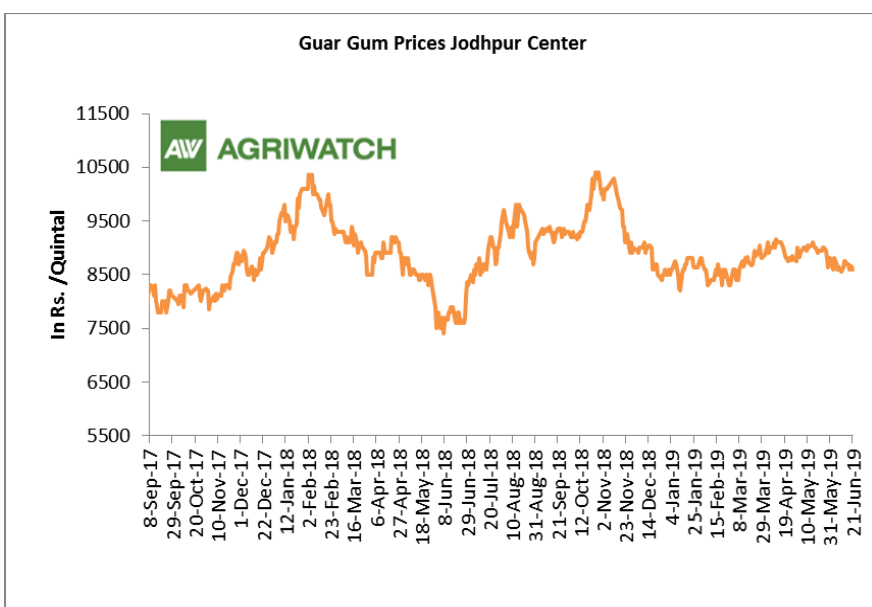
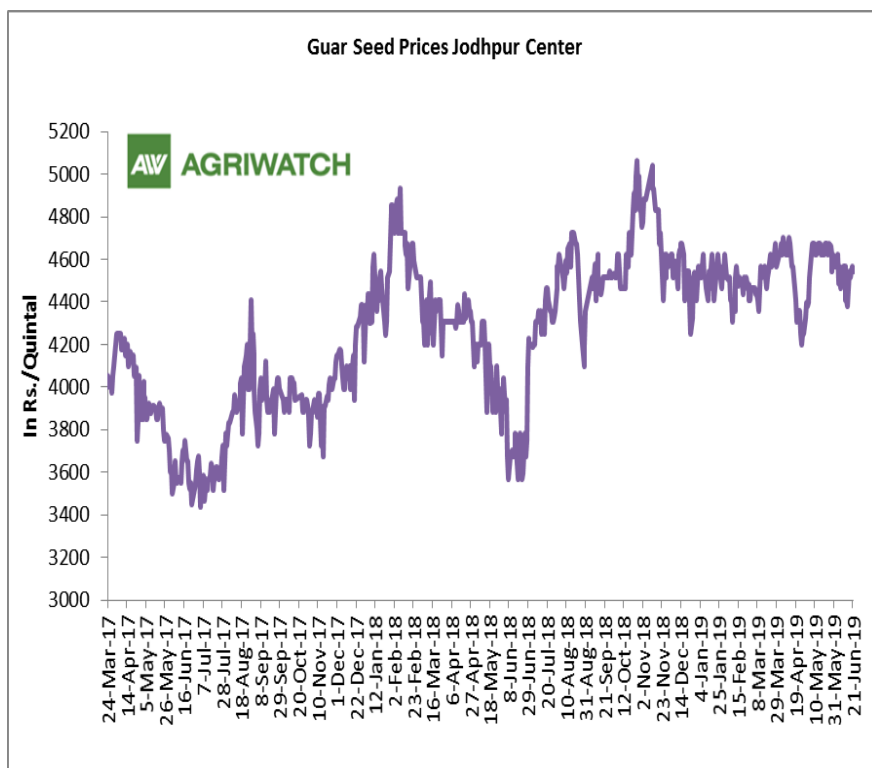
Weekly Call- : Market participants are advised to sell Guar seed at 4265 levels for a target of 4160 with a stop loss at 4328 on closing basis.

Guar Seed Fundamental Analysis and Outlook:-

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Domestic Front

- In the week ended 21st June'19, Guar seed weekly average prices increased by Rs 20.13/-qtl and settled at Rs 4514 per quintal.
- In addition, Guar gum weekly price decreased by Rs 15.00 per quintal and settled at Rs. 8650 per quintal. Weak demand for guar gum from domestic as well as overseas market kept prices at lower side in previous week.
- According to third advance estimate for 2018-19, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 134660 hectares, 73740 tonnes and 547.59 kg/hectare respectively. As per second estimate for 2018-19 issued by Gujarat's Department of Agriculture for Guar seed the area, production and yield are 135000 hectares, 73000 tonnes and 545 kg/hectare respectively.
- According to third advance estimate for 2018-19, issued by Rajasthan's Department of Agriculture for Guar seed, the area, production and yield are 3087769 hectares, 1031415 tonnes and 334 kg/hectare respectively. As per second advance estimate for 2018-19 issued by Rajasthan's Department of Agriculture for Guar seed the area, production and yield are 3087761 hectares, 1455092 tonnes and 471 kg/hectare respectively.

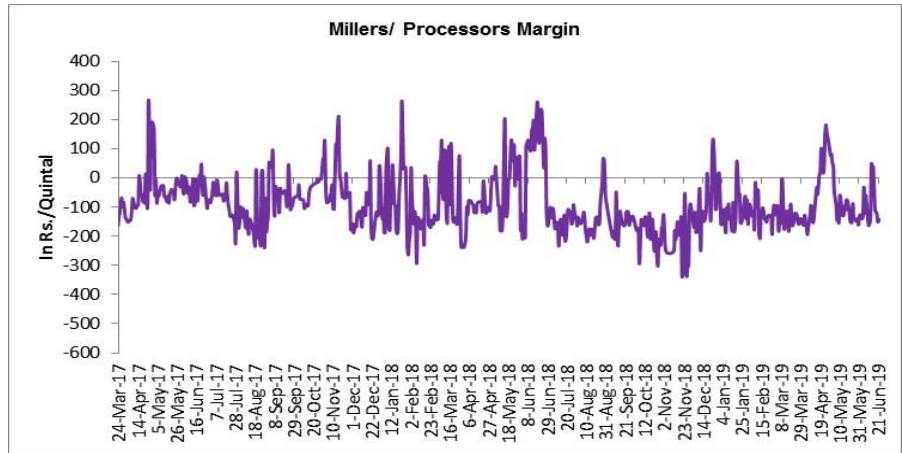


Millers/Processors Margin

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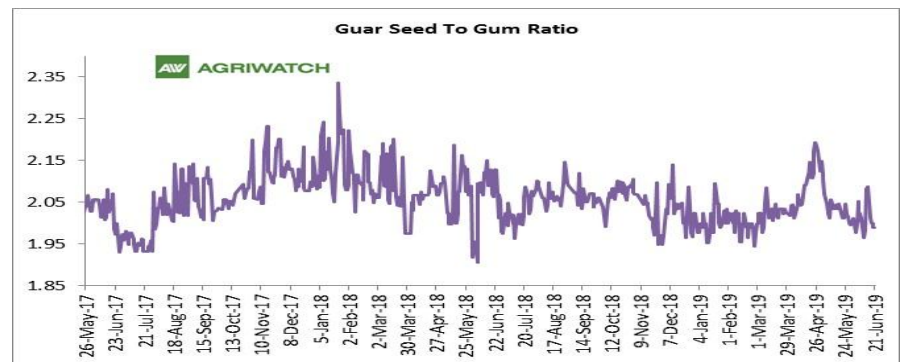
In the week ended 21st June'19, average crush margin was Rs.-101.42/Quintal, compared to last week's -65.38/Quintal. Therefore, crushing is not favorable for Millers/Processors.

Higher degree of increase 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 21st June'19 is 2.01, higher compared to last week's 2.03. Weak overseas demand of gum and good demand of seed from millers has decreased the overall ratio.



Guar gum Weekly Export

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Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08 April-2019	7976.52	1816.41
09-15 April-2019	6362.37	1880.47
16-23 April-2019	7334.40	1839.75
24-30 April-2019	4914.43	1886.11
Total	26587.72	

Source: Trade

Technical Analysis (Guar Seed)

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Commodity: Guar Seed
Contract: July

Exchange: NCDEX
Expiry: July 20, 2019



Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- RSI is moving down in neutral region.
- Prices closed below 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	July	4045	4005	4237	4405	4460
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	July	Sell	Below 4265	4160	4095	4328

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: July

Exchange: NCDEX
Expiry: July 20, 2018



Technical Commentary:

- Fall in price and open interest indicates long liquidation.
- RSI is moving down in neutral region.
- Prices closed below 9 and 18 day EMAs.

Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	July	8160	8075	8522	8895	9000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	Sell	Below 8600	8380	8255	8732

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices (Prices in Rs/75kg)				
Commodity	Centre	15th to 21st June 2019	08th to 14th June 2019	Change
Churi	Jodhpur	1800	1838	-38
Korma	Jodhpur	2488	2475	13
Churi	Sri-Ganganagar	1607	1625	-19
Korma	Sri-Ganganagar	2288	2294	-6

Guar Export Weekly Average Prices (Prices in \$/MT)				
Commodity	Variety	15th to 21st June 2019	08th to 14th June 2019	Change
Guargum Split		1231	1236	-5
Guargum Powder	200 Mesh 5000 CPS	1518	1524	-6
	200 Mesh 3500 CPS	1451	1452	-1
Guargum Meal	40%	344	350	-6
	50%	488	490	-2

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/QtI)		Change
			15th to 21st June 2019	08th to 14th June 2019	
Guar Seed	Jodhpur	Jodhpur (Loose)	4299	4280	19
		Jodhpur(Delivery)	4514	4494	20
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4113	4100	13
		Sri-Ganganagar (Delivery)	4263	4250	13
		Rawla (Loose)	4050	4029	21
		Gharsana (Loose)	4057	3953	104
		Raisinghnagar (Loose)	4114	4042	73
	Bikaner	Bikaner (Loose)	4087	4088	-1
		Bikaner (Delivery)	4291	4292	-1
		Nokha(Loose)	4121	4082	39
		Nokha (Delivery)	4327	4286	41
		Khajuwala (Loose)	4062	4063	-1
		Khajuwala (Delivery)	4265	4267	-2
		Lunkaransar (Loose)	4088	4108	-20
	Hanumangarh	Hanumangarh (Loose)	4027	3996	31
		Hanumangarh (Delivery)	4228	4196	32
		Nohar (Loose)	4109	4092	18

		Pilibanga (Loose)	4016	3974	42
	Nagaur	Nagaur (Loose)	4069	4076	-7
	Churu	Churu (Delivery)	4200	4175	25
	Alwar	Alwar (Loose)	3920	3925	-5
Haryana	Hisar	Adampur (Loose)	4118	4142	-23
		Adampur (Delivery)	4324	4349	-25
	Bhiwani	Bhiwani (Delivery)	4295	4242	53
		Siwani (Loose)	4253	4243	9
	Sirsa	Sirsa (Loose)	4109	4105	4
		Dhabwali (Loose)	4045	4092	-47
		Dhabwali (Delivery)	4247	4296	-49
		Ellanabad (Loose)	4050	3992	58
Fatehabad	Fatehabad (Loose)	3983	3975	8	
Gujarat	Banaskantha	Deesa (Loose)	3933	3933	Unch
	Patan	Patan (Loose)	4027	3909	118
	Rajkot	Rajkot (Loose)	3966	3910	56
	Jamnagar	Dhrol (Loose)	NA	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8650	8665	-15
	Alwar	Alwar	8620	8575	45
	Hanumangarh	Nohar	8883	8917	-33
Haryana	Bhiwani	Bhiwani	8547	8552	-5
	Sirsa	Sirsa	8692	8658	33
		Dhabwali	8601	8634	-33
		Ellanabad	8630	8642	-12
	Fatehabad	Fatehabad	8601	8608	-8

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
			21-Jun-19	14-Jun-19	21-May-19	21-Jun-18
Guar Seed	Jodhpur	Jodhpur (Loose)	4325	4200	4450	3500
		Jodhpur(Delivery)	4541	4410	4673	3675
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4080	4100	4150	3600
		Sri-Ganganagar (Delivery)	4230	4250	4300	3750
		Rawla (Loose)	4020	4050	4150	3550
		Gharsana (Loose)	NR	NR	4130	NA
		Raisinghnagar (Loose)	4100	4100	4175	3600
		Bikaner	Bikaner (Loose)	4080	4080	4175

		Bikaner (Delivery)	4284	4284	4384	3780
		Nokha(Loose)	4110	4075	4150	3600
		Nokha (Delivery)	4316	4279	4358	3780
		Khajuwala (Loose)	4060	4100	4190	3570
		Khajuwala (Delivery)	4263	4305	4400	3749
		Lunkaransar (Loose)	4080	4100	4200	3500
	Hanumangarh	Hanumangarh (Loose)	4044	NA	3800	3550
		Hanumangarh (Delivery)	4246	NA	3990	3728
		Nohar (Loose)	4100	4125	4200	3650
		Pilibanga (Loose)	NR	NA	NR	NA
	Nagaur	Nagaur (Loose)	4050	4080	4150	3450
	Churu	Churu (Delivery)	4150	4250	4250	3850
	Alwar	Alwar (Loose)	3900	4000	4000	3600
Haryana	Hisar	Adampur (Loose)	4080	4150	4180	3650
		Adampur (Delivery)	4284	4358	4389	3833
	Bhiwani	Bhiwani (Delivery)	4270	4300	4400	3750
		Siwani (Loose)	4225	4280	4325	3750
	Sirsa	Sirsa (Loose)	4080	4140	4200	3640
		Dhabwali (Loose)	4000	4125	4100	3700
		Dhabwali (Delivery)	4200	4331	4305	3885
		Ellanabad (Loose)	4100	4000	4100	3575
	Fatehabad	Fatehabad (Loose)	4000	4000	4000	3600
	Gujarat	Banaskantha	Deesa (Loose)	3900	3950	4050
Patan		Patan (Loose)	4255	3950	3970	3535
Rajkot		Rajkot (Loose)	4000	NA	4050	3600
Jamnagar		Dhrol (Loose)	NA	NA	NA	3445
M.P.	Gwalior	Dabra (Loose)	NA	NA	NA	NA
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	8600	8750	8950	7800
	Alwar	Alwar	8600	8700	9000	7800
	Hanumangarh	Nohar	8800	9000	8900	7800
Haryana	Bhiwani	Bhiwani	8640	8550	9150	7500
	Sirsa	Sirsa	8600	8700	8900	7750
		Dhabwali	8600	8750	8900	7650
		Ellanabad	8600	8600	9000	7700
	Fatehabad	Fatehabad	8600	8600	8920	7650

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			15th to 21st June 2019	08th to 14th June 2019	
Rajasthan	Jodhpur	Jodhpur	397	303	94
	Sri-Ganganagar	Sri-Ganganagar	2200	2100	100
		Rawla	430	470	-40
		Gharsana	81	945	-864
		Raisinghnagar	1650	1800	-150
	Bikaner	Bikaner	2100	1250	850
		Nokha	1725	1650	75
		Khajuwala	750	810	-60
		Lunkaransar	2000	1450	550
	Hanumangarh	Hanumangarh	650	541	109
		Nohar	1650	2300	-650
		Pilibanga	132	389	-257
	Nagaur	Nagaur	700	520	180
Churu	Churu	1700	1600	100	
Alwar	Alwar	900	750	150	
Haryana	Hisar	Adampur	5200	4100	1100
	Bhiwani	Bhiwani	1650	1700	-50
		Siwani	5600	5600	Unch
	Sirsa	Sirsa	5800	6000	-200
		Dhabwali	850	1070	-220
		Ellanabad	580	430	150
Fatehabad	Fatehabad	450	375	75	
Gujarat	Banaskantha	Deesa	40	60	-20
	Patan	Patan	92	49	43
	Rajkot	Rajkot	176	235	-59
	Jamnagar	Dhrol	NA	NA	-
Madhya Pradesh	Gwalior	Dabra	NA	NA	-
Total Arrivals/Above Markets			37503	36497	1006

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