

Guar Monthly Research Report

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Executive Summary**Domestic Guar Seed Market Summary**

Mostly firm sentiments featured in the guar seed and guar gum market followed by some demand, during the month in review.

Second lockdown in Europe is again a concern on demand in the crude oil, it is the major guar gum demand driver.

Volume of trade continued to remain thin in the cash market yards, due to need based local and overseas demand in guar products.

As per data released by Baker Hughes, the number of oilrigs in USA increased by 3 to 300 as on 06th November 2020 compared to 296 previous week and 517 compared to 06th November 2019. Total number of oilrigs was recorded at 1,400 in October'20 compared to 3,392 in the corresponding period in last year.

Export of guar gum witnessed mild improved in the month of September-20 by 8% compared to previous month. India exported around 13,879 tonnes of guar gum at an average FoB of US \$ 1708 per tonne in the month of September-20 compared to 12,826 tonnes in August-20 at an average FoB of US \$ 1823 per tonne. Of the total 3,311 tonnes have been exported to US, 2,095 tonnes to Germany and 2,076 tonnes to Russia. Exports are expected to remain under pressure in October-20 on stronger Indian Rupee against US dollar.

Export of guar split have fell in the month of September-20. Exports in the month of September-20 are down by around 5% compared to previous month. India exported around 625 tonnes of guar split in the month of September-20 at an average FoB of US \$ 950 per tonne compared to 660 tonnes in August-20 at an average FoB of US \$ 117 per tonne. Of the total quantity, around 500 tonnes have been exported to US and 120 tonnes to China.

Previous Updates:

Export of guar gum fell in the month of August-20 by 22% compared to previous month. India exported around 12,826 tonnes of guar gum at an average FoB of US \$ 1834 per tonne in the month of August-20 compared to 16,389 tonnes in July-20 at an average FoB of US \$ 1503 per tonne. Of the total 2,521 tonnes have been exported to US and 2,385 tonnes to China. Exports are expected to remain under pressure in September-20 on stronger Indian Rupee against US dollar.

Export of guar split have fell in the month of August-20. Exports in the month of August -20 are down by around 39% compared to previous month. India exported around 660 tonnes of guar split in the month of August-20 at an average FoB of US \$ 1117 per tonne compared to 1080 tonnes in July-20 at an average FoB of US \$ 1050 per tonne. Of the total quantity, around 5,982 tonnes have been exported to US and 3,466 tonnes to Netherlands.

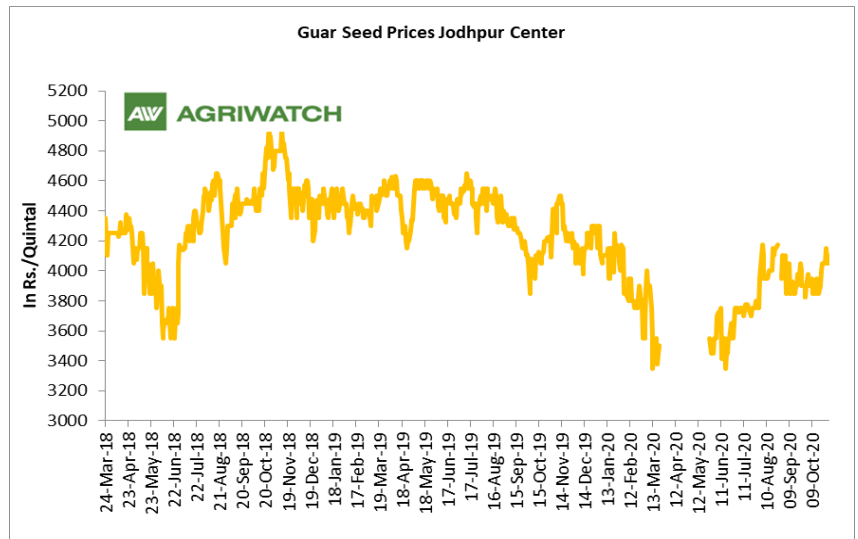
Recommendation:

Monthly Call- : Market participants are advised to BUY Guar seed future December contract Above 4300 levels for a target of 4450 with a stop loss at 4210.

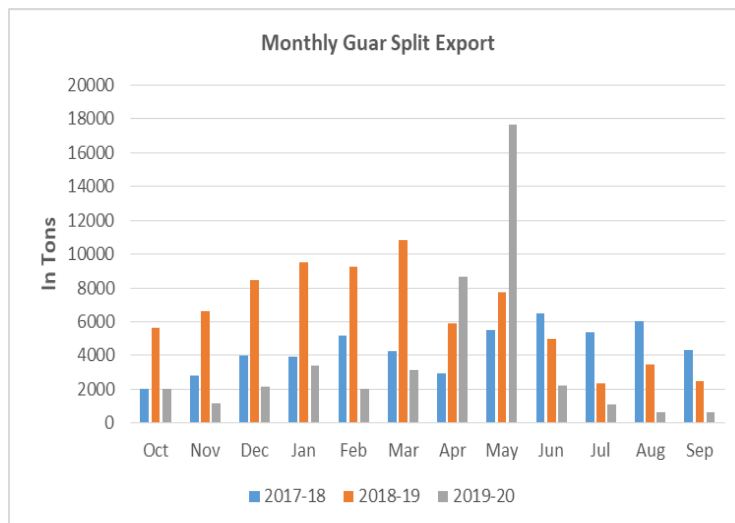
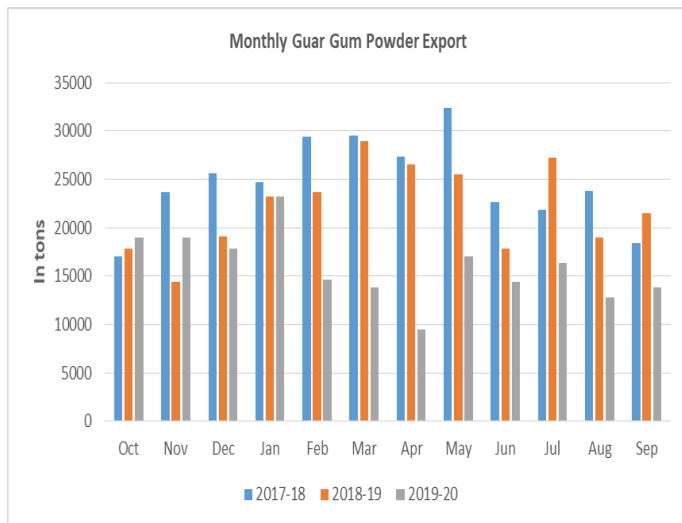
Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

- The guar seed prices showed mild signs of recovery in October compared to the prices in the month September. Besides limited demand from processors after COVID followed by weak demand in guar gum remained bearish for the market.
- Stockists and the processors are the major buyers of the new seed.
- The average guar seed loose prices in Jodhpur have slightly improved and was quoted at Rs 3,963 a quintal in October compared to Rs 3,934 a quintal in September.
- Similarly, the average guar gum prices have slightly gains to around Rs 6,384 a quintal in October compared to Rs 6,321 per quintal in September.
- The production estimate for guar seed this year fell by around 45% compared to the previous season.
- Lower production is attributed to the decline in the yield potential due to the moisture stress during the crop development period.



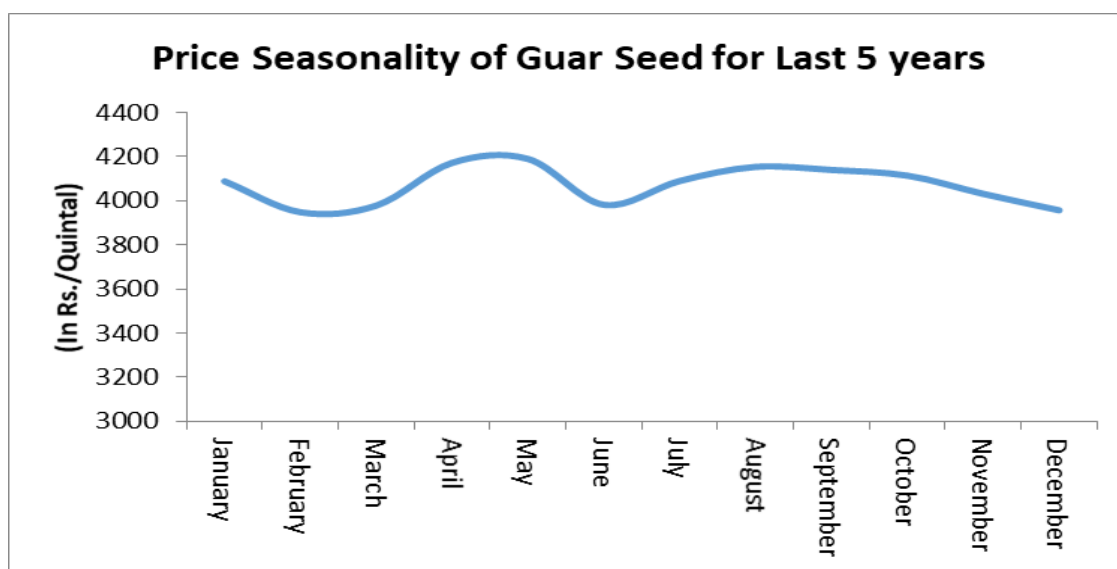
Export Scenario



On export front, guar gum demand have fell y-o-y in September 2020 as compared to previous month. India has exported 13879 tonnes of guar gum in the month of September-2020, up by 8% compared to previous month and lower by 36% compared to September-2019.

Exports of guar split fell in the month of September. India has exported 625 tonnes of guar split in the month of September-2020, down by 5% compared to previous month and down by 75% compared to September-2019.

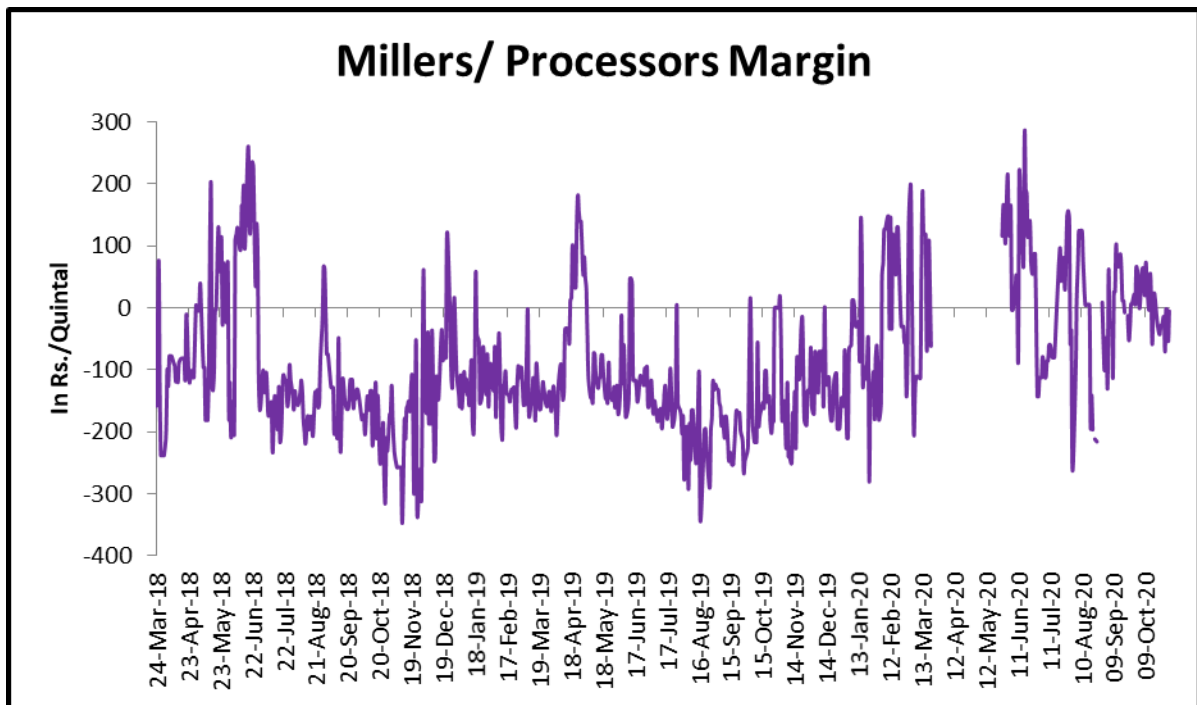
Price Seasonality of Guar Seed



As per the price seasonality chart of guar seed for last 5 years, guar seed prices started to rise from July and continued its rally until October and then fell from higher levels in the month of November and December.

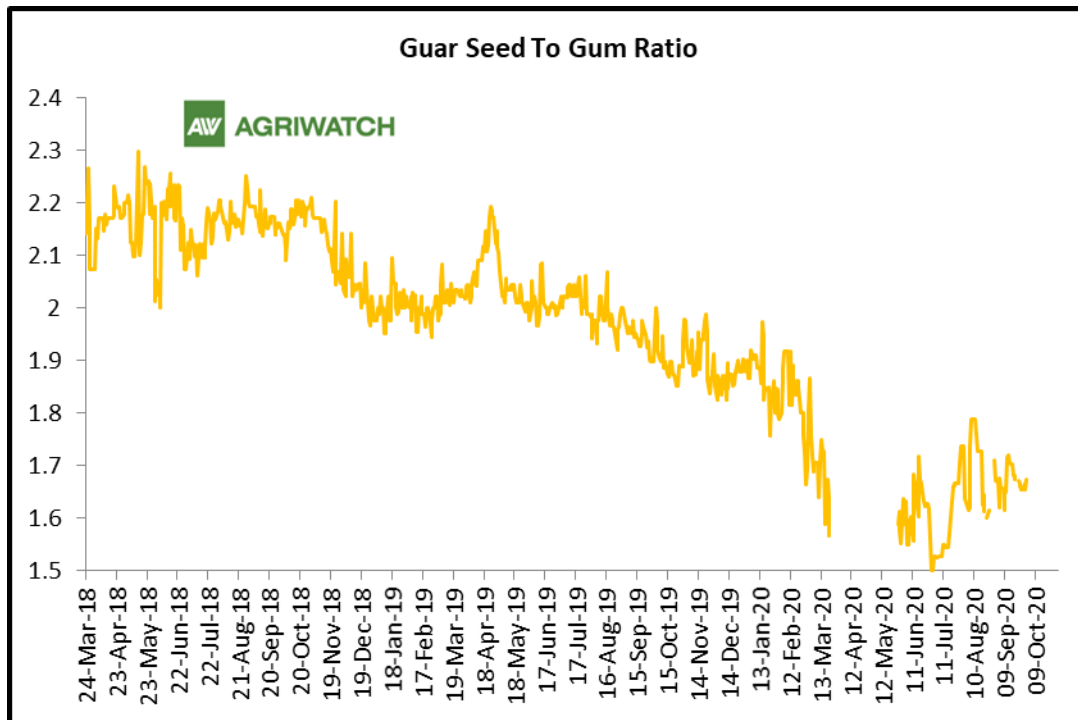
Millers/Processors Margin:

As seen in the chart, the average crush margin of guar seed have improved in October'20 as compared to September'20, the average crush margin improved to Rs. +3.59/quintal in Sept'20 compared to Rs. -31.7/quintal in Aug'20. Decline in the guar product prices like gum, churi and korma have pressured the processors' margin.



Guar Seed to Gum Ratio:

The average monthly Ratio of guar seed to gum stood at 1.67 in October'20 compared to 1.66 in September'20. Overall, poor demand of gum from domestic markets has kept the overall ratio lower side.



Technical Analysis (Guar Seed)
Commodity: Guar Seed
Exchange: NCDEX
Guar Seed (Technical Chart)

Technical Commentary:

- Guar seed witnessed gain during the month.
- Prices closed above 40-day EMA.
- RSI and stochastic are rising in the neutral region, supporting the gains.
- Prices are likely to feature gains in the near-term.

Strategy: BUY

Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Dec.	3800	3700	4327	4600	4700
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Dec.	BUY	Above 4300	4450	4550	4210

Technical Analysis (Guar Gum)
Commodity: Guar Gum
Exchange: NCDEX
Guar Gum (Technical Chart)

Technical Commentary:

- Guar gum posted gains, during the month.
- RSI and stochastic are rising in the neutral region.
- Prices closed above 40 day EMA.
- Prices are expected to feature gains in near-term.

Strategy: BUY

Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Dec.	5800	5700	6744	7350	7550
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Dec.	BUY	Above 6700	7100	7300	6460

Guar Seed & Gum Prices at Key Spot Markets

Guar Seed Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	31-Oct-20	31-Oct-20	31-Oct-20	30-Sep-20
Bikaner	13508	1181	14689	8089
Deesa	0	0	0	0
Sri Ganganagar	1519	141	1660	1576
Jodhpur	398	199	597	0
Nokha	0	0	0	366

Guar Gum Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	31-Oct-20	31-Oct-20	31-Oct-20	30-Sep-20
Deesa	0	0	0	0
Bikaner	1435	149	1584	2057
Jodhpur	2252	781	3033	2966
Nokha	1687	149	1836	1384
Sri Ganganagar	2380	60	2440	2821

Churi and Korma Prices:		3-Nov-20
Commodity	Center	Rs./75 kg.
Churi	Jodhpur	2050
Korma	Jodhpur	3038
Churi	Sri Ganganagar	1688
Korma	Sri Ganganagar	2888

Guar Export Prices:		3-Nov-20	3-Nov-20
	Variety	Value (Rs/Kg)	Value (\$/MT)
Guargum/Split (Mundra Port)		61	820
Guargum Powder	200 Mesh 5000 CPS	81	1089
	200 Mesh 3500 CPS	71	954
Guargum Meal	Meal 40%	27	363
	Meal 50%	40	538

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			31-Oct-20	30-Sep-20	
Rajasthan	Jodhpur	Jodhpur (Loose)	3900	3675	225
		Jodhpur(Delivery)	4095	3859	236
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4000	3700	300
		Sri-Ganganagar (Delivery)	4150	3850	300
		Rawla (Loose)	0	0	Unch
		Gharsana (Loose)	0	0	Unch
		Raisinghnagar (Loose)	3950	0	3950
	Bikaner	Bikaner (Loose)	4020	3700	320
		Bikaner (Delivery)	4221	3885	336
		Nokha(Loose)	4025	0	4025
		Nokha (Delivery)	4226	0	4226
		Khajuwala (Loose)	Closed	3700	-
		Khajuwala (Delivery)	Closed	3885	-
		Lunkaransar (Loose)	4000	3700	300
	Hanumangarh	Hanumangarh (Loose)	4000	3625	375
		Hanumangarh (Delivery)	4200	3806	394
		Nohar (Loose)	0	3725	-3725
		Pilibanga (Loose)	0	3650	-3650
	Nagaur	Nagaur (Loose)	0	0	Unch
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	4025	3750	275
		Adampur (Delivery)	4226	3938	289
	Bhiwani	Bhiwani (Delivery)	4100	3900	200
		Siwani (Loose)	4050	3900	150
	Sirsa	Sirsa (Loose)	4000	3640	360
		Dhabwali (Loose)	3950	3750	200
		Dhabwali (Delivery)	4148	3938	210
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3800	3700	100
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	NA	0	-
	Rajkot	Rajkot (Loose)	0	3550	-3550
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch

Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6700	6150	550
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	6250	-6250
Haryana	Bhiwani	Bhiwani	6800	6100	700
	Sirsa	Sirsa	6650	6000	650
		Dhabwali	6650	6100	550
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6600	6100	500

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			31-Oct-20	30-Sep-20	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	1500	1000	500
		Rawla	0	0	Unch
		Gharsana	0	0	Unch
		Raisinghnagar	600	0	600
	Bikaner	Bikaner	1000	300	700
		Nokha	700	0	700
		Khajuwala	Closed	300	-
		Lunkaransar	800	50	750
	Hanumangarh	Hanumangarh	200	1000	-800
		Nohar	0	100	-100
		Pilibanga	0	2840	-2840
	Nagaur	Nagaur	0	0	Unch
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	400	400	Unch
	Bhiwani	Bhiwani	3000	200	2800
		Siwani	400	600	-200
	Sirsa	Sirsa	1000	1200	-200
		Dhabwali	900	400	500
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	50	0	50
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	NA	0	-
	Rajkot	Rajkot	0	10	-10
	Jamnagar	Dhrol	0	0	Unch

Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			10550	8400	2450

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