

# Guar Monthly Research Report

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**Executive Summary****Domestic Guar Seed Market Summary**

**Weak sentiments witnessed in guar seed and guar gum market followed weak guar gum demand from overseas market, during the month in review.**

**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 10 to 320 as on 25th November 2020 compared to 310 previous week and 802 on 27th November 2019. Total number of oilrigs were recorded at 1,400 in October'20 compared to 3,392 in the corresponding period in last year. The recent Baker Hughes data was not published for festive holidays.**

India's guar gum exports slightly improved in the month of October 2020 by 3% to 14,331 tonnes compared to 13,879 tonnes during September 2020 at an average FoB of US \$ 1785 per tonne in the month of October compared to US \$ 1708 per tonne in the month of September 2020. However, the gum shipments were down 24% in October 2020 compared to 19,027 tonnes during the same period last year. Of the total exported quantity, around 7,983 tonnes is bought US (4,986 tonnes), Germany (1,831 tonnes) and China (1,165 tonnes).

India's guar split exports surged in the month of October 2020 by 449% to 3,438 tonnes compared to 625 tonnes during September 2020 at an average FoB of US \$ 1,408 per tonne in the month of October compared to US \$ 1,327 per tonne in the month of September 2020. Further, the guar split shipments were up 70% in October 2020 compared to 2,020 tonnes during the same period last year. Of the total exported quantity, around 2,292 tonnes is bought US (1,495 tonnes), Nepal (5,98 tonnes) and UK (1,99 tonnes).

**Previous Updates:**

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.

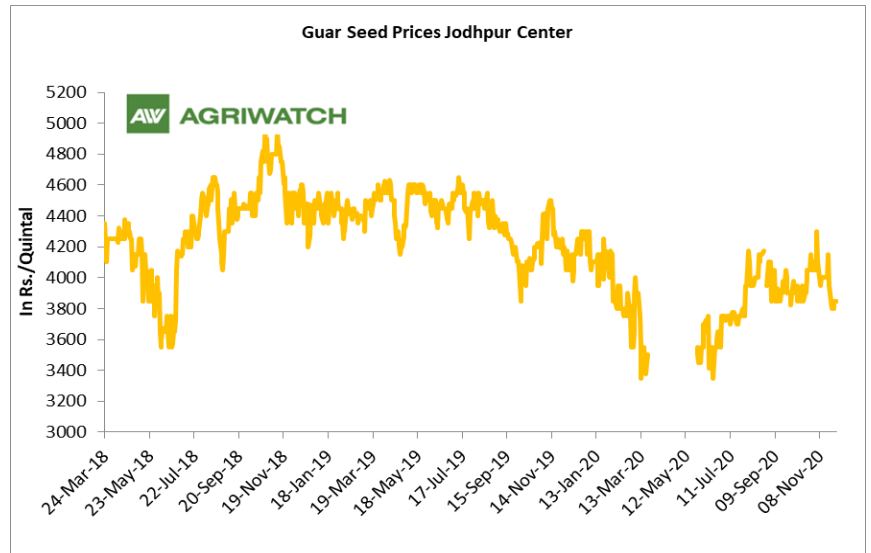
**Recommendation:**

**Monthly Call- : Market participants are advised to BUY Guar seed future December contract Below 4015 levels for a target of 3715 with a stop loss at 4135.**

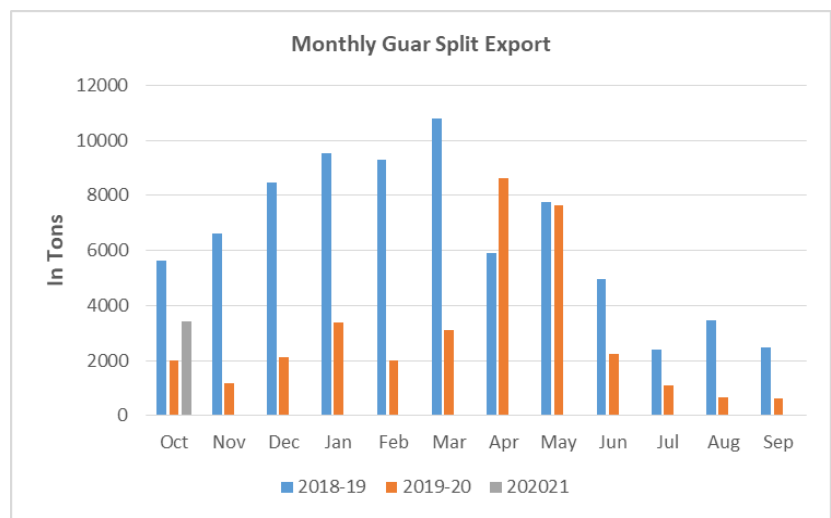
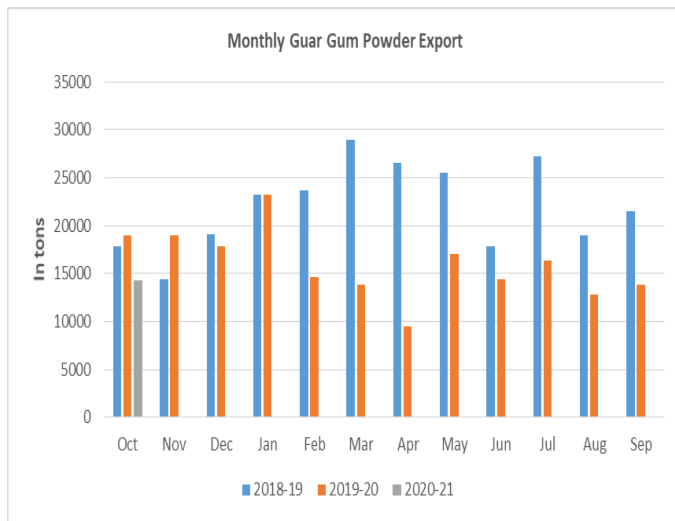
### Guar Seed Fundamental Analysis and Outlook:-

#### Domestic Front

- The guar seed prices witnessed mild gains in November compared to the prices in the month October. 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 3,973 a quintal in November compared to Rs 3,963 a quintal in October.
- However, the average guar gum prices have slightly fell to around Rs 6,306 a quintal in November compared to Rs 6,384 per quintal in October.
- 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.



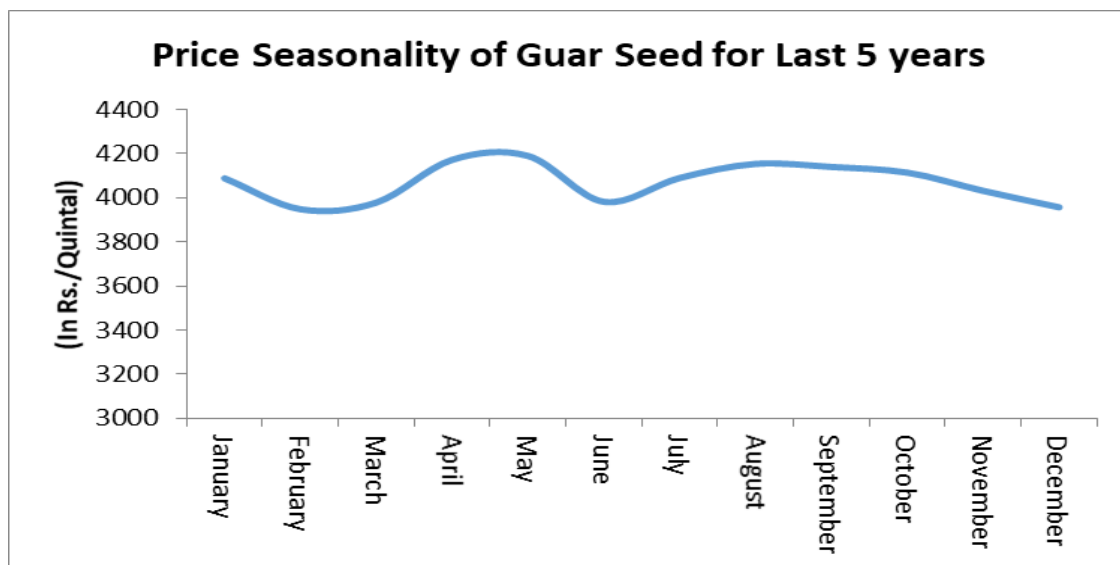
### Export Scenario



On export front, guar gum demand have y-o-y in October 2020. India has exported 14331 tonnes of guar gum in the month of October-2020, up by 3% compared to previous month but down by 25% compared to October-2019.

Exports of guar split improved in the month of October 2020. India has exported 3430 tonnes of guar split in the month of October-2020, up by 449% compared to previous month and up by 70% compared to October-2019.

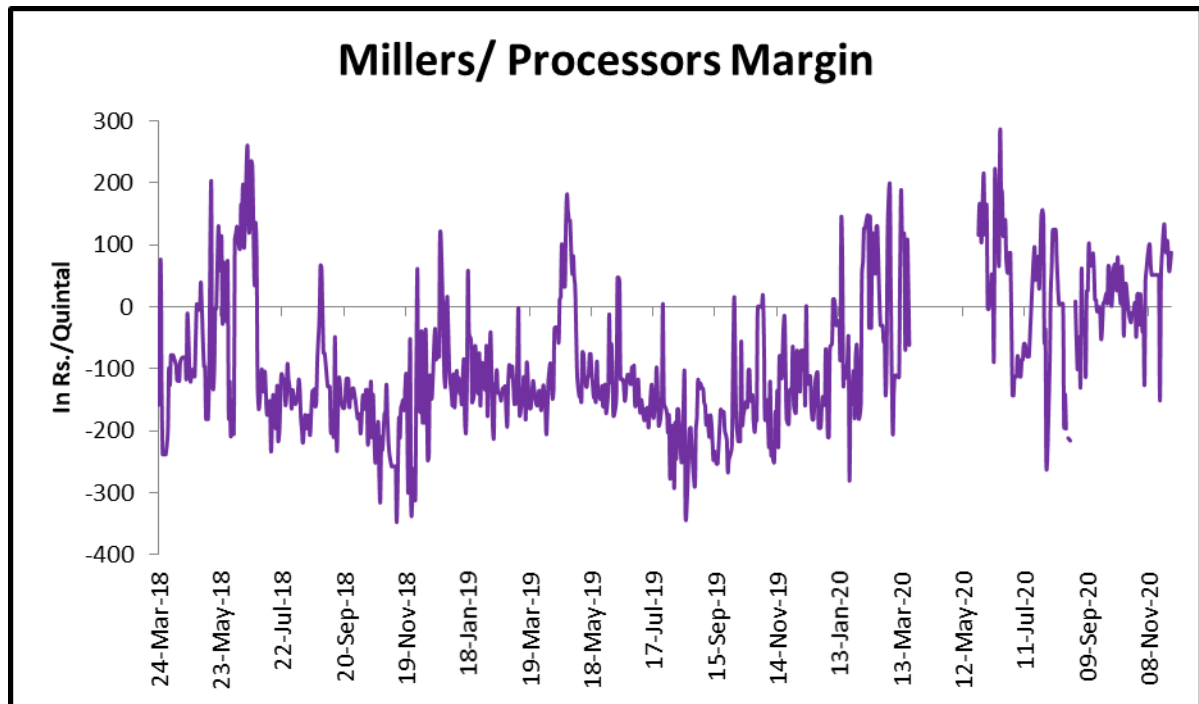
### Price Seasonality of Guar Seed



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.

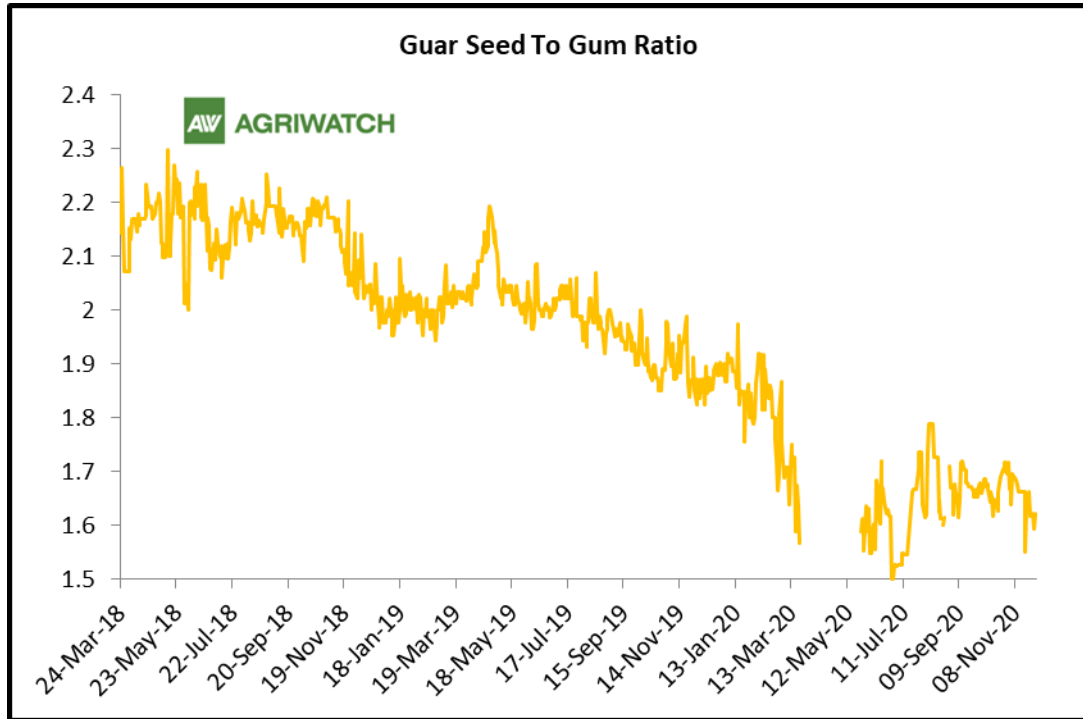
### Millers/Processors Margin:

As seen in the chart, the average crush margin of guar seed have improved in November'20 as compared to October'20, the average crush margin improved to Rs. +47/quintal in November'20 compared to Rs. +17/quintal in October'20. Increase in the guar product prices like churi and korma have slightly pushed up the processors' margin.



### Guar Seed to Gum Ratio:

The average monthly Ratio of guar seed to gum stood almost same at 1.65 in November'20 compared to 1.67 in October'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 fell on selling pressure during the month.
- Prices closed below 40-day EMA.
- RSI and stochastic are falling in the neutral region, supporting the losses.
- Prices are likely to feature losses in the near-term.

#### Strategy: SELL

Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Jan.	3600	3500	4010	4500	4600
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Jan.	<b>SELL</b>	Below 4015	3815	3715	4135

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

**Technical Commentary:**

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

**Strategy: SELL**

Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Jan.	5000	4900	5997	7000	7100
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Jan.	<b>SELL</b>	Below 6000	5700	5600	6180



**Guar Seed & Gum Prices at Key Spot Markets**

<b>Guar Seed Stock Position &amp; EDD:</b>				
<b>Stocks</b>	<b>Demat</b>	<b>In-Process</b>	<b>Total</b>	<b>EDD</b>
	<b>27-Nov-20</b>	<b>27-Nov-20</b>	<b>27-Nov-20</b>	<b>31-Oct-20</b>
<b>Bikaner</b>	20229	412	20641	8089
<b>Deesa</b>	0	0	0	0
<b>Sri Ganganagar</b>	2685	0	2685	1576
<b>Jodhpur</b>	985	119	1104	0
<b>Nokha</b>	0	0	0	366

<b>Guar Gum Stock Position &amp; EDD:</b>				
<b>Stocks</b>	<b>Demat</b>	<b>In-Process</b>	<b>Total</b>	<b>EDD</b>
	<b>27-Nov-20</b>	<b>27-Nov-20</b>	<b>27-Nov-20</b>	<b>31-Oct-20</b>
<b>Deesa</b>	0	0	0	0
<b>Bikaner</b>	1429	0	1429	2057
<b>Jodhpur</b>	6539	259	6798	2966
<b>Nokha</b>	2039	10	2049	1384
<b>Sri Ganganagar</b>	2460	0	2460	2821

<b>Churi and Korma Prices:</b>		<b>1-Dec-20</b>
<b>Commodity</b>	<b>Center</b>	<b>Rs./75 kg.</b>
<b>Churi</b>	Jodhpur	2175
<b>Korma</b>	Jodhpur	3094
<b>Churi</b>	Sri Ganganagar	1913
<b>Korma</b>	Sri Ganganagar	2925

<b>Guar Export Prices:</b>		<b>1-Dec-20</b>	<b>1-Dec-20</b>
	<b>Variety</b>	<b>Value (Rs/Kg)</b>	<b>Value (\$/MT)</b>
<b>Guargum/Split (Mundra Port)</b>		67	911
<b>Guargum Powder</b>	200 Mesh 5000 CPS	85	1155
	200 Mesh 3500 CPS	80	1087
<b>Guargum Meal</b>	Meal 40%	30	408
	Meal 50%	41	557

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			30-Nov-20	31-Oct-20	
Rajasthan	Jodhpur	Jodhpur (Loose)	3700	3900	-200
		Jodhpur(Delivery)	3885	4095	-210
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3700	4000	-300
		Sri-Ganganagar (Delivery)	3850	4150	-300
		Rawla (Loose)	NR	0	-
		Gharsana (Loose)	3750	0	3750
		Raisinghnagar (Loose)	3750	3950	-200
	Bikaner	Bikaner (Loose)	3750	4020	-270
		Bikaner (Delivery)	3938	4221	-284
		Nokha(Loose)	3725	4025	-300
		Nokha (Delivery)	3911	4226	-315
		Khajuwala (Loose)	3710	Closed	-
		Khajuwala (Delivery)	3896	Closed	-
		Lunkaransar (Loose)	3700	4000	-300
	Hanumangarh	Hanumangarh (Loose)	3750	4000	-250
		Hanumangarh (Delivery)	3938	4200	-263
		Nohar (Loose)	NR	0	-
		Pilibanga (Loose)	NA	0	-
	Nagaur	Nagaur (Loose)	Closed	0	-
	Churu	Churu (Delivery)	NA	0	-
	Alwar	Alwar (Loose)	NA	0	-
Haryana	Hisar	Adampur (Loose)	3750	4025	-275
		Adampur (Delivery)	3938	4226	-289
	Bhiwani	Bhiwani (Delivery)	3850	4100	-250
		Siwani (Loose)	Closed	4050	-
	Sirsa	Sirsa (Loose)	3750	4000	-250
		Dhabwali (Loose)	3700	3950	-250
		Dhabwali (Delivery)	3885	4148	-263
		Ellanabad (Loose)	NR	0	-
	Fatehabad	Fatehabad (Loose)	3600	3800	-200
Gujarat	Banaskantha	Deesa (Loose)	Close	0	-
	Patan	Patan (Loose)	Close	NA	-
	Rajkot	Rajkot (Loose)	NA	0	-

	Jamnagar	Dhrol (Loose)	NA	0	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	0	-
<b>Guar Gum</b>					
Rajasthan	Jodhpur	Jodhpur	6000	6700	-700
	Alwar	Alwar	NA	0	-
	Hanumangarh	Nohar	NR	0	-
Haryana	Bhiwani	Bhiwani	6000	6800	-800
	Sirsa	Sirsa	6000	6650	-650
		Dhabwali	6075	6650	-575
		Ellanabad	NR	0	-
	Fatehabad	Fatehabad	6000	6600	-600

<b>Guar Seed Arrivals in Key Centers</b>					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			30-Nov-20	31-Oct-20	
Rajasthan	Jodhpur	Jodhpur	NA	0	-
	Sri-Ganganagar	Sri-Ganganagar	500	1500	-1000
		Rawla	NR	0	-
		Gharsana	200	0	200
		Raisinghnagar	200	600	-400
	Bikaner	Bikaner	500	1000	-500
		Nokha	1500	700	800
		Khajuwala	200	Closed	-
		Lunkaransar	100	800	-700
	Hanumangarh	Hanumangarh	100	200	-100
		Nohar	NR	0	-
		Pilibanga	NA	0	-
	Nagaur	Nagaur	Closed	0	-
	Churu	Churu	NA	0	-
	Alwar	Alwar	NA	0	-
Haryana	Hisar	Adampur	300	400	-100
	Bhiwani	Bhiwani	600	3000	-2400
		Siwani	Closed	400	-
	Sirsa	Sirsa	1000	1000	Unch
		Dhabwali	300	900	-600
		Ellanabad	NR	0	-
	Fatehabad	Fatehabad	50	50	Unch
Gujarat	Banaskantha	Deesa	Close	0	-
	Patan	Patan	Close	NA	-



	<b>Rajkot</b>	Rajkot	NA	0	-
	<b>Jamnagar</b>	Dhrol	NA	0	-
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra	NA	0	-
<b>Total Arrivals/Above Markets</b>			<b>5550</b>	<b>10550</b>	<b>-4800</b>

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