

Guar Monthly Research Report

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Executive Summary**Domestic Guar Seed Market Summary**

Weak sentiments continued in the guar seed and guar gum market due to the slack in 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 3 to 351 as on 30th December 2020 compared to 348 previous week and 813 on 20th December 2019. Total number of oilrigs were recorded at 1,242 in November'20 compared to 4,050 in the corresponding period in last year.

India's guar gum exports fell in the month of November 2020 by 6% to 13414 tonnes compared to 14,331 tonnes during October 2020 at an average FoB of US \$ 1611 per tonne in the month of November compared to US \$ 1785 per tonne in the month of October 2020. **However, the gum shipments were down 30% in November 2020 compared to the same period last year.** Of the total exported quantity, around 3,639 tonnes is bought US, Russia (2,914 tonnes) and Germany (1,188 tonnes).

India's guar split exports improved in the month of November 2020 by 33% to 4557 tonnes compared to 3,438 tonnes during October 2020 at an average FoB of US \$ 1,390 per tonne in the month of November compared to US \$ 1,408 per tonne in the month of October 2020. **Further, the guar split shipments were up 286% in November 2020 compared to the same period last year.** Of the total exported quantity, around 1,152 tonnes is bought US, China (1,940 tonnes) and UK (4,84 tonnes).

Previous Updates:

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)..

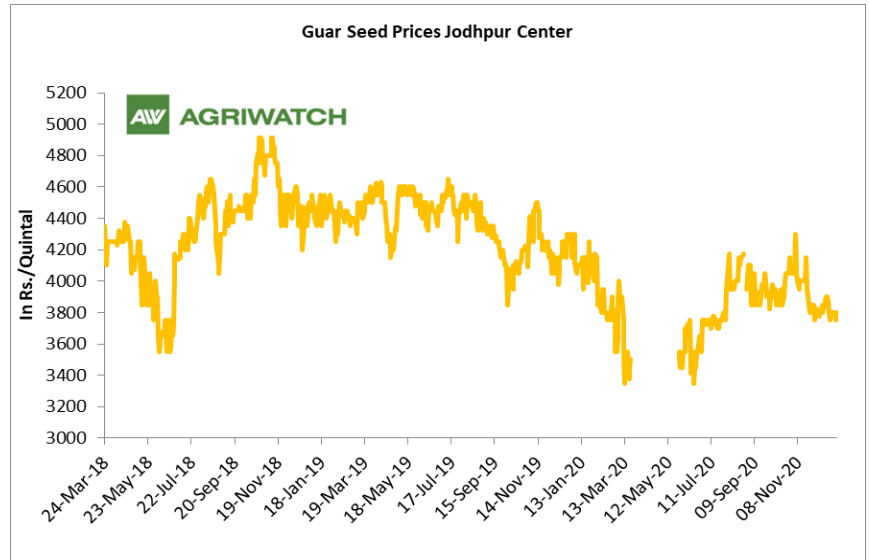
Recommendation:

Monthly Call- : Market participants are advised to SELL Guar seed future February contract Below 3960 levels for a target of 3800 with a stop loss at 4056.

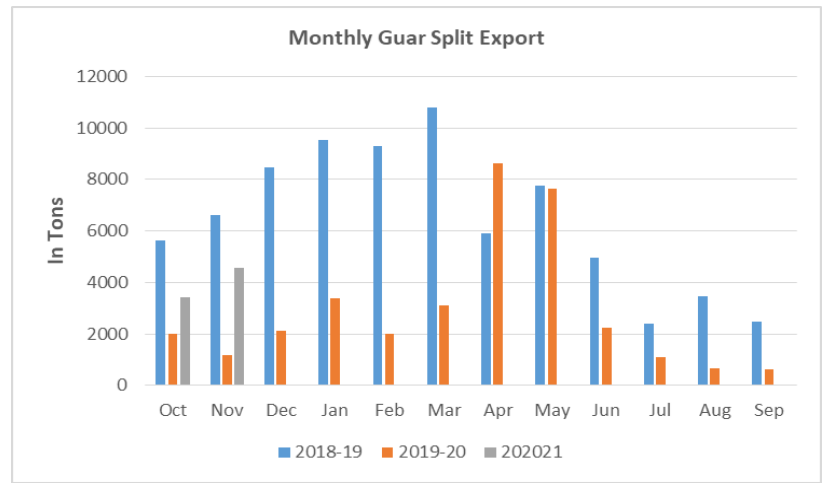
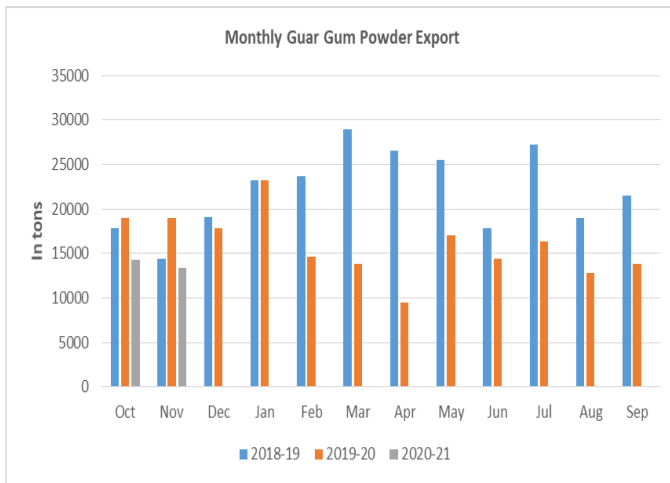
Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

- The local guar seed prices fell in December compared to the prices in the month November. Besides limited demand from processors after COVID followed by weak overseas 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 all paid prices in Jodhpur have fell and was quoted at Rs 3,814 a quintal in December compared to Rs 3,973 a quintal in November.
- Besides, the average guar gum prices too fell to around Rs 6,045 a quintal in December compared to Rs 6,306 per quintal in November.
- The 2020/21 guar seed output estimate have fallen 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.



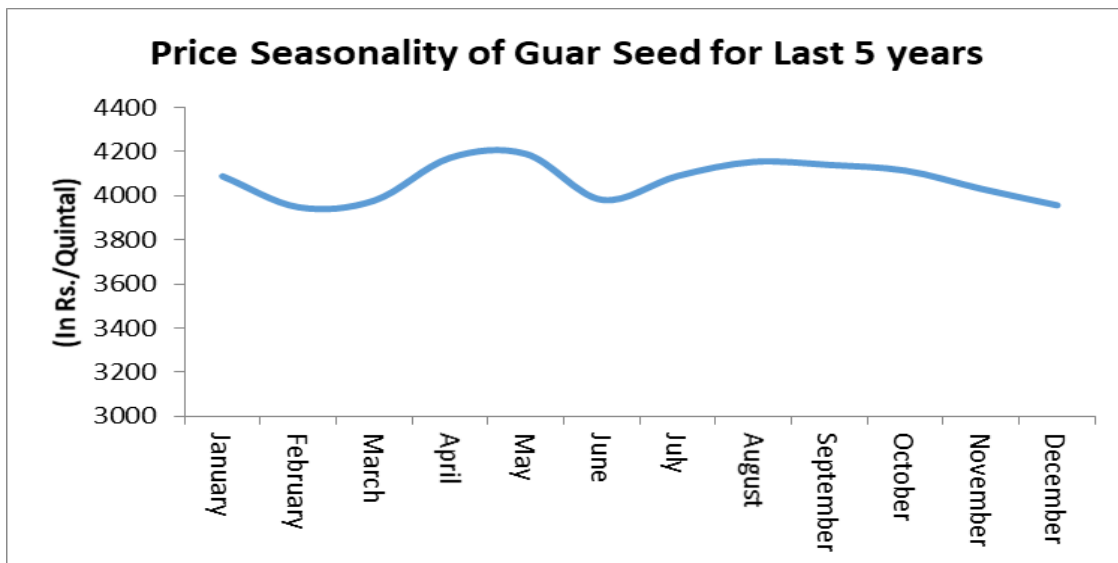
Export Scenario



On export front, guar gum demand fell y-o-y in November 2020. India has exported 13414 metric tonnes of guar gum in the month of November-2020, down by -6.4% compared to previous month and down by -30% compared to November-2019.

Exports of guar split improved in the month of November 2020. India has exported 4557 metric tonnes of guar split in the month of November-2020, up by 33% compared to previous month and up by 286% compared to November-2019.

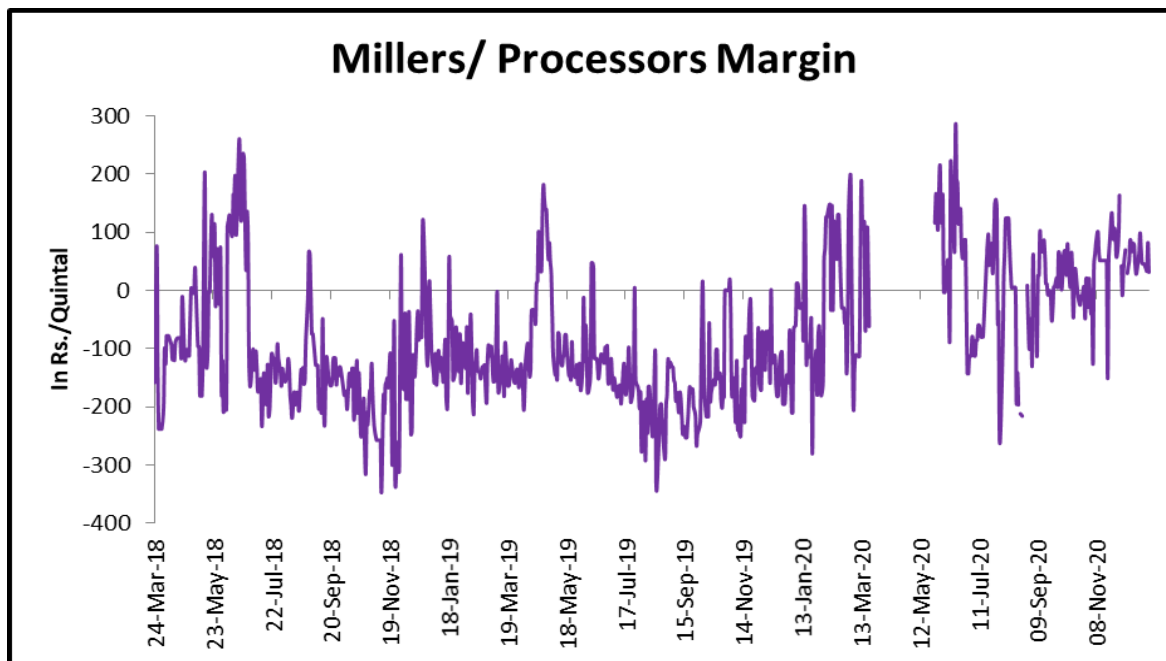
Price Seasonality of Guar Seed



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.

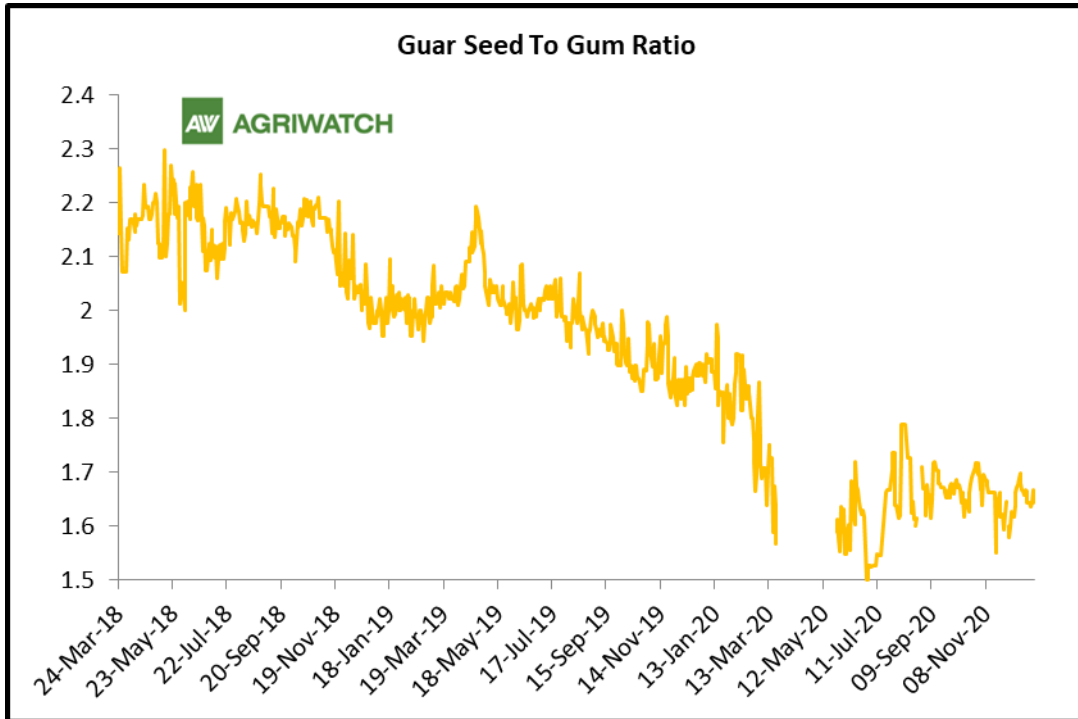
Millers/Processors Margin:

As seen in the chart, the average crush margin of guar seed have improved in December'20 as compared to November'20, the average crush margin improved to Rs. +57/quintal in December'20 compared to Rs. +47/quintal in November'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 fat at 1.65 in December'20 compared to November'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	Feb.	3600	3500	3954	4300	4400
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Feb.	SELL	Below 3960	3800	3700	4056

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.	5600	5500	6051	6500	6600
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Jan.	SELL	Below 6055	5900	5800	6148

Guar Seed & Gum Prices at Key Spot Markets

Guar Seed Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	31-Dec-20	31-Dec-20	31-Dec-20	30-Nov-20
Bikaner	25740	368	26108	8089
Deesa	0	0	0	0
Sri Ganganagar	2936	0	2936	1576
Jodhpur	1223	20	1243	0
Nokha	0	0	0	366

Guar Gum Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	31-Dec-20	31-Dec-20	31-Dec-20	30-Nov-20
Deesa	0	0	0	0
Bikaner	1881	0	1881	2057
Jodhpur	8016	109	8125	2966
Nokha	2304	0	2304	1384
Sri Ganganagar	2936	0	2936	2821

Churi and Korma Prices:		31-Dec-20
Commodity	Center	Rs./75 kg.
Churi	Jodhpur	2050
Korma	Jodhpur	3038
Churi	Sri Ganganagar	1838
Korma	Sri Ganganagar	2813

Guar Export Prices:		31-Dec-20	31-Dec-20
	Variety	Value (Rs/Kg)	Value (\$/MT)
Guargum/Split (Mundra Port)		63	862
Guargum Powder	200 Mesh 5000 CPS	83	1136
	200 Mesh 3500 CPS	78	1068
Guargum Meal	Meal 40%	30	411
	Meal 50%	40	547

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			31-Dec-20	30-Nov-20	
Rajasthan	Jodhpur	Jodhpur (Loose)	3650	3700	-50
		Jodhpur(Delivery)	3833	3885	-53
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3700	3700	Unch
		Sri-Ganganagar (Delivery)	3850	3850	Unch
		Rawla (Loose)	0	0	Unch
		Gharsana (Loose)	3680	3750	-70
		Raisinghnagar (Loose)	3700	3750	-50
	Bikaner	Bikaner (Loose)	3720	3750	-30
		Bikaner (Delivery)	3906	3938	-32
		Nokha(Loose)	3750	3725	25
		Nokha (Delivery)	3938	3911	26
		Khajuwala (Loose)	3700	3710	-10
		Khajuwala (Delivery)	3885	3896	-11
		Lunkaransar (Loose)	3710	3700	10
	Hanumangarh	Hanumangarh (Loose)	3650	3750	-100
		Hanumangarh (Delivery)	3833	3938	-105
		Nohar (Loose)	0	0	Unch
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	3600	0	3600
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3725	3750	-25
		Adampur (Delivery)	3911	3938	-26
	Bhiwani	Bhiwani (Delivery)	3925	3850	75
		Siwani (Loose)	3890	Closed	-
	Sirsa	Sirsa (Loose)	3650	3750	-100
		Dhabwali (Loose)	3650	3700	-50
		Dhabwali (Delivery)	3833	3885	-53
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3600	3600	Unch
Gujarat	Banaskantha	Deesa (Loose)	0	Close	-
	Patan	Patan (Loose)	3770	Close	-
	Rajkot	Rajkot (Loose)	0	0	Unch
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch

Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6000	6000	Unch
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	6000	6000	Unch
	Sirsa	Sirsa	6000	6000	Unch
		Dhabwali	6050	6075	-25
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6000	6000	Unch

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			31-Dec-20	30-Nov-20	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	500	500	Unch
		Rawla	0	0	Unch
		Gharsana	150	200	-50
		Raisinghnagar	250	200	50
	Bikaner	Bikaner	600	500	100
		Nokha	500	1500	-1000
		Khajuwala	400	200	200
		Lunkaransar	250	100	150
	Hanumangarh	Hanumangarh	100	100	Unch
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	500	0	500
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	400	300	100
	Bhiwani	Bhiwani	600	600	Unch
		Siwani	500	Closed	-
	Sirsa	Sirsa	1000	1000	Unch
		Dhabwali	200	300	-100
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	50	50	Unch
Gujarat	Banaskantha	Deesa	0	Close	-
	Patan	Patan	79	Close	-
	Rajkot	Rajkot	0	0	Unch
	Jamnagar	Dhrol	0	0	Unch

Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			6079	5550	-50

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