

Guar Monthly Research Report

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Executive Summary**Domestic Guar Seed Market Summary**

Firm sentiments are witnessed in the guar seed and guar gum market after improved demand of seed in the market. during the month in review.

Volume of trade also improved in the cash market yards, due to improving situation of COVID in India.

As per data released by Baker Hughes, the number of oilrigs in USA increased by 8 to 392 as on 5th February 2021 compared to 384 previous week. However, it is lower by 398 compared to 790 on 7th February 2020. Total number of oilrigs were recorded at 1,495 in Jan'21 compared to 3,957 in the corresponding period in last year.

India's guar gum exports improved in the month of December 2020 by +32% to 17,644 tonnes compared to 13,414 tonnes during November 2020 at an average FoB of US \$ 1849 per tonne in the month of December compared to US \$ 1611 per tonne in the month of November 2020. **However, the gum shipments were down -1% in December 2020 compared to the same period last year.** Of the total exported quantity, around 4,914 tonnes is bought US, Russia (3,290 tonnes) and Germany (2,432 tonnes).

India's guar split exports fell in the month of December 2020 by -39% to 2,800 tonnes compared to 4,557 tonnes during November 2020 at an average FoB of US \$ 955 per tonne in the month of December compared to US \$ 1,390 per tonne in the month of November 2020. Further, the guar split shipments were up +32% in December 2020 compared to the same period last year. Of the total exported quantity, around 1,880 tonnes is bought China, US (800 tonnes) and Switzerland (120 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)..

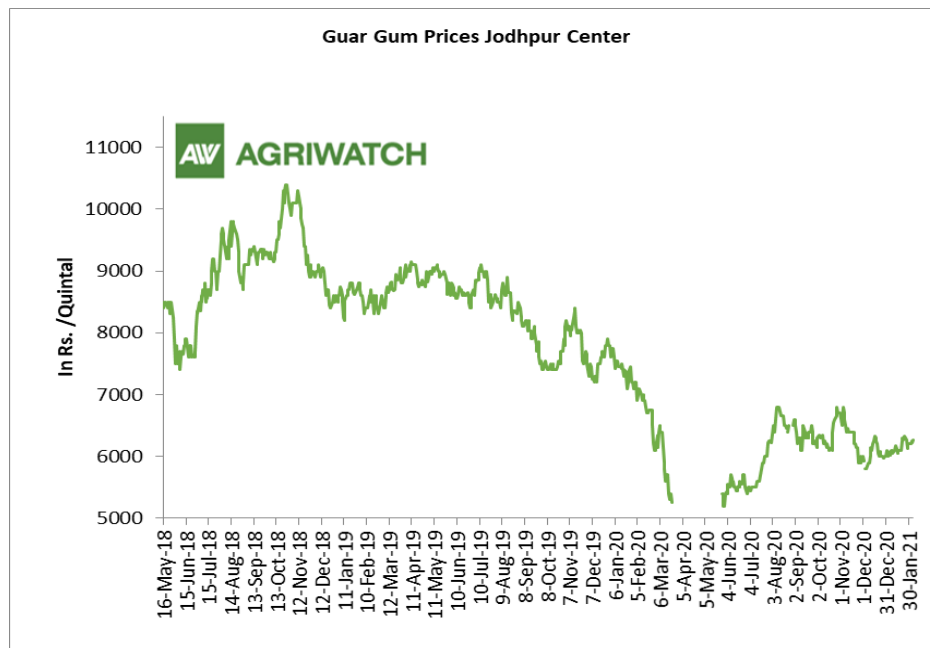
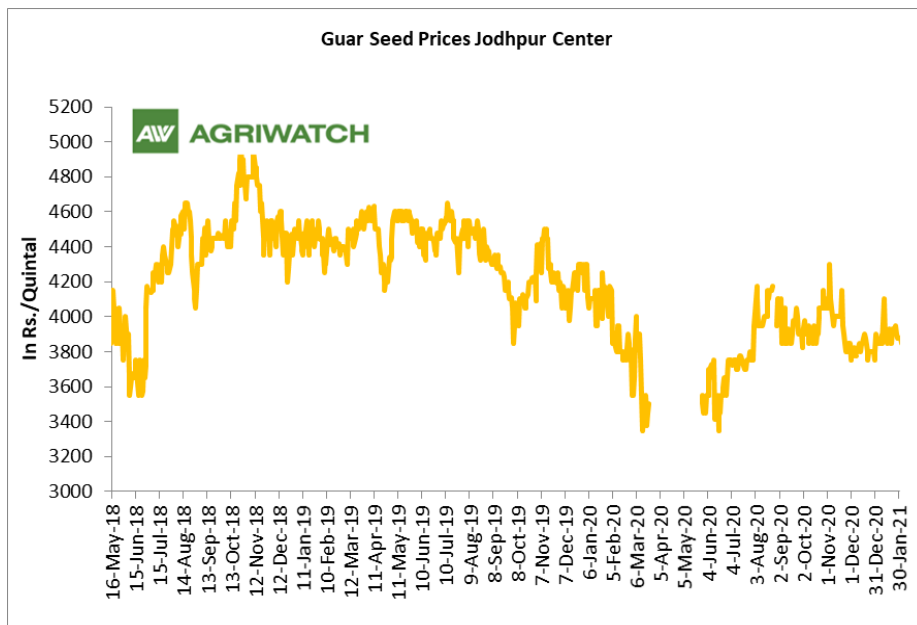
Recommendation:

Monthly Call- : Market participants are advised to Buy Guar seed future March contract Above 3950 levels for a target of 4200 with a stop loss at 3800.

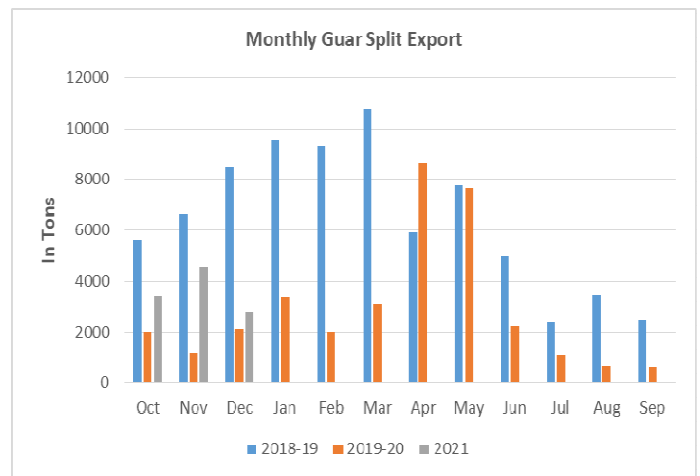
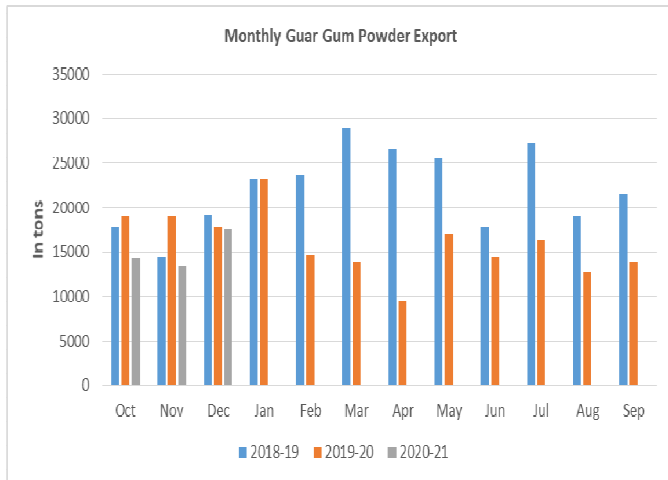
Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

- The local guar seed prices rose in January compared to the prices in the month December. Improved demand from processors after COVID followed by improved overseas demand in guar gum may support prices in future..
- Stockists and the processors are the major buyers of the new seed.
- The average guar seed all paid prices in Jodhpur have rose and was quoted at Rs 3,889 a quintal in January compared to Rs 3,814 a quintal in December.
- Besides, the average guar gum prices too rose to around Rs 6,136 a quintal in January'21 compared to Rs 6,043 per quintal in December.
- 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.



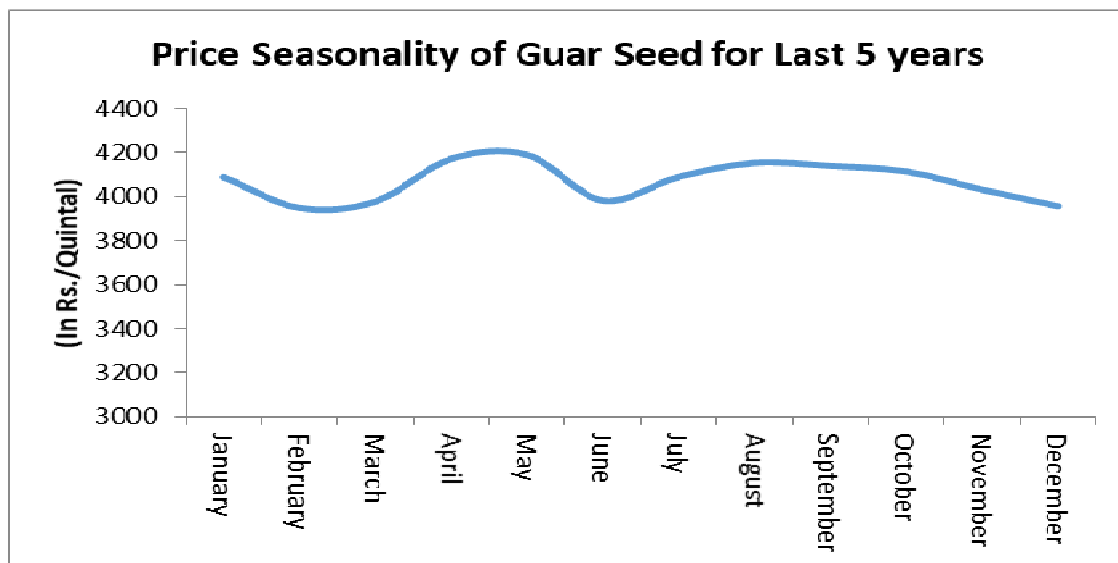
Export Scenario



On export front, guar gum demand rose y-o-y in December 2020. India has exported 17644 metric tonnes of guar gum in the month of December-2020, higher by 31.54% compared to previous month however down by -0.76% compared to December-2019.

Exports of guar split declined in the month of December 2020. India has exported 2800 metric tonnes of guar split in the month of December-2020, lower by 38.56% compared to previous month however higher by 32.08% compared to December-2019.

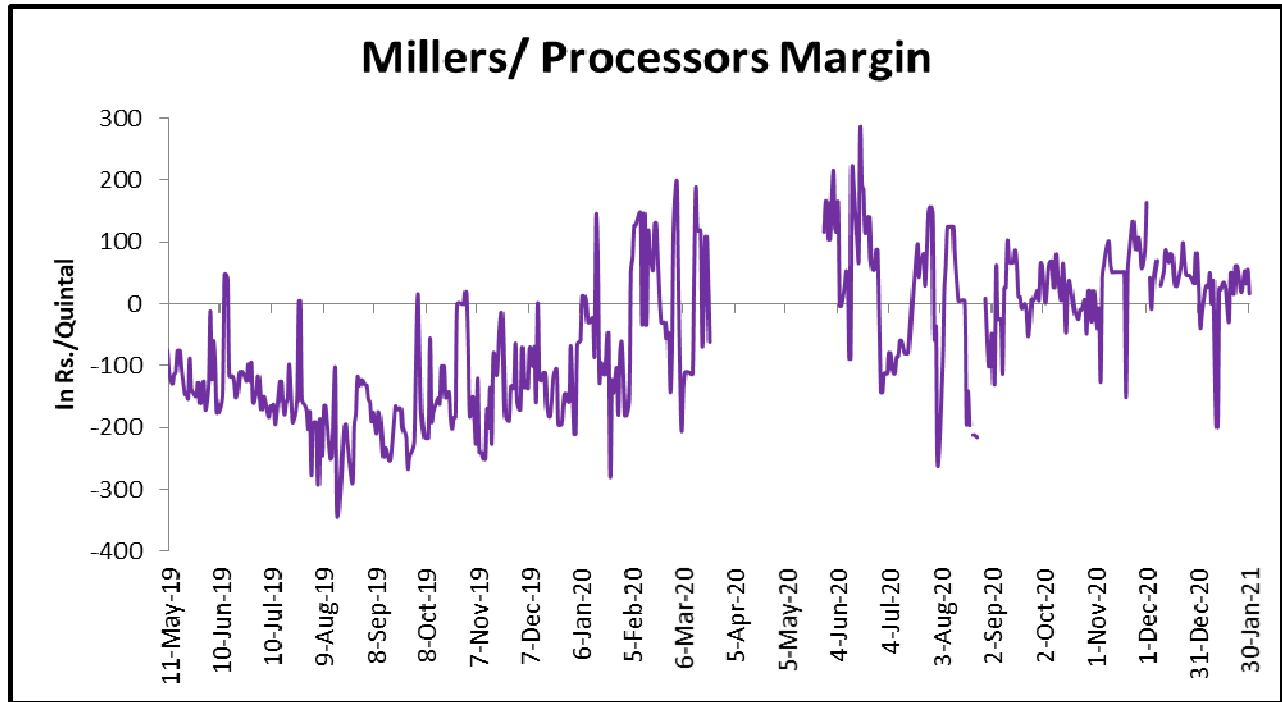
Price Seasonality of Guar Seed



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.

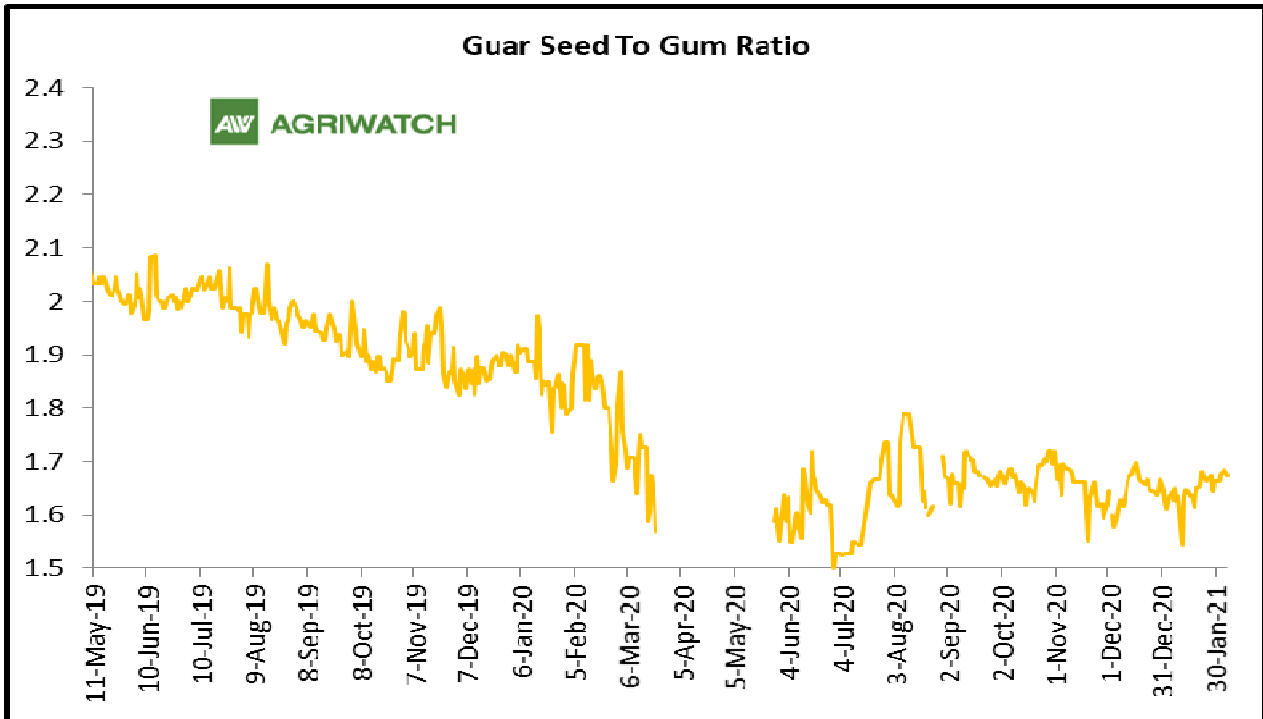
Millers/Processors Margin:

As seen in the chart, the average crush margin of guar seed have declined in January'21 as compared to December'20, the average crush margin declined to Rs. +17.06/quintal in January'21 compared to Rs. +57/quintal in December'20. Fall in the guar product prices like churi and korma have declined the processors' margin.



Guar Seed to Gum Ratio:

The average monthly Ratio of guar seed to gum stood higher at 1.66 in January'21 compared to 1.65 in December'20. Improved demand of gum from domestic markets has kept the overall ratio higher side.



Technical Analysis (Guar Seed)

Commodity: Guar Seed
Exchange: NCDEX

Guar Seed (Technical Chart)



Technical Commentary:

- Guar seed rose on buying interest during the month.
- Prices closed above 40-day EMA.
- RSI and stochastic are rising in the neutral region.
- Prices are likely to feature gain in the near-term.

Strategy: Buy

Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Mar.	3450	3600	3997	4420	4580
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Mar.	Buy	Above 3950	4200	4300	3800

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

Technical Commentary:

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

Strategy: Buy

Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Mar.	5800	6100	6363	6750	6900
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Mar.	Buy	Above 6300	6500	6650	6150

Guar Seed & Gum Prices at Key Spot Markets

Guar Seed Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	30-Jan-21	30-Jan-21	30-Jan-21	30-Jan-21
Bikaner	27022	60	27082	8089
Deesa	-	-	-	-
Sri Ganganagar	3027	-	3027	1576
Jodhpur	1223	-	1223	0
Nokha	-	-	-	-

Guar Gum Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	30-Jan-21	30-Jan-21	30-Jan-21	30-Jan-21
Deesa	-	-	-	-
Bikaner	2243	-	2243	2057
Jodhpur	9165	259	9424	2966
Nokha	2653	40	2693	1384
Sri Ganganagar	2450	-	2450	2821

Churi and Korma Prices:		30-Jan-21
Commodity	Center	Rs./75 kg.
Churi	Jodhpur	2050
Korma	Jodhpur	2963
Churi	Sri Ganganagar	1913
Korma	Sri Ganganagar	2850

Guar Export Prices:		30-Jan-21	30-Jan-21
	Variety	Value (Rs/Kg)	Value (\$/MT)
Guargum/Split (Mundra Port)		63	864
Guargum Powder	200 Mesh 5000 CPS	83	1138
	200 Mesh 3500 CPS	78	1070
Guargum Meal	Meal 40%	30	411
	Meal 50%	40	549

Guar Seed Prices at Key Spot Markets:

Commodity	District	Centre	Prices (Rs/Qtl)		Change
			30-Jan-21	31-Dec-20	
Guar Seed					
Rajasthan	Jodhpur	Jodhpur (Loose)	3725	3650	75
		Jodhpur(Delivery)	3911	3833	79
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3700	3700	Unch
		Sri-Ganganagar (Delivery)	3850	3850	Unch
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	3750	3680	70
		Raisinghnagar (Loose)	3640	3700	-60
	Bikaner	Bikaner (Loose)	3770	3720	50
		Bikaner (Delivery)	3959	3906	53
		Nokha(Loose)	3750	3750	Unch
		Nokha (Delivery)	3938	3938	Unch
		Khajuwala (Loose)	Closed	3700	-
		Khajuwala (Delivery)	Closed	3885	-
		Lunkaransar (Loose)	3750	3710	40
	Hanumangarh	Hanumangarh (Loose)	Closed	3650	-
		Hanumangarh (Delivery)	closed	3833	-
		Nohar (Loose)	-	-	-
		Pilibanga (Loose)	-	-	-
	Nagaur	Nagaur (Loose)	3675	3600	75
	Churu	Churu (Delivery)	-	-	-
	Alwar	Alwar (Loose)	-	-	-
Haryana	Hisar	Adampur (Loose)	3725	3725	Unch
		Adampur (Delivery)	3911	3911	Unch
	Bhiwani	Bhiwani (Delivery)	3900	3925	-25
		Siwani (Loose)	3880	3890	-10
	Sirsa	Sirsa (Loose)	3690	3650	40
		Dhabwali (Loose)	3700	3650	50
		Dhabwali (Delivery)	3700	3833	-133
		Ellanabad (Loose)	-	-	-
	Fatehabad	Fatehabad (Loose)	3600	3600	Unch
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	3755	3770	-15
	Rajkot	Rajkot (Loose)	3625	-	3625
	Jamnagar	Dhrol (Loose)	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					

Rajasthan	Jodhpur	Jodhpur	6200	6000	200
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	6100	6000	100
	Sirsa	Sirsa	6200	6000	200
		Dhabwali	6200	6050	150
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	6200	6000	200

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			30-Jan-21	31-Dec-20	
Rajasthan	Jodhpur	Jodhpur	-	-	-
	Sri-Ganganagar	Sri-Ganganagar	500	500	Unch
		Rawla	-	-	-
		Gharsana	150	150	Unch
		Raisinghnagar	200	250	-50
	Bikaner	Bikaner	500	600	-100
		Nokha	400	500	-100
		Khajuwala	Closed	400	-
		Lunkaransar	100	250	-150
	Hanumangarh	Hanumangarh	closed	100	-
		Nohar	-	-	-
		Pilibanga	-	-	-
	Nagaur	Nagaur	150	500	-350
	Churu	Churu	-	-	-
	Alwar	Alwar	-	-	-
Haryana	Hisar	Adampur	400	400	Unch
	Bhiwani	Bhiwani	500	600	-100
		Siwani	300	500	-200
	Sirsa	Sirsa	1500	1000	500
		Dhabwali	100	200	-100
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	50	50	Unch
Gujarat	Banaskantha	Deesa	-	-	-
	Patan	Patan	100	79	21
	Rajkot	Rajkot	50	-	50
	Jamnagar	Dhrol	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-



Total Arrivals/Above Markets	5000	6079	-579
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