

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 1 to 403 as on 5th March 2021 compared to 402 previous week, 26th February 2021. Total number of oilrigs were recorded at 1,588 in February'21 compared to 3,161 in the corresponding period in last year.

India's guar gum exports fell in the month of January 2021 by over -10% to 15811 tonnes compared to 17,644 tonnes during December 2020 at an average FoB of US \$ 2002 per tonne in the month of January compared to US \$ 1849 per tonne in the month of December 2020. However, the gum shipments were down -32% in January 2021 compared to the same period last year. Of the total exported quantity, around 5,450 tonnes is bought US, Germany (1,728 tonnes) and China (1,258 tonnes).

India's guar split exports improved in the month of January 2021 by -97% to 5512 tonnes compared to 2,800 tonnes during December 2020 at an average FoB of US \$ 1,463 per tonne in the month of January compared to US \$ 955 per tonne in the month of December 2020. Further, the guar split shipments were up +62% in January 2021 compared to the same period last year. Of the total exported quantity, around 1,160 tonnes is bought US, Nepal (517 tonnes) and United Kingdom (439 tonnes).

Previous Updates:

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).

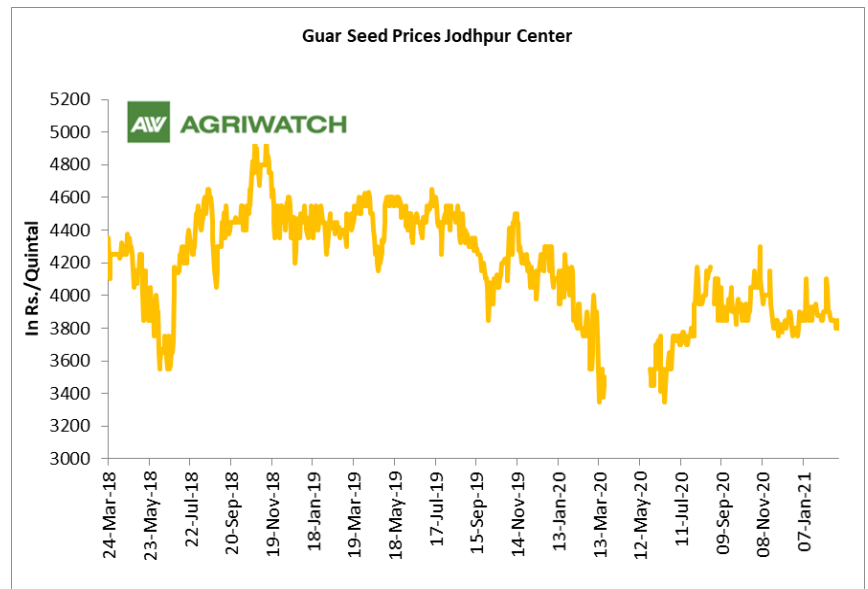
Recommendation:

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.

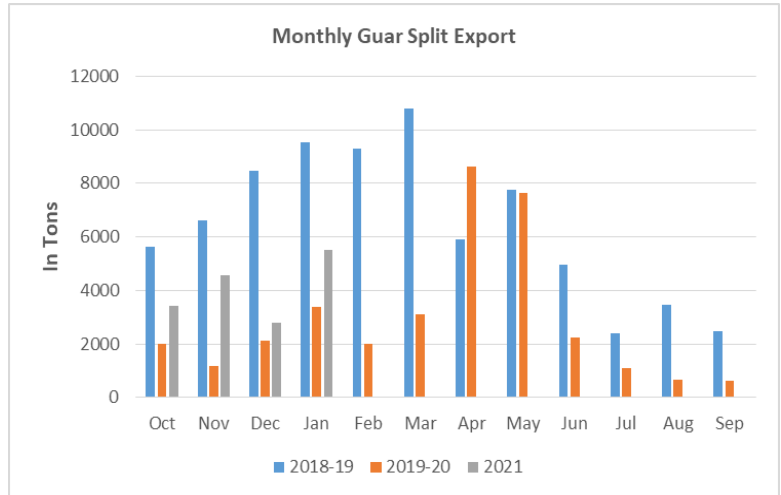
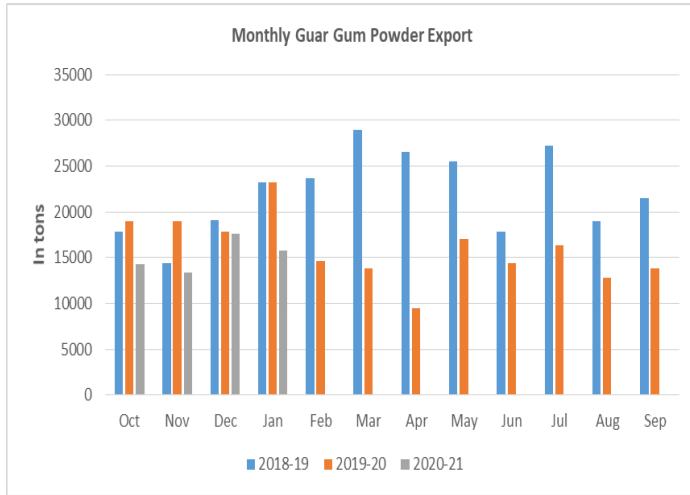
Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

- The local guar seed prices witnessed mild losses in February compared to previous month. Besides limited demand from processors after COVID followed by weak overseas demand in guar gum remained bearish for the market.
- Need based buying by the stockists and the processors is witnessed.
- The average guar seed all paid prices in Jodhpur have fell and was quoted at Rs 3,877 a quintal in February compared to Rs 3,889 a quintal in January.
- The 2020/21 guar seed output is estimate to have fallen by around 45% compared to the previous season.
- Besides, the average guar gum prices slightly improved to around Rs 6,234 a quintal in February compared to Rs 6,306 per quintal in January.
- 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.



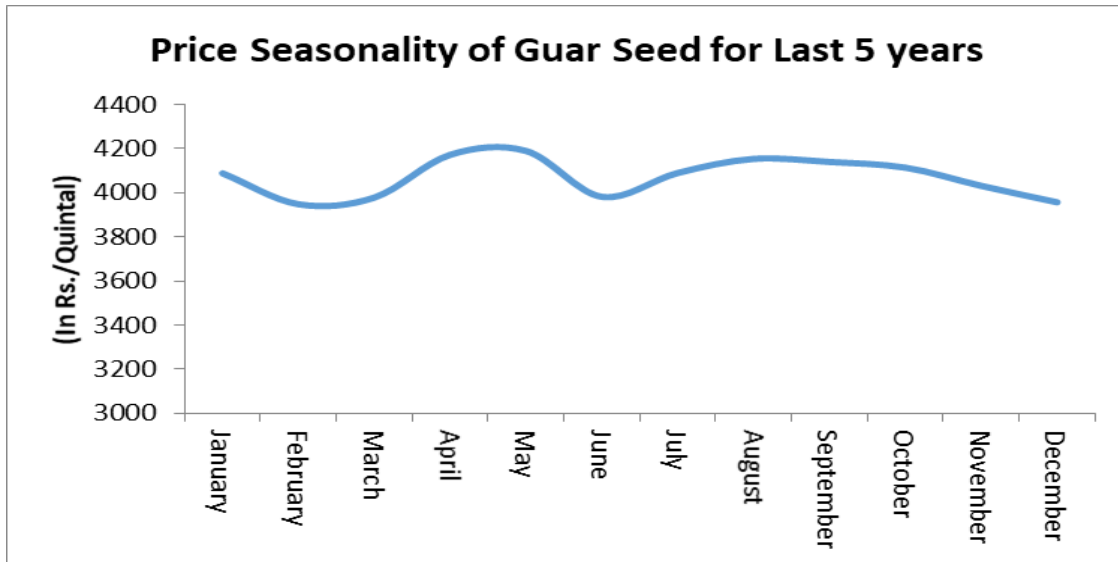
Export Scenario



On export front, guar gum demand fell y-o-y in January 2021. India has exported 15,811 metric tonnes of guar gum in the month of January-2021, down by -10% compared to previous month and down by -32% compared to January-2020.

Exports of guar split improved in the month of January 2021. India has exported 5,512 metric tonnes of guar split in the month of January-2021, up by 97% compared to previous month and up by 62% compared to January-2020.

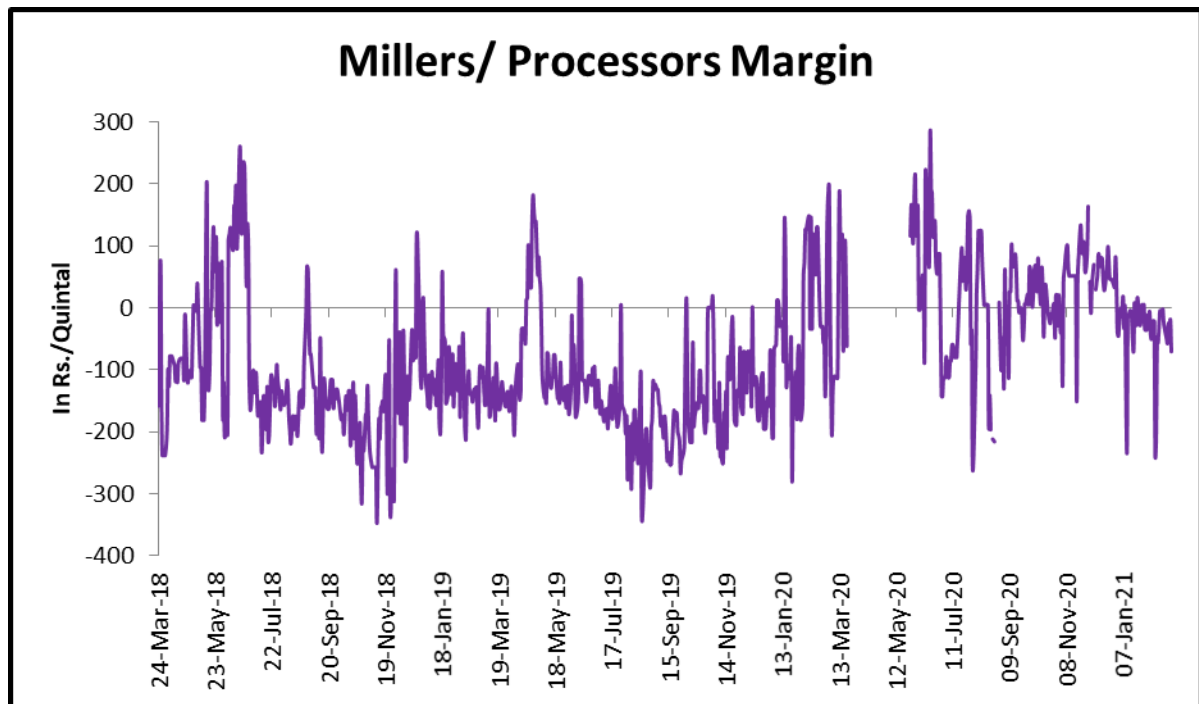
Price Seasonality of Guar Seed



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.

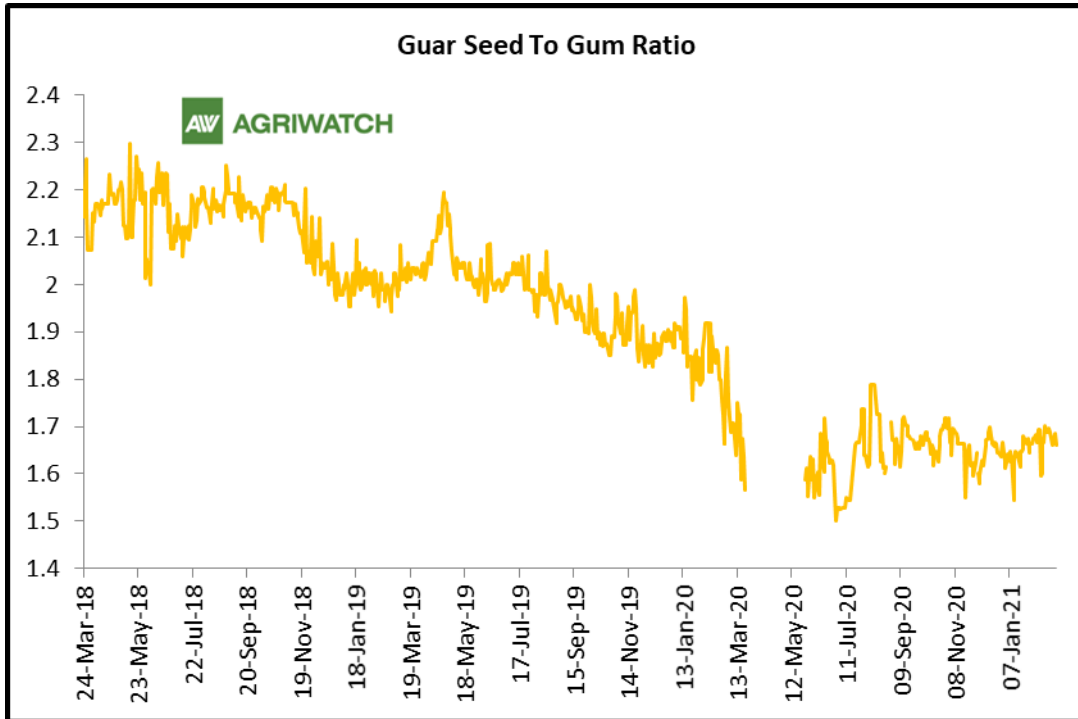
Millers/Processors Margin:

As seen in the chart, the average crush margin of guar seed have declined in February'21 as compared to January'21, the average crush margin improved to Rs. -45.6/quintal in February'21 compared to Rs. -20.9/quintal in January'21. Fall in the guar product prices like churi and korma have pressured the processors' margin.



Guar Seed to Gum Ratio:

The average monthly Ratio of guar seed to gum improved to 1.67 in February'21 compared to 1.64 in January'21. 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	Apr.	3650	3400	3885	4183	4400
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Apr.	SELL	Below 3895	3795	3695	3955

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	Apr.	5900	5800	6168	6500	6600
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Apr.	SELL	Below 6175	6075	5975	6235

Guar Seed & Gum Prices at Key Spot Markets

Guar Seed Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	27-Feb-21	27-Feb-21	27-Feb-21	30-Jan-21
Bikaner	27514	0	27514	8089
Deesa	0	0	0	0
Sri Ganganagar	3361	0	3361	1576
Jodhpur	1223	0	1223	0
Nokha	0	0	0	366

Guar Gum Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	27-Feb-21	27-Feb-21	27-Feb-21	30-Jan-21
Deesa	0	0	0	0
Bikaner	1939	0	1939	2057
Jodhpur	10592	258	10850	2966
Nokha	3343	160	3503	1384
Sri Ganganagar	2361	0	2361	2821

Churi and Korma Prices:		8-Mar-21
Commodity	Center	Rs./75 kg.
Churi	Jodhpur	2075
Korma	Jodhpur	2869
Churi	Sri Ganganagar	1838
Korma	Sri Ganganagar	2700

Guar Export Prices:		8-Mar-21	8-Mar-21
	Variety	Value (Rs/Kg)	Value (\$/MT)
Guargum/Split (Mundra Port)		63	861
Guargum Powder	200 Mesh 5000 CPS	83	1135
	200 Mesh 3500 CPS	78	1066
Guargum Meal	Meal 40%	30	410
	Meal 50%	40	547

Guar Seed Prices at Key Spot Markets:

Commodity	District	Centre	Prices (Rs/Qtl)		Change
			27-Feb-21	30-Jan-21	
Guar Seed					
Rajasthan	Jodhpur	Jodhpur (Loose)	3700	3725	-25
		Jodhpur(Delivery)	3885	3911	-26
	Sri-Ganganagar	Sri-Ganganagar(Loose)	Closed	3700	-
		Sri-Ganganagar (Delivery)	Closed	3850	-
		Rawla (Loose)	0	0	Unch
		Gharsana (Loose)	Closed	3750	-
		Raisinghnagar (Loose)	Closed	3640	-
	Bikaner	Bikaner (Loose)	3660	3770	-110
		Bikaner (Delivery)	3843	3959	-116
		Nokha(Loose)	3725	3750	-25
		Nokha (Delivery)	3911	3938	-26
		Khajuwala (Loose)	Closed	Closed	-
		Khajuwala (Delivery)	Closed	Closed	-
		Lunkaransar (Loose)	3670	3750	-80
	Hanumangarh	Hanumangarh (Loose)	3650	Closed	-
		Hanumangarh (Delivery)	3833	closed	-
		Nohar (Loose)	0	0	Unch
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	3625	3675	-50
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3700	3725	-25
		Adampur (Delivery)	3885	3911	-26
	Bhiwani	Bhiwani (Delivery)	Closed	3900	-
		Siwani (Loose)	3790	3880	-90
	Sirsa	Sirsa (Loose)	3650	3690	-40
		Dhabwali (Loose)	3620	3700	-80
		Dhabwali (Delivery)	3620	3885	-265
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3500	3600	-100
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	3530	3755	-225
	Rajkot	Rajkot (Loose)	3550	3625	-75
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch

Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6150	6200	-50
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	Closed	6100	-
	Sirsa	Sirsa	6100	6200	-100
		Dhabwali	6100	6200	-100
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6000	6200	-200

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			27-Feb-21	30-Jan-21	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	Closed	500	-
		Rawla	0	0	Unch
		Gharsana	Closed	150	-
		Raisinghnagar	Closed	200	-
	Bikaner	Bikaner	300	500	-200
		Nokha	500	400	100
		Khajuwala	Closed	Closed	-
		Lunkaransar	200	100	100
	Hanumangarh	Hanumangarh	100	closed	-
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	125	150	-25
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	300	400	-100
	Bhiwani	Bhiwani	Closed	500	-
		Siwani	400	300	100
	Sirsa	Sirsa	2000	1500	500
		Dhabwali	200	100	100
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	50	50	Unch
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	7	100	-93
	Rajkot	Rajkot	20	50	-30
	Jamnagar	Dhrol	0	0	Unch



Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			4202	5000	

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