

Guar Monthly Research Report

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Executive Summary**Domestic Guar Seed Market Summary**

Steady to weak sentiments witnessed 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 2 to 432 as on 09th April 2021 compared to 430 previous week, 01st April 2021. However, they are down by 28% from 602 oilrigs in the corresponding period in last year.

India's guar gum exports improved in the month of February 2021 by over +13% to 17,915 tonnes compared to 15,811 tonnes during January 2021 at an average FoB of US \$ 1993 per tonne in the month of February compared to US \$ 2002 per tonne in the month of January 2021. Further, the gum shipments were up +23% in February 2021 compared to the same period last year. Of the total exported quantity, around 4,086 tonnes is bought US, Germany (2,744 tonnes) and China (2,312 tonnes).

India's guar split exports fell in the month of February 2021 by -46% to 2,964 tonnes compared to 5512 tonnes during January 2021 at an average FoB of US \$ 1,013 per tonne in the month of February compared to US \$ 1,463 per tonne in the month of January 2021. However, the guar split shipments were up +47% in February 2021 compared to the same period last year. Of the total exported quantity, around 2,200 tonnes is bought China, US (460 tonnes) and Netherlands (180 tonnes).

Previous Updates:

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).

Recommendation:

Monthly Call- : Market participants are advised to BUY Guar seed future May contract Above 3850 levels for a target of 4000 with a stop loss at 3760.

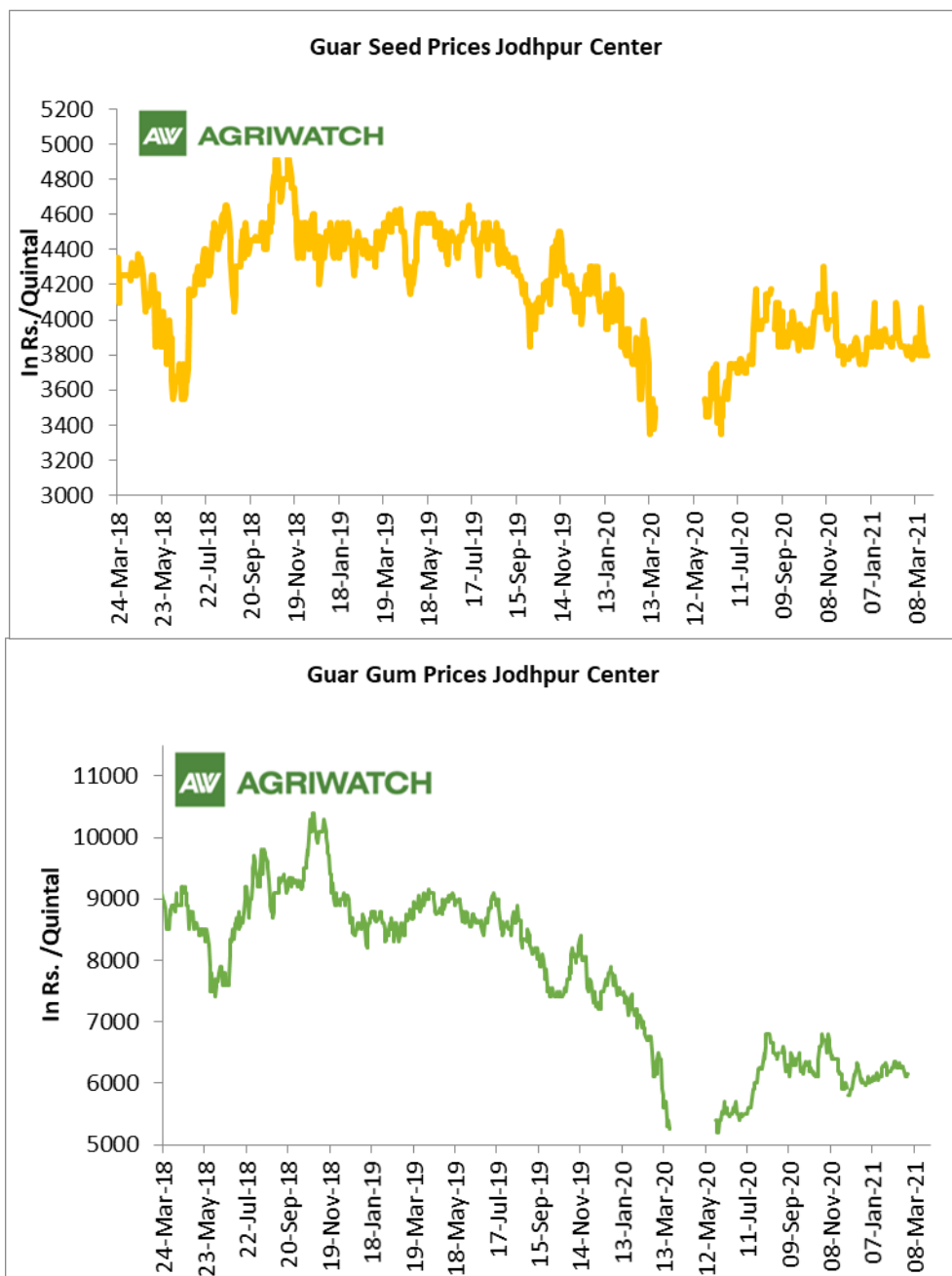
Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

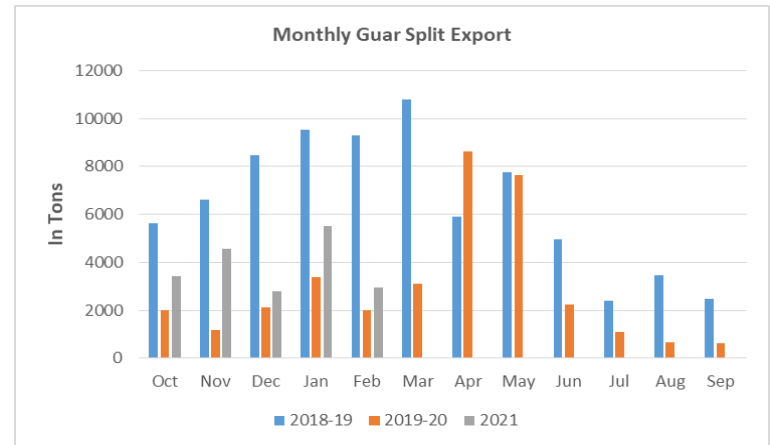
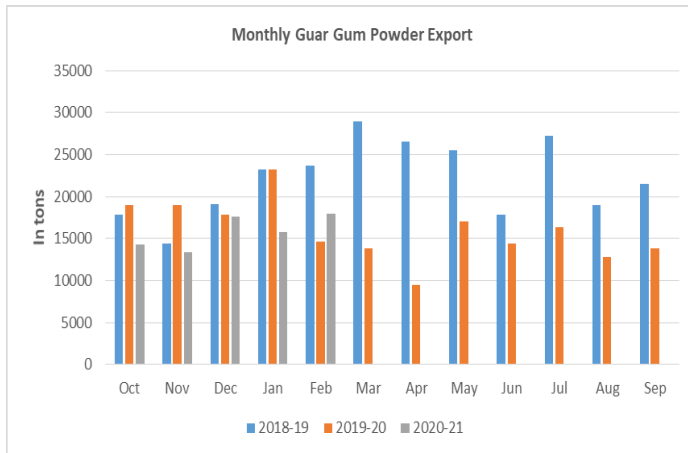
- The local guar seed prices once again witnessed mild losses in March compared to previous month. Besides limited demand from processors after COVID followed by weak overseas demand in guar gum remained bearish for the market.

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 3,852 a quintal in March compared to Rs 3,877 a quintal in February.
- 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 fell to around Rs 6,078 a quintal in March compared to Rs 6,234 per quintal in February.



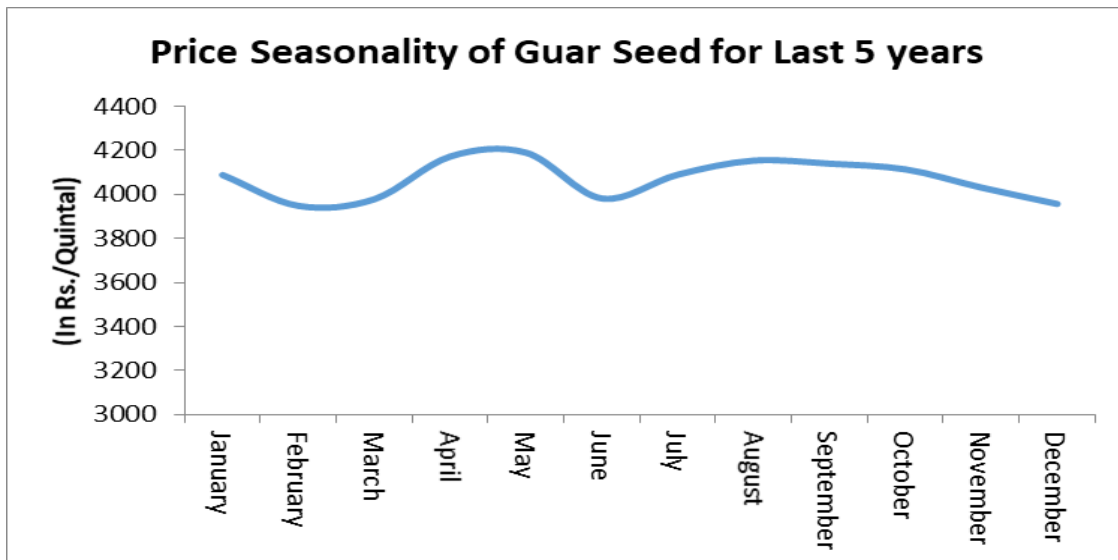
Export Scenario



On export front, guar gum demand improved y-o-y in February 2021. India has exported 17,915 metric tonnes of guar gum in the month of February 2021, up by +13% compared to previous month and up by +23% compared to February 2020.

Exports of guar split improved in the month of February 2021. India has exported 2964 metric tonnes of guar split in the month of February 2021, down by -46% compared to previous month and up by +47% compared to February 2020.

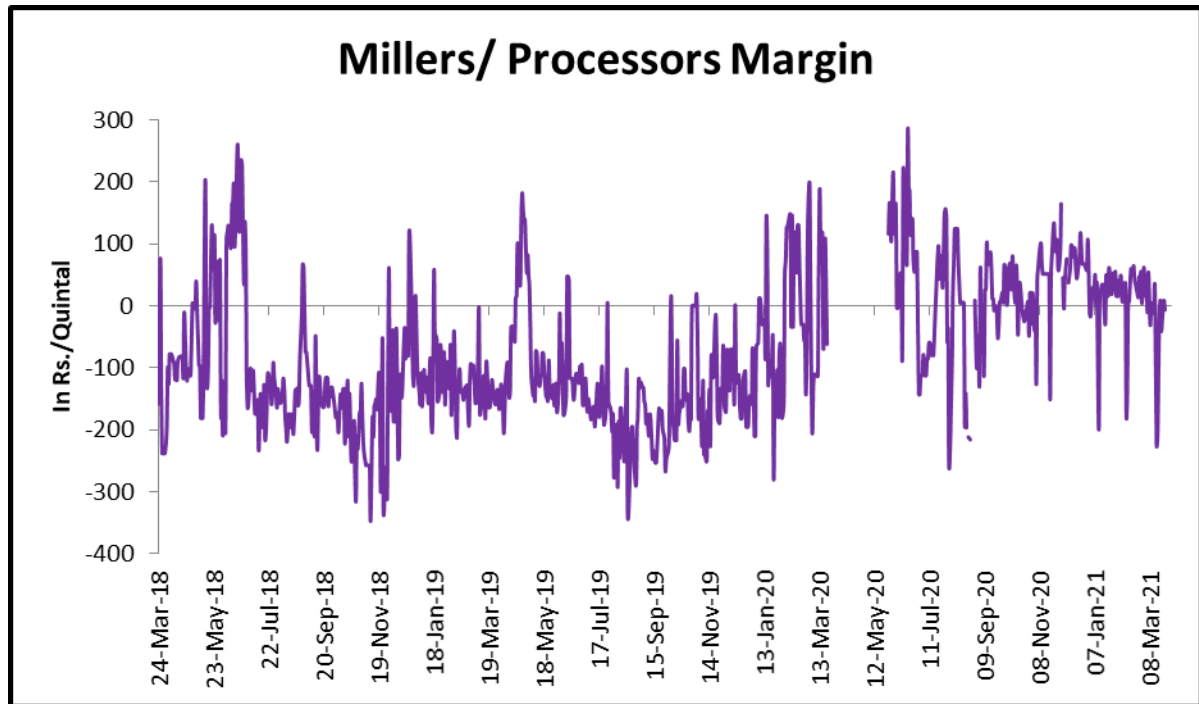
Price Seasonality of Guar Seed



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.

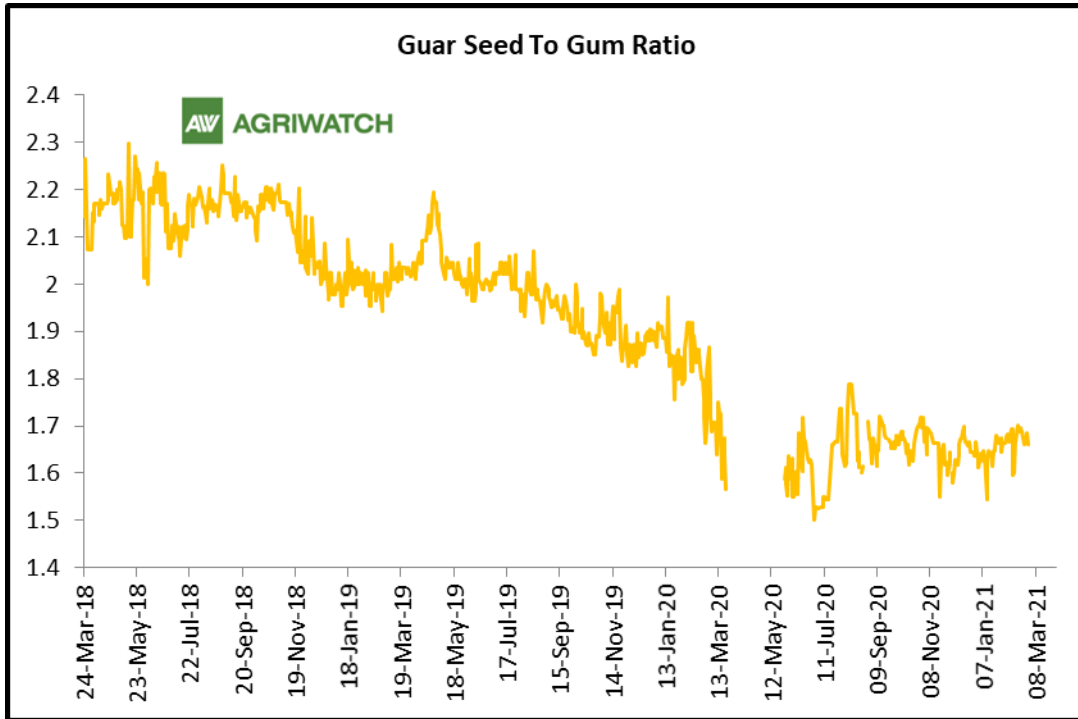
Millers/Processors Margin:

As seen in the chart, the average crush margin of guar seed have further declined in March'21 as compared to February'21, the average crush margin have slightly improved to Rs. -19.61/quintal in February'21 compared to Rs. -45.6/quintal in February'21.



Guar Seed to Gum Ratio:

The average monthly Ratio of guar seed to gum stood at 1.64 in March'21 compared to 1.67 in February'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 rebound in April.

Strategy: BUY

Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	May	3500	3400	3815	4300	4400
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	May	BUY	Above 3850	4000	4150	3760

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 rebound in near-term.

Strategy: BUY

Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	May	5500	5400	5894	6500	6600
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	May	BUY	Above 5890	5990	6090	5830

Guar Seed & Gum Prices at Key Spot Markets

Guar Seed Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	31-Mar-21	31-Mar-21	31-Mar-21	27-Feb-21
Bikaner	26722	371	27093	8089
Deesa	0	0	0	0
Sri Ganganagar	3391	0	3391	1576
Jodhpur	1223	0	1223	0
Nokha	0	0	0	366

Guar Gum Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	31-Mar-21	31-Mar-21	31-Mar-21	27-Feb-21
Deesa	0	0	0	0
Bikaner	2406	0	2406	2057
Jodhpur	11123	0	11123	2966
Nokha	4011	0	4011	1384
Sri Ganganagar	2186	0	2186	2821

Churi and Korma Prices:		31-Mar-21
Commodity	Center	Rs./75 kg.
Churi	Jodhpur	2075
Korma	Jodhpur	2869
Churi	Sri Ganganagar	1838
Korma	Sri Ganganagar	2700

Guar Export Prices:		31-Mar-21	31-Mar-21
	Variety	Value (Rs/Kg)	Value (\$/MT)
Guargum/Split (Mundra Port)		63	859
Guargum Powder	200 Mesh 5000 CPS	83	1131
	200 Mesh 3500 CPS	78	1063
Guargum Meal	Meal 40%	30	409
	Meal 50%	40	545

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			31-Mar-21	27-Feb-21	
Rajasthan	Jodhpur	Jodhpur (Loose)	-	3700	-
		Jodhpur(Delivery)	-	3885	-
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3650	Closed	-
		Sri-Ganganagar (Delivery)	3800	Closed	-
		Rawla (Loose)	0	0	Unch
		Gharsana (Loose)	0	Closed	-
		Raisinghnagar (Loose)	0	Closed	-
	Bikaner	Bikaner (Loose)	Closed	3660	-
		Bikaner (Delivery)	Closed	3843	-
		Nokha(Loose)	Closed	3725	-
		Nokha (Delivery)	closed	3911	-
		Khajuwala (Loose)	Closed	Closed	-
		Khajuwala (Delivery)	Closed	Closed	-
		Lunkaransar (Loose)	3600	3670	-70
	Hanumangarh	Hanumangarh (Loose)	3600	3650	-50
		Hanumangarh (Delivery)	3780	3833	-53
		Nohar (Loose)	0	0	Unch
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	Closed	3625	-
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3650	3700	-50
		Adampur (Delivery)	3833	3885	-53
	Bhiwani	Bhiwani (Delivery)	Closed	Closed	-
		Siwani (Loose)	3770	3790	-20
	Sirsa	Sirsa (Loose)	3625	3650	-25
		Dhabwali (Loose)	3600	3620	-20
		Dhabwali (Delivery)	3780	3801	-21
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3550	3500	50
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	0	3530	-3530
	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	0	6150	-6150
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	Closed	Closed	-
	Sirsa	Sirsa	5900	6100	-200
		Dhabwali	5950	6100	-150
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6000	6000	Unch

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			31-Mar-21	27-Feb-21	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	400	Closed	-
		Rawla	0	0	Unch
		Gharsana	0	Closed	-
		Raisinghnagar	0	Closed	-
	Bikaner	Bikaner	Closed	300	-
		Nokha	Closed	500	-
		Khajuwala	Closed	Closed	-
		Lunkaransar	150	200	-50
	Hanumangarh	Hanumangarh	90	100	-10
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	Closed	125	-
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	400	300	100
	Bhiwani	Bhiwani	Closed	Closed	-
		Siwani	200	400	-200
	Sirsa	Sirsa	800	2000	-1200
		Dhabwali	70	200	-130
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	50	50	Unch
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	0	7	-7
	Rajkot	Rajkot	0	20	-20



	Jamnagar	Dhrol	0	0	Unch
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			2160	4202	

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