

Guar Monthly Research Report

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Executive Summary**Domestic Guar Seed Market Summary**

Most of the guar seed markets remained closed for COVID lockdown restriction, however, firm sentiments witnessed in those markets which were open, on short supplies. Overall, there is a slack in seed demand from the processors. Gradual increase in the oilrig counts with increasing crude oil demand raised the hope of guar gum exports in recent days. Improved guar gum exports figure in last 2-months remained slightly positive for the guar complex, but COVID lockdown restrictions may once again hamper the processing and exports of the guar gum. 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 8 to 448 as on 07th May 2021 compared to 440 previous week, 30th April 2021. Further, they are up by 20% from 374 oilrigs in the corresponding period in last year.

India's guar gum exports improved in the month of March 2021 by over +12% to 20,127 tonnes compared to 17,915 tonnes during February 2021 at an average FoB of US \$ 1659 per tonne in the month of March compared to US \$ 1993 per tonne in the month of February 2021. Further, the gum shipments were up +46% in March 2021 compared to the same period last year. Of the total exported quantity, around 6,235 tonnes is bought US, Germany (3,075 tonnes) and China (2,688 tonnes).

India's guar split exports rose in the month of March 2021 by +12.5% to 3,334 tonnes compared to 2,964 tonnes during February 2021 at an average FoB of US \$ 1,025 per tonne in the month of February compared to US \$ 1,013 per tonne in the month of February 2021. However, the guar split shipments were up +8% in March 2021 compared to the same period last year. Of the total exported quantity, around 2,521 tonnes is bought China, US (680 tonnes) and Netherlands and Switzerland (60 tonnes each).

Previous Updates:

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).

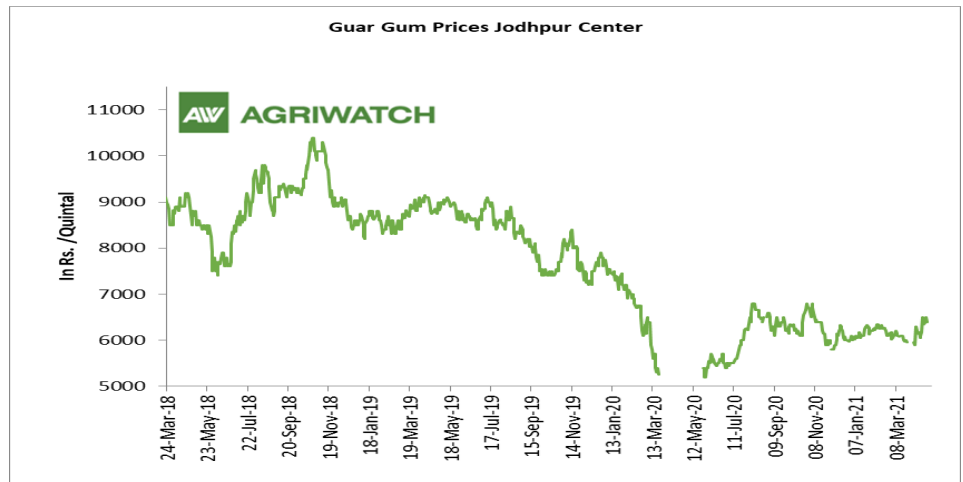
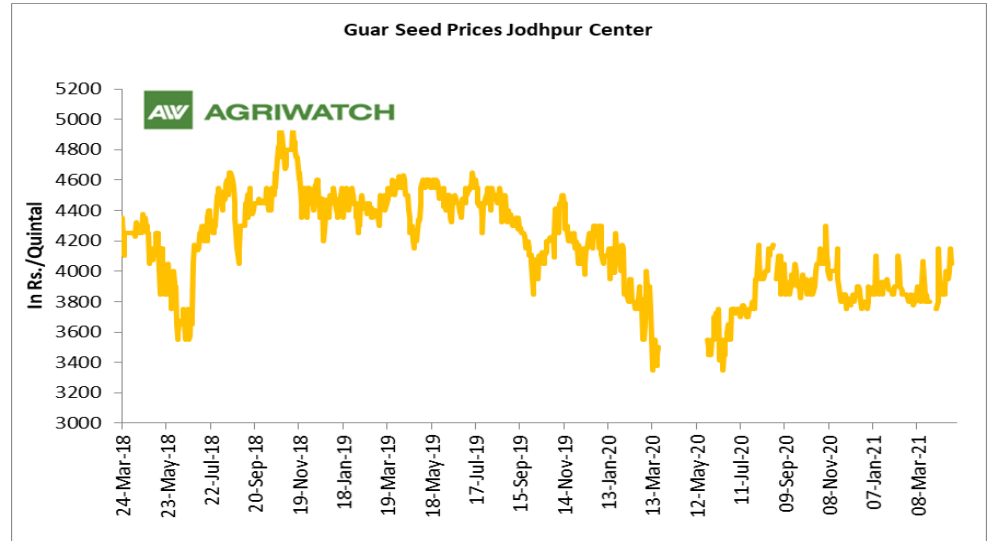
Recommendation:

Monthly Call- : Market participants are advised to BUY Guar seed future Junecontract Above 4080 levels for a target of 4200 with a stop loss at 4008.

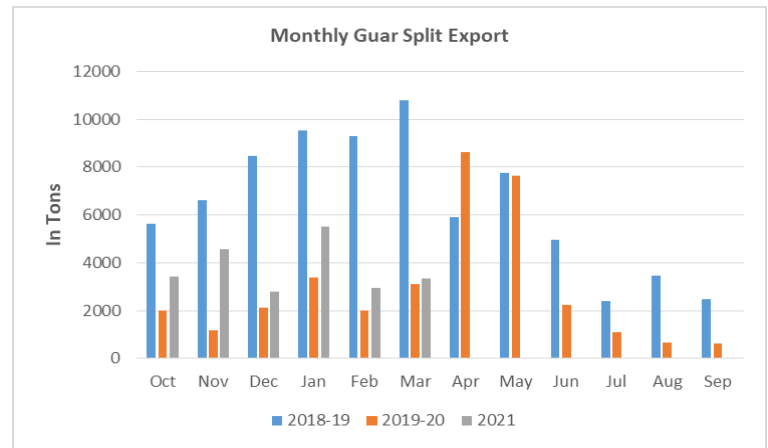
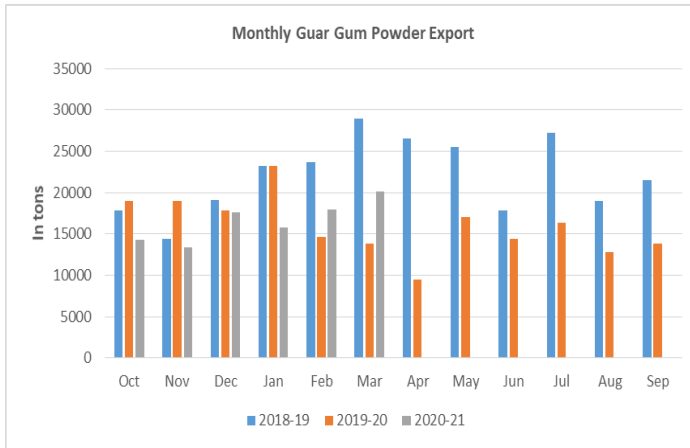
Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

- The local guar seed prices rebound in April compared to the previous month. A slight improved demand in the seed from guar processors followed by increased overseas demand for the guar gum remained supportive for the seed during the month. However, COVID lockdown restrictions will hamper the guar trade and subsequently guar processing. The exports of the guar gum is still below normal, though slightly above same period last year.
- The average guar seed all paid prices in Jodhpur have improved and was quoted at Rs 3928 a quintal in April compared to Rs 3,852 a quintal in March.
- 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 improved to around Rs 6243 a quintal in April compared to Rs 6,078 per quintal in March.



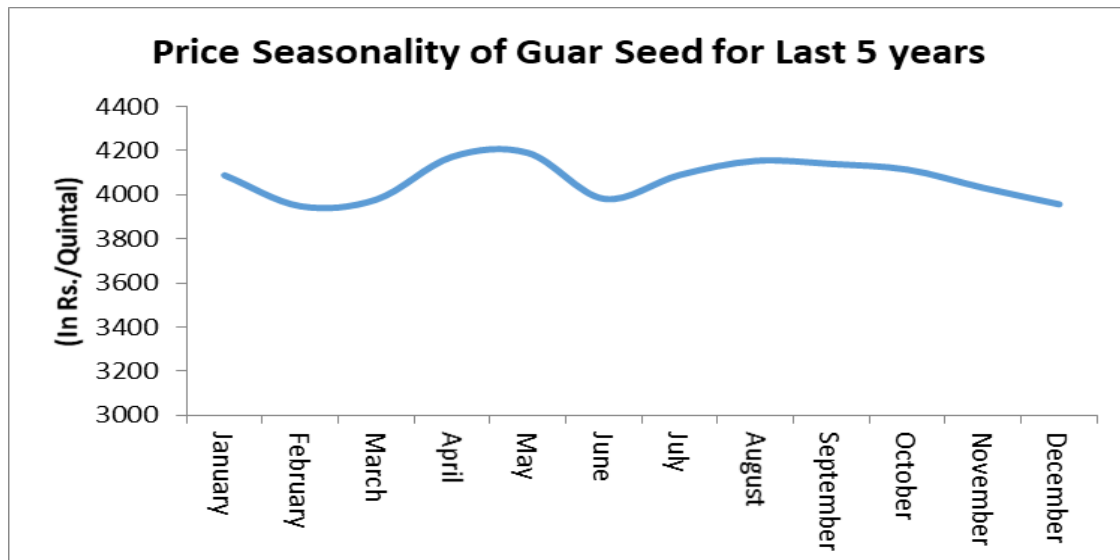
Export Scenario



On export front, guar gum demand improved y-o-y in March 2021. India has exported 20,127 metric tonnes of guar gum in the month of March 2021, up by +12% compared to previous month and up by +46% compared to March 2020.

Exports of guar split improved in the month of March 2021. India has exported 3,334 metric tonnes of guar split in the month of March 2021, up by +13% compared to previous month and up by +8% compared to March 2020.

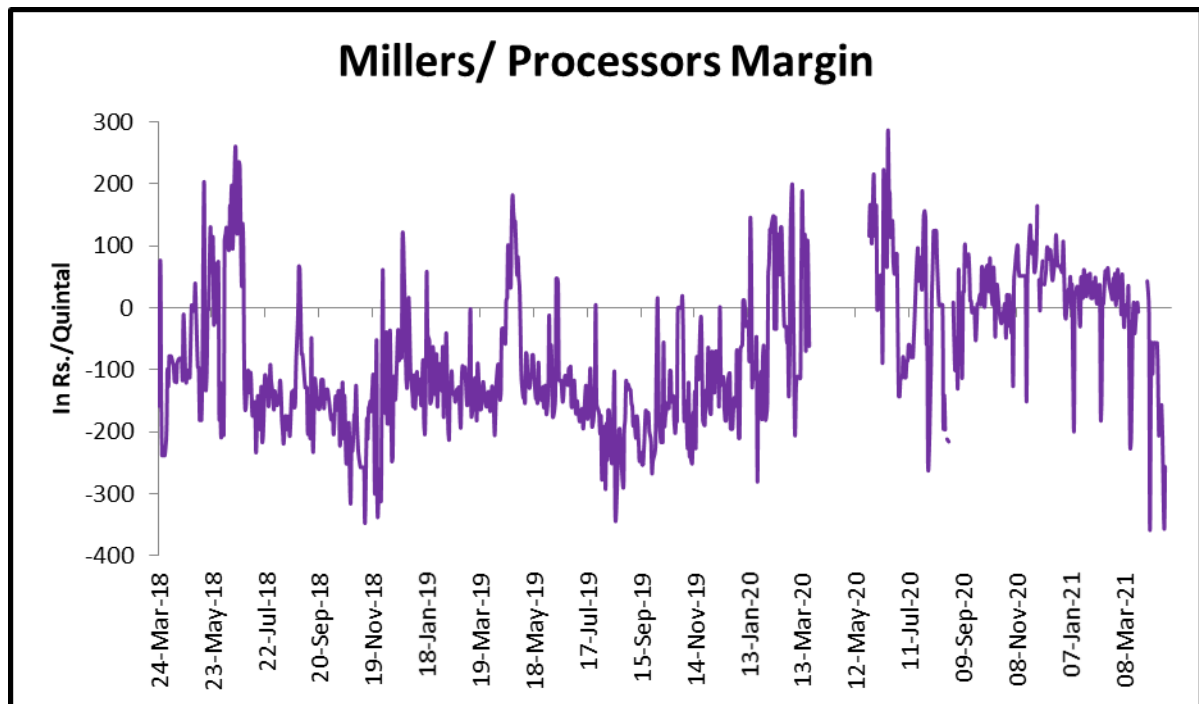
Price Seasonality of Guar Seed



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.

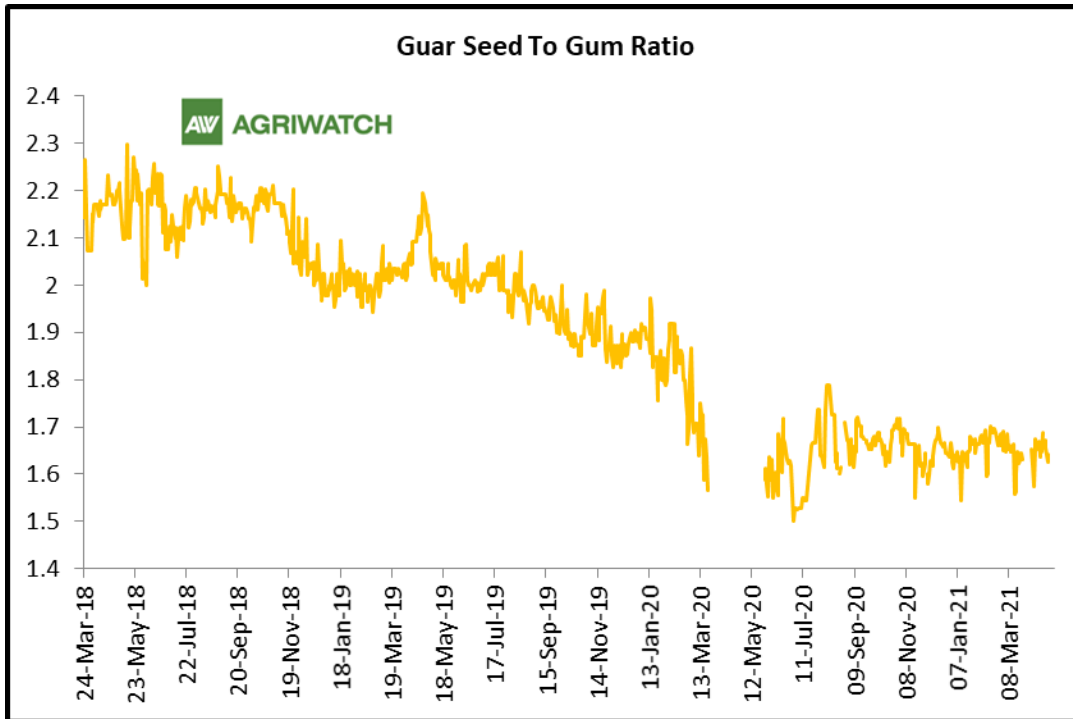
Millers/Processors Margin:

As seen in the chart, the average crush margin of guar seed have further declined in April'21 as compared to March'21, the average crush margin have dipped to Rs. -135/quintal in April'21 compared to Rs. -19.61/quintal in March'21.



Guar Seed to Gum Ratio:

The average monthly Ratio of guar seed to gum stood at 1.64 in April'21 which is at par with March'21. Overall, steady to firm demand of gum from domestic and overseas markets has kept the overall ratio steady.



Technical Analysis (Guar Seed)

Commodity: Guar Seed

Exchange: NCDEX

Guar Seed (Technical Chart)



Technical Commentary:

- Guar seed posted gains during April on buying support in the market.
- Prices closed above 40-day EMA.
- RSI and stochastic are rising in the neutral region, supporting the losses.
- Prices are likely to be firm in May.

Strategy: BUY

Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Jun.	3800	3700	4099	4500	4600
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Jun.	BUY	Above 4080	4200	4300	4008

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Exchange: NCDEX

Guar Gum (Technical Chart)



Technical Commentary:

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

Strategy: BUY

Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Jun.	5900	5800	6220	6707	6850
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Jun.	BUY	Above 6210	6350	6450	6126

Guar Seed & Gum Prices at Key Spot Markets

Guar Seed Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	30-Apr-21	30-Apr-21	30-Apr-21	31-Mar-21
Bikaner	28239	0	28239	8089
Deesa	0	0	0	0
Sri Ganganagar	3401	0	3401	1576
Jodhpur	1223	0	1223	0
Nokha	0	0	0	366

Guar Gum Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	30-Apr-21	30-Apr-21	30-Apr-21	31-Mar-21
Deesa	0	0	0	0
Bikaner	2406	0	2406	2057
Jodhpur	10969	79	11048	2966
Nokha	4006	20	4026	1384
Sri Ganganagar	1752	0	1752	2821

Churi and Korma Prices:		8-May-21
Commodity	Center	Rs./75 kg.
Churi	Jodhpur	-
Korma	Jodhpur	-
Churi	Sri Ganganagar	-
Korma	Sri Ganganagar	-

Guar Export Prices:		8-May-21	8-May-21
	Variety	Value (Rs/Kg)	Value (\$/MT)
Guargum/Split (Mundra Port)		-	-
Guargum Powder	200 Mesh 5000 CPS	-	-
	200 Mesh 3500 CPS	-	-
Guargum Meal	Meal 40%	-	-
	Meal 50%	-	-

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			30-Apr-21	31-Mar-21	
Rajasthan	Jodhpur	Jodhpur (Loose)	Closed	0	-
		Jodhpur(Delivery)	Closed	0	-
	Sri-Ganganagar	Sri-Ganganagar(Loose)	0	3650	-
		Sri-Ganganagar (Delivery)	0	3800	-
		Rawla (Loose)	0	0	-
		Gharsana (Loose)	0	0	-
		Raisinghnagar (Loose)	0	0	-
	Bikaner	Bikaner (Loose)	Closed	Closed	-
		Bikaner (Delivery)	Closed	Closed	-
		Nokha(Loose)	3925	Closed	-
		Nokha (Delivery)	4121	closed	-
		Khajuwala (Loose)	NA	Closed	-
		Khajuwala (Delivery)	NA	Closed	-
		Lunkaransar (Loose)	3800	3600	200
	Hanumangarh	Hanumangarh (Loose)	0	3600	-
		Hanumangarh (Delivery)	0	3780	-
		Nohar (Loose)	0	0	Unch
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	0	Closed	-
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3950	3650	300
		Adampur (Delivery)	4148	3833	315
	Bhiwani	Bhiwani (Delivery)	3900	Closed	-
		Siwani (Loose)	4030	3770	260
	Sirsa	Sirsa (Loose)	NA	3625	-
		Dhabwali (Loose)	0	3600	-
		Dhabwali (Delivery)	0	3780	-
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3900	3550	350
Gujarat	Banaskantha	Deesa (Loose)	0	0	-
	Patan	Patan (Loose)	0	0	-
	Rajkot	Rajkot (Loose)	0	0	-
	Jamnagar	Dhrol (Loose)	0	0	-

Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	Closed	0	-
	Alwar	Alwar	0	0	-
	Hanumangarh	Nohar	0	0	-
Haryana	Bhiwani	Bhiwani	6200	Closed	-
	Sirsa	Sirsa	6200	5900	300
		Dhabwali	0	5950	-
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6200	6000	200

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			30-Apr-21	31-Mar-21	
Rajasthan	Jodhpur	Jodhpur	Closed	0	-
	Sri-Ganganagar	Sri-Ganganagar	0	400	-400
		Rawla	0	0	-
		Gharsana	0	0	-
		Raisinghnagar	0	0	-
	Bikaner	Bikaner	Closed	Closed	--
		Nokha	200	Closed	-
		Khajuwala	NA	Closed	-
		Lunkaransar	200	150	50
	Hanumangarh	Hanumangarh	0	90	-90
		Nohar	0	0	-
		Pilibanga	0	0	-
	Nagaur	Nagaur	0	Closed	-
	Churu	Churu	0	0	-
	Alwar	Alwar	0	0	-
Haryana	Hisar	Adampur	300	400	-100
	Bhiwani	Bhiwani	400	Closed	-
		Siwani	400	200	200
	Sirsa	Sirsa	NA	800	-
		Dhabwali	0	70	-70
		Ellanabad	0	0	-
	Fatehabad	Fatehabad	NA	50	-
Gujarat	Banaskantha	Deesa	0	0	-
	Patan	Patan	0	0	-
	Rajkot	Rajkot	0	0	-



	Jamnagar	Dhrol	0	0	-
Madhya Pradesh	Gwalior	Dabra	0	0	-
Total Arrivals/Above Markets			1500	2160	

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