

# Guar Monthly Research Report

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**Executive Summary****Domestic Guar Seed Market Summary**

**Most of the guar seed markets were closed for COVID lockdown restriction in May'21, however, steady to firm sentiments witnessed in those markets, which were open, despite good 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 have limited trading activities in last month. Volume of trade may increase in the cash market yards, in expectation of improved trading activities in coming months after ease of lock down restrictions now.**

As per data released by Baker Hughes, the number of oilrigs in USA fell by one to 456 as on 4th June 2021 compared to 457 previous week, 28<sup>th</sup> May 2021. Further, they are up by 51.82% from 301 oilrigs in the corresponding period in last year.

India's guar gum exports improved in the month of April 2021 higher by +3.38% to 20,808 tonnes compared to 20127 tonnes during March 2021 at an average FoB of US \$ 1392 per tonne in the month of April 2021 as compared to US \$ 1659 per tonne in the month of March 2021. Further, the gum shipments were up +120% in April 2021 compared to the same period last year. Of the total exported quantity, around 7,155 tonnes is bought in US, Germany (2,348 tonnes) and China (2,489 tonnes).

India's guar split exports rose in the month of April 2021 by +66% to 5560 tonnes compared to 3,334 tonnes during March 2021 at an average FoB of US \$ 960 per tonne in the month of April compared to US \$ 1,024 per tonne in the month of March 2021. However, the guar split shipments Plunged -35% in April 2021 compared to the same period last year. Of the total exported quantity, around 4,960 tonnes is bought in China, US (240 tonnes) and Switzerland 360 tonnes.

**Previous Updates:**

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 in 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 in China, US (680 tonnes) and Netherlands and Switzerland (60 tonnes each).

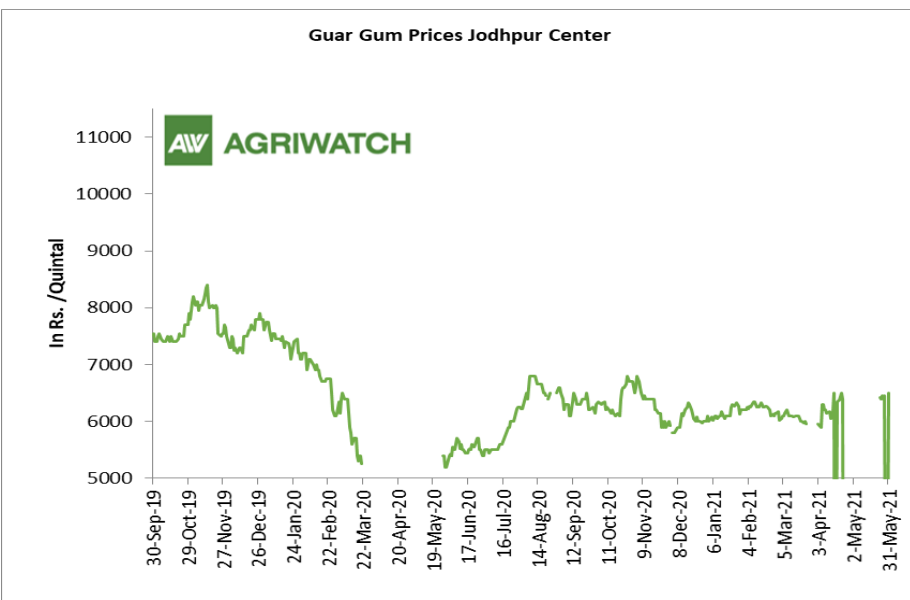
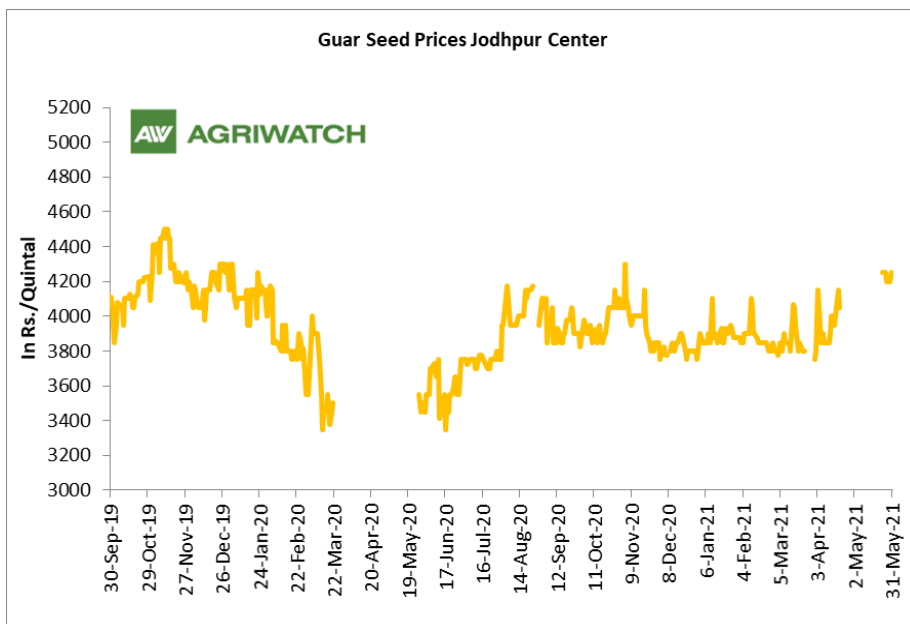
**Recommendation:**

**Monthly Call- : Market participants are advised to BUY Guar seed future July contract Above 4190 levels for a target of 4400 with a stop loss at 4080.**

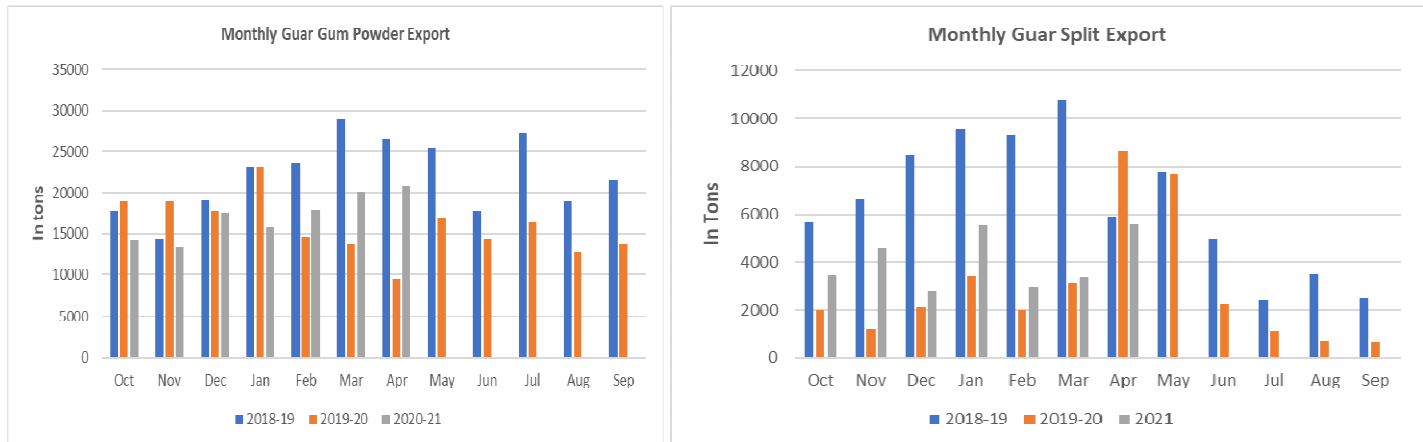
## Guar Seed Fundamental Analysis and Outlook:-

### Domestic Front

- The local guar seed paid prices witnessed gain in May'21 compared to previous month. Fresh buying activities of seed in local markets after ease of lockdown restrictions is supporting prices to rise.
- The average guar seed all paid prices in Jodhpur have increased and was quoted at Rs. 4228 a quintal in May compared to Rs. 3,928.12 a quintal in March.
- The 2020/21 guar seed output is estimate to have fallen by around 45% compared to the previous season.
- In addition, the average guar gum prices improved to around Rs. 6,437.5 a quintal in May'21 compared to Rs. 6,226.5 per quintal in April'21 supported by good demand of exporters. Rise in oil rings also supported prices to increase.



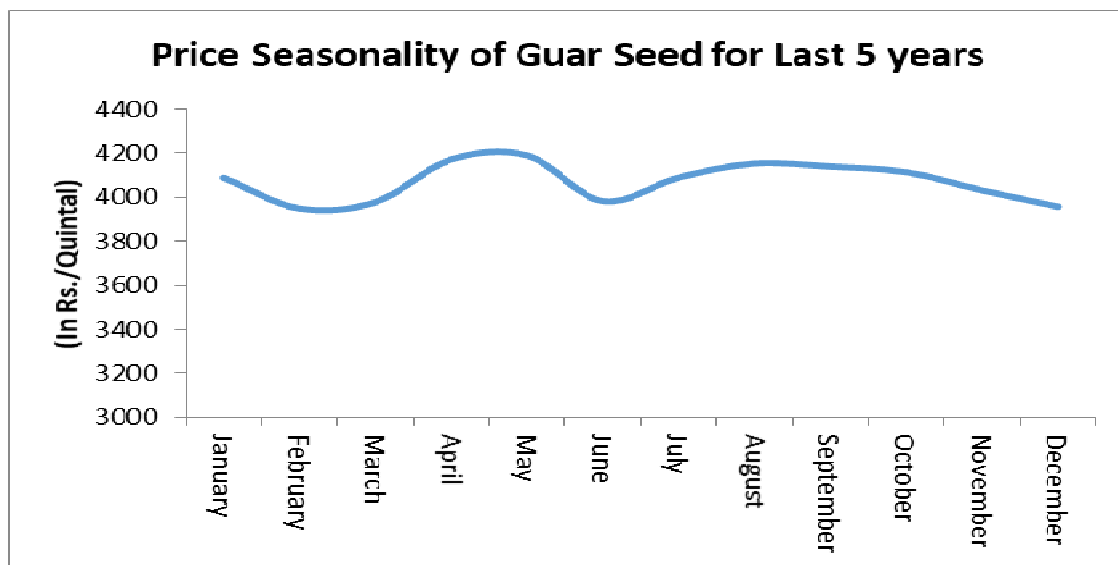
### Export Scenario



On export front, guar gum demand improved y-o-y in April 2021. India has exported 20,808 metric tonnes of guar gum in the month of April 2021, up by +3.38% compared to previous month and up by +120.49% compared to April 2020.

Exports of guar split improved in the month of April 2021. India has exported 5560 metric tonnes of guar split in the month of April 2021, up by +66.76% compared to previous month and declined by -35% compared to April 2020.

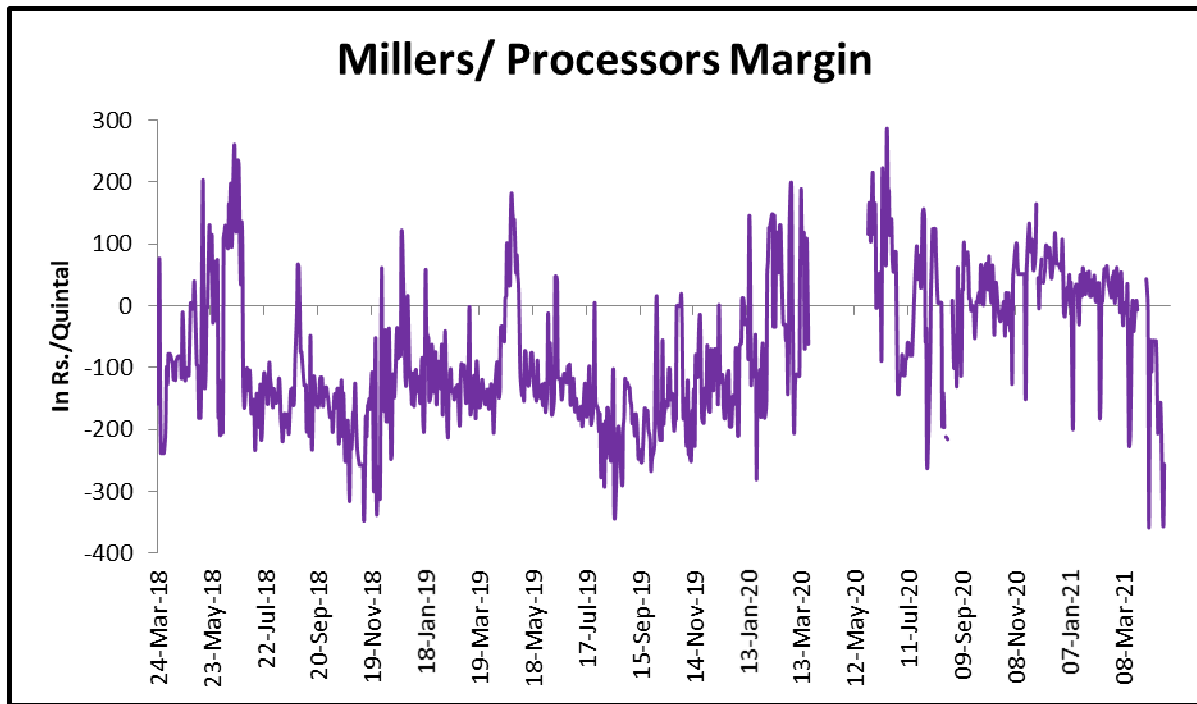
### Price Seasonality of Guar Seed



As per the price seasonality chart of guar seed for last 5 years, guar seed prices started to rise from July, continued its rally until October, and then fell from higher levels in the month of November and December.

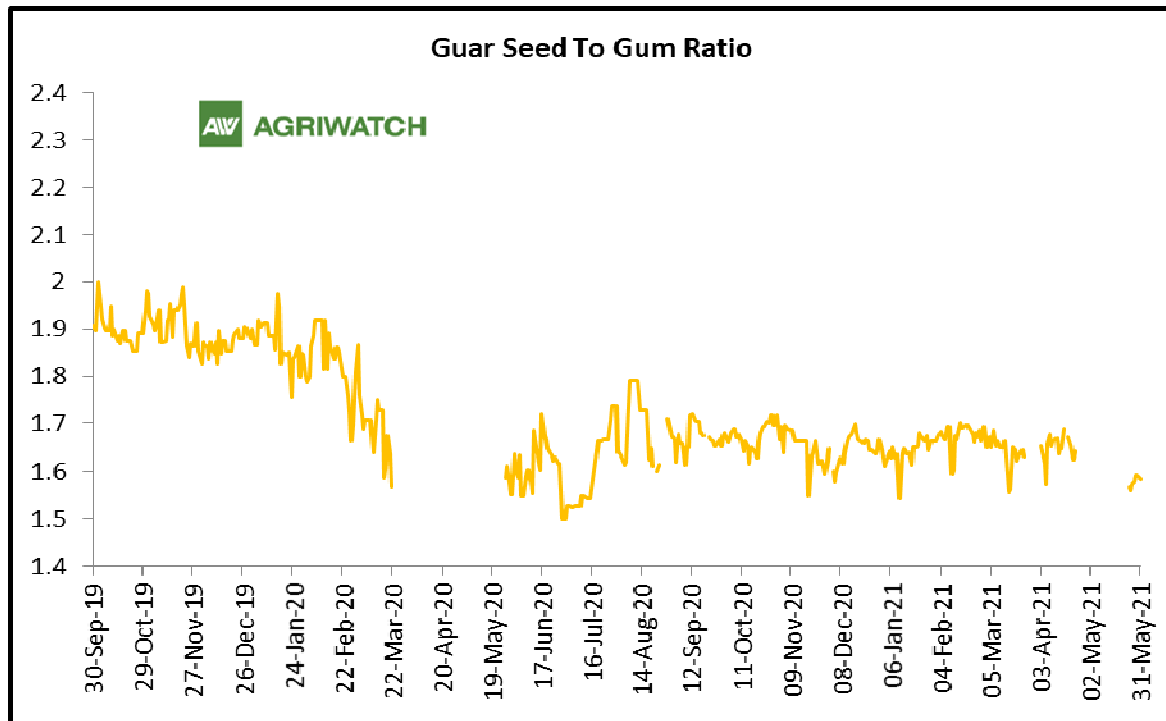
### Millers/Processors Margin:

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. Market were closed from mid of April 2021 to May month 2021 due to lockdown restrictions. Therefore, chart is not updated in this month.





### Technical Analysis (Guar Seed)

Commodity: Guar Seed -July Contract

Exchange: NCDEX

#### Guar Seed ( Technical Chart)



#### Technical Commentary:

- Guar seed gain on buying interest in the market.
- Prices closed near 9 and 18 EMAs.
- RSI and stochastic are rising in the neutral region, supporting the gain.
- Prices are likely to rise in next month.

#### Strategy: BUY on dips

Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Jul	4000	3800	4208	4600	4800
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Jul	BUY	Above 4180	4300	4400	4050

**Technical Analysis (Guar Gum)**
**Commodity: Guar Gum-July Contract**
**Exchange: NCDEX**
**Guar Gum (Technical Chart)**

**Technical Commentary:**

- Guar gum posted sharp gains, during the month.
- RSI and stochastic are rising in the neutral region.
- Prices closed above 9 & 18 days EMA.
- Prices are expected to gains in near-term.

**Strategy: Buy on dips**

Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Jul	6100	5900	6557	7000	7300
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Jul.	BUY	Above 6500	6700	6900	6200



**Guar Seed & Gum Prices at Key Spot Markets**

Guar seed Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	31-May-21	31-May-21	31-May-21	30-May-21
Bikaner	24386	-	24386	24337
Deesa	-	-	-	-
Sri Ganganagar	3050	20	3070	3070
Jodhpur	1124	-	1124	1124
Nokha	-	-	-	366

Guar Gum Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	31-May-21	31-May-21	31-May-21	30-May-21
Deesa	-	-	-	-
Bikaner	2654	-	2654	2653
Jodhpur	10960	40	11000	10957
Nokha	3750	110	3860	3830
Sri Ganganagar	931	-	931	931

**31-May-21**

Churi and Korma Prices:		7-Jun-21
Commodity	Center	Rs./75 kg.
Churi	Jodhpur	NA
Korma	Jodhpur	NA
Churi	Sri Ganganagar	NA
Korma	Sri Ganganagar	NA

Guar Export Prices:		31-May-21	31-May- 21
	Variety	Value (Rs/Kg)	Value (\$/MT)
Guargum/Split (Mundra Port)		NA	NA
Guargum Powder	200 Mesh 5000 CPS	NA	NA
	200 Mesh 3500 CPS	NA	NA
Guargum Meal	Meal 40%	NA	NA
	Meal 50%	NA	NA

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			31-May-21	30-Apr-21	
Rajasthan	Jodhpur	Jodhpur (Loose)	4100	Closed	-
		Jodhpur(Delivery)	4305	Closed	-
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	-	-
		Sri-Ganganagar (Delivery)	-	-	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	3980	Closed	-
		Bikaner (Delivery)	4179	Closed	-
		Nokha(Loose)	4025	3925	100
		Nokha (Delivery)	4226	4121	105
		Khajuwala (Loose)	NA	NA	-
		Khajuwala (Delivery)	NA	NA	-
		Lunkaransar (Loose)	4100	3800	300
	Hanumangarh	Hanumangarh (Loose)	-	-	-
		Hanumangarh (Delivery)	-	-	-
		Nohar (Loose)	-	-	-
		Pilibanga (Loose)	-	-	-
	Nagaur	Nagaur (Loose)	-	-	-
	Churu	Churu (Delivery)	-	-	-
	Alwar	Alwar (Loose)	-	-	-
Haryana	Hisar	Adampur (Loose)	4070	3950	120
		Adampur (Delivery)	4274	4148	126
	Bhiwani	Bhiwani (Delivery)	Closed	3900	-
		Siwani (Loose)	Closed	4030	-
	Sirsa	Sirsa (Loose)	4050	NA	-
		Dhabwali (Loose)	-	-	-
		Dhabwali (Delivery)	-	-	-
		Ellanabad (Loose)	-	-	-
	Fatehabad	Fatehabad (Loose)	Closed	3900	-
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	-	-	-
	Rajkot	Rajkot (Loose)	3825	-	3825

	Jamnagar	Dhrol (Loose)	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6500	Closed	-
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	Closed	6200	-
	Sirsa	Sirsa	6470	6200	270
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	Closed	6200	-

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			31-May-21	30-Apr-21	
Rajasthan	Jodhpur	Jodhpur	-	Closed	-
	Sri-Ganganagar	Sri-Ganganagar	-	-	-
		Rawla	-	-	-
		Gharsana	-	-	-
		Raisinghnagar	-	-	-
	Bikaner	Bikaner	300	Closed	-
		Nokha	500	200	300
		Khajuwala	NA	NA	-
		Lunkaransar	300	200	100
	Hanumangarh	Hanumangarh	-	-	-
		Nohar	-	-	-
		Pilibanga	-	-	-
	Nagaur	Nagaur	-	-	-
	Churu	Churu	-	-	-
	Alwar	Alwar	-	-	-
Haryana	Hisar	Adampur	400	300	100
	Bhiwani	Bhiwani	Closed	400	-
		Siwani	Closed	400	-
	Sirsa	Sirsa	1000	NA	-
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	Closed	NA	-
Gujarat	Banaskantha	Deesa	-	-	-
	Patan	Patan	-	-	-

	Rajkot	Rajkot	100	-	100
	Jamnagar	Dhrol	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			2600	1500	600

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