

Guar Monthly Research Report

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Executive Summary**Domestic Guar Seed Market Summary**

In June Guar seed prices in jodhpur market witnessed decline, Guar gum prices also witnessed decline in amid low demand and firm arrivals, Guar gum export remain weak in may21 and witnessed 2.25% decline compared to previous month However Gradual increase in the oilrig counts with increasing crude oil demand may support prices in coming weeks. COVID Restrictions of third wave may hamper once again supply chain of guar domestically and globally.

However, there is considerably a good sign of gradual increase in oilrigs with surge in crude oil demand in recent months; this could increase in the overseas guar gum demand.

As per data released by Baker Hughes, the number of oilrigs in USA remain steady to 470 as on 25th June 2021 compared to 470 previous week, 19th June 2021. Further, they are up by 51.82% from 301 oilrigs in the corresponding period in last year.

India's guar gum exports declined in the month of May 2021 by 2.25% to 20,340 tonnes compared to 20,808 tonnes during March 2021 at an average FoB of US \$ 1676 per tonne in the month of May 2021 as compared to US \$ 1392 per tonne in the month of March 2021. Further, the gum shipments were up by 19% in May 2021 compared to the same period last year. Of the total exported quantity, around 6,438 tonnes is bought US, Russia (2,959 tonnes) and Thailand (2,81 tonnes).

India's guar split exports rose in the month of May 2021 by +99.93% to 10838 tonnes compared to 5,560 tonnes during May 2021 at an average FoB of US \$ 1002 per tonne in the month of April compared to US \$ 960 per tonne in the month of April 2021. However, the guar split shipments gone up by 41.82 % in May/ 2021 compared to the same period last year. Of the total exported quantity, around 8,700 tonnes is bought China, US (1420 tonnes) and Switzerland 320 tonnes.

Previous Updates:

As per data released by Baker Hughes, the number of oilrigs in USA increased by 2 to 457 as on 28th May 2021 compared to 455 previous week, 21st 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 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 China, US (240 tonnes) and Switzerland 360.

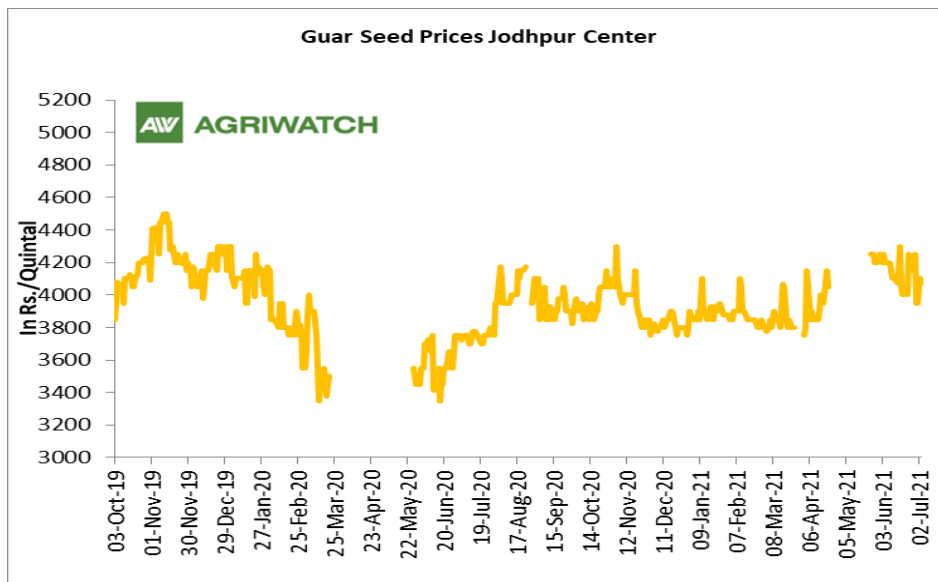
Recommendation:

Monthly Call- : Market participants are advised to sell Guar seed future August contract below 3980 levels for a target of 3850 with a stop loss at 4200.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

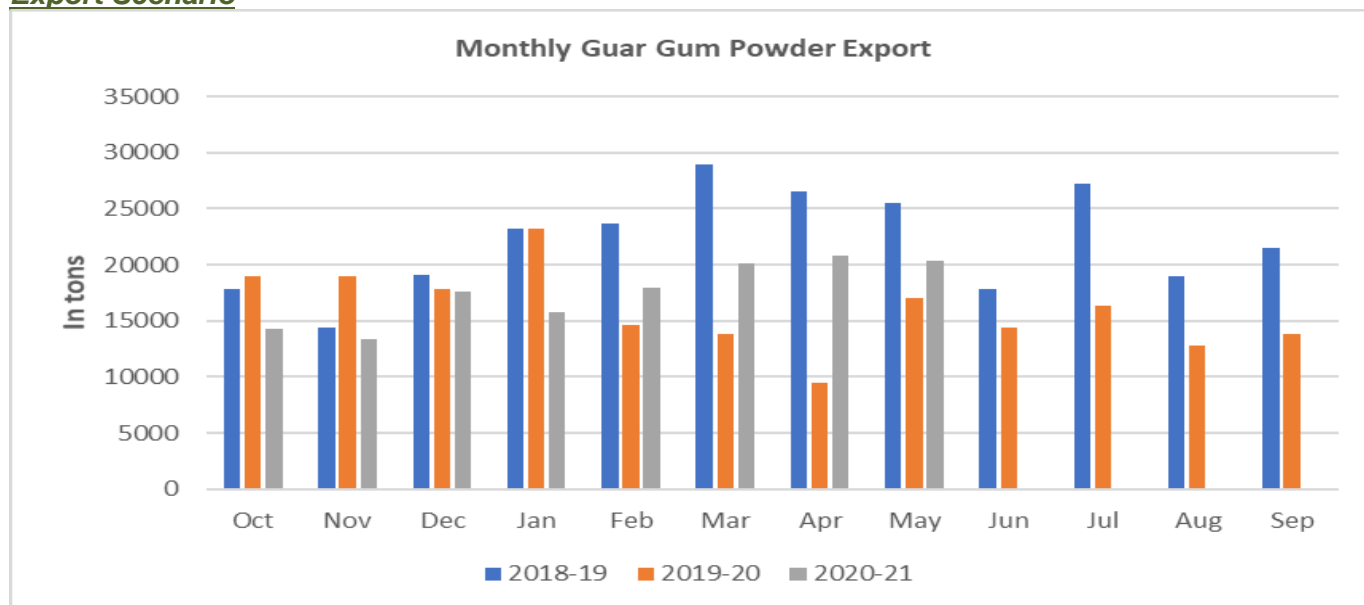
- The local guar seed paid prices witnessed decline in June'21 compared to previous month. However in may most of the major mandis remain closed.
- The average guar seed all paid prices in Jodhpur have declined and was quoted at Rs. 4179 a quintal in June compared to Rs. 4288 a quintal in May.
- The 2020/21 guar seed output is estimate to have fallen by around 45% compared to the previous season.



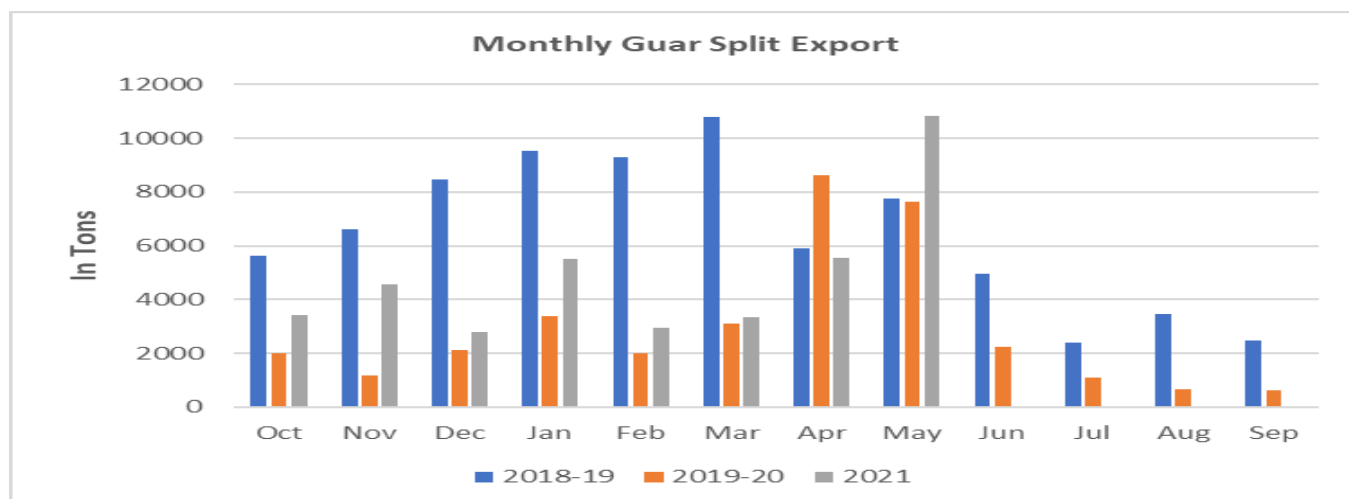
- Also, the average guar gum prices declined to around Rs. 6358 a quintal in June'21 compared to Rs. 6437 per quintal in May'21 due to low demand and attributed the downward trend in guar gum prices to increasing supplies from growing regions.



Export Scenario

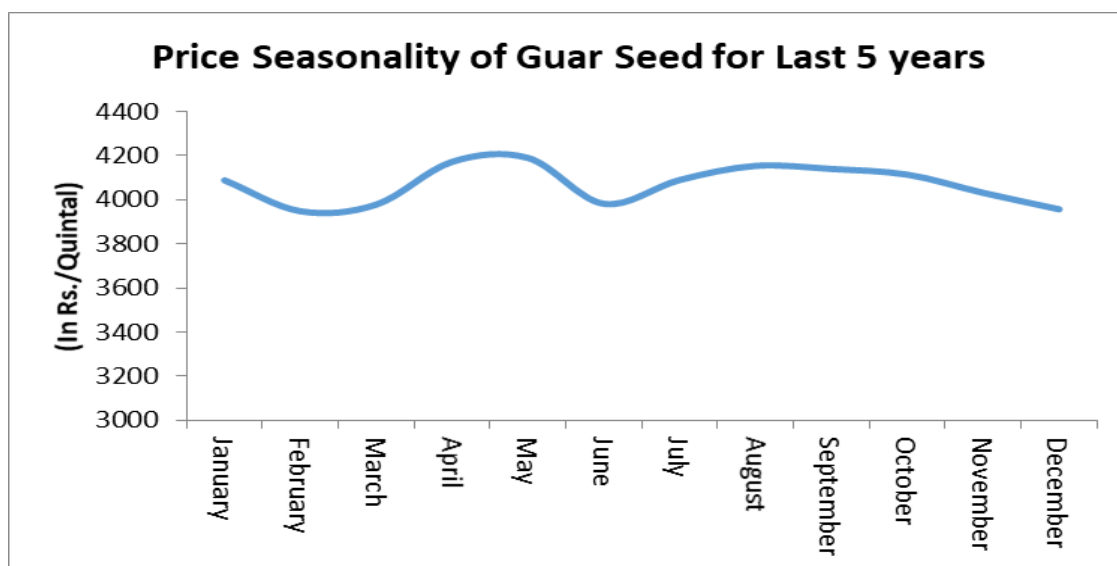


On export front, guar gum demand improved y-o-y in May 2021. India has exported 20,340 metric tonnes of guar gum in the month of May 2021, down by 2.25% compared to previous month and up by 19% compared to May 2020.



Exports of guar split improved in the month of May 2021. India has exported 10838 metric tonnes of guar split in the month of May 2021, up by +94% compared to previous month and inclined by 41% compared to May 2020.

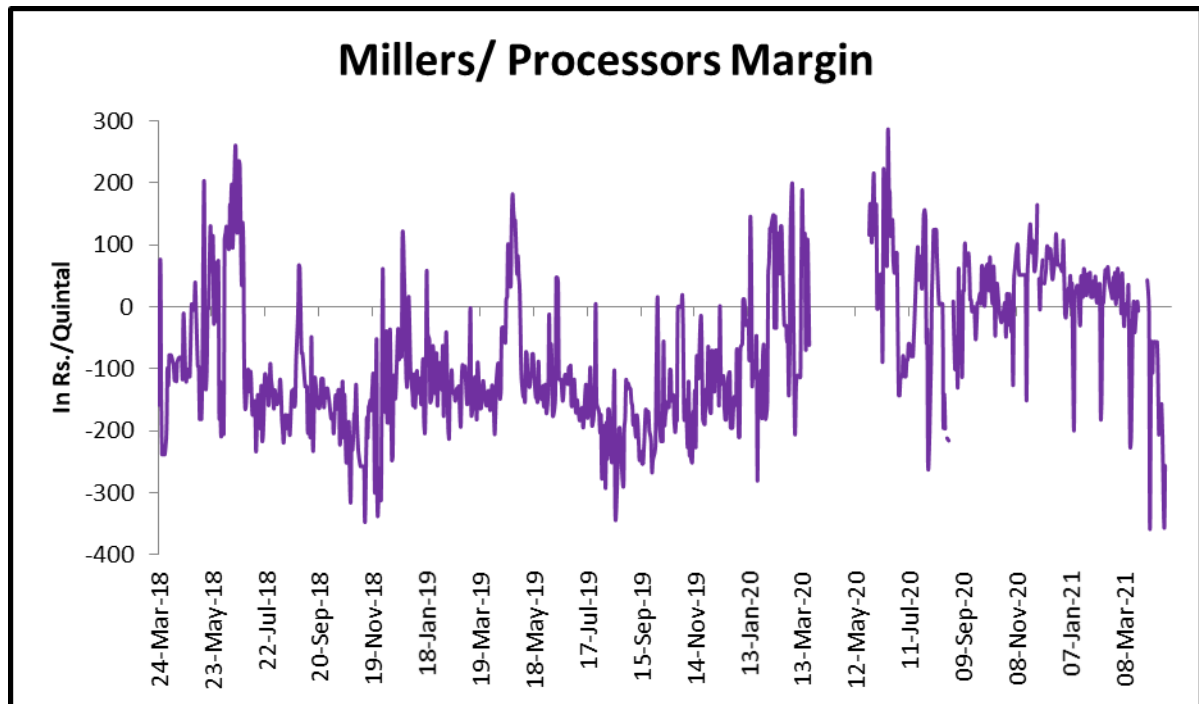
Price Seasonality of Guar Seed



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.

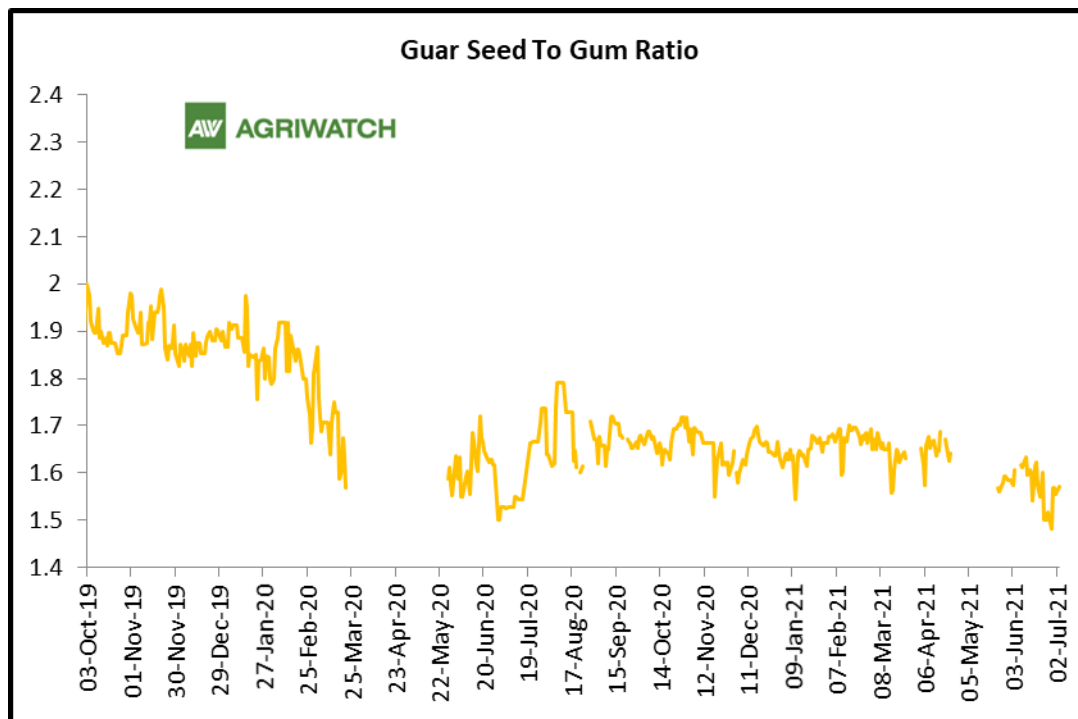
Millers/Processors Margin:

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 1.57 in June'21 which is steady as compared to May'21. Overall, steady to firm demand of gum from domestic and overseas markets has kept the overall ratio steady.



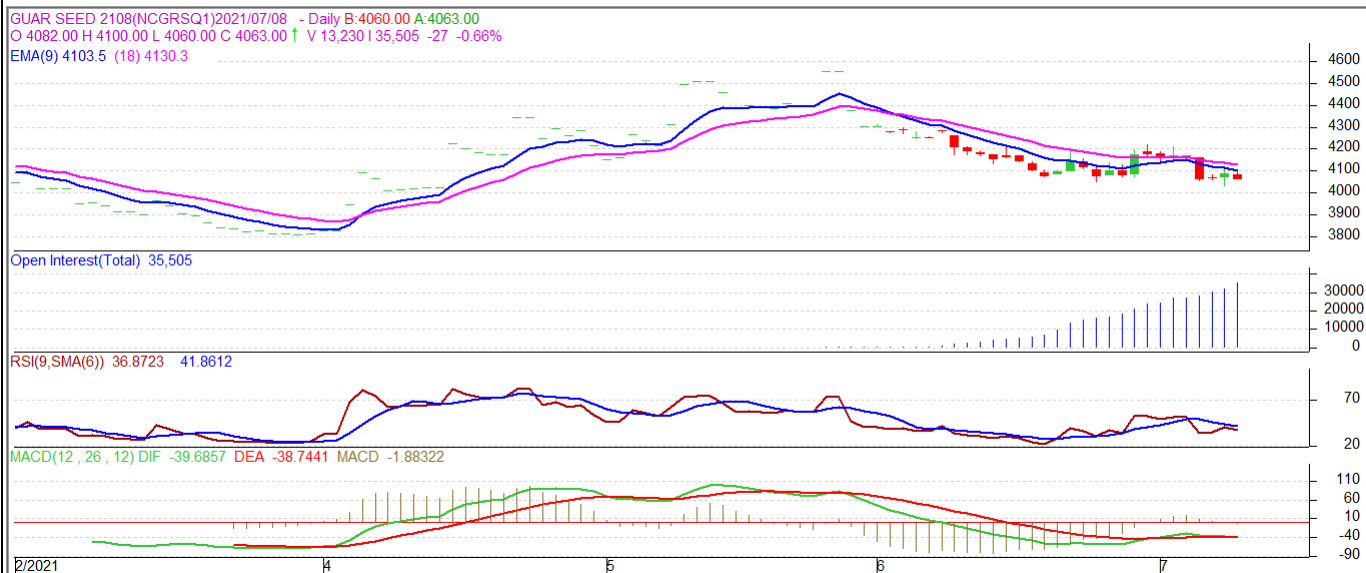


Technical Analysis (Guar Seed)

Commodity: Guar Seed -August Contract

Exchange: NCDEX

Guar Seed (Technical Chart)



Technical Commentary:

- Guar seed posted 2 % loss during June on sellers pressure.
- Prices closed a below 9 Day and 18 day EMA.
- RSI and stochastic indicating weak buying strength.
- Prices are likely to be weak in July.

Strategy: sell

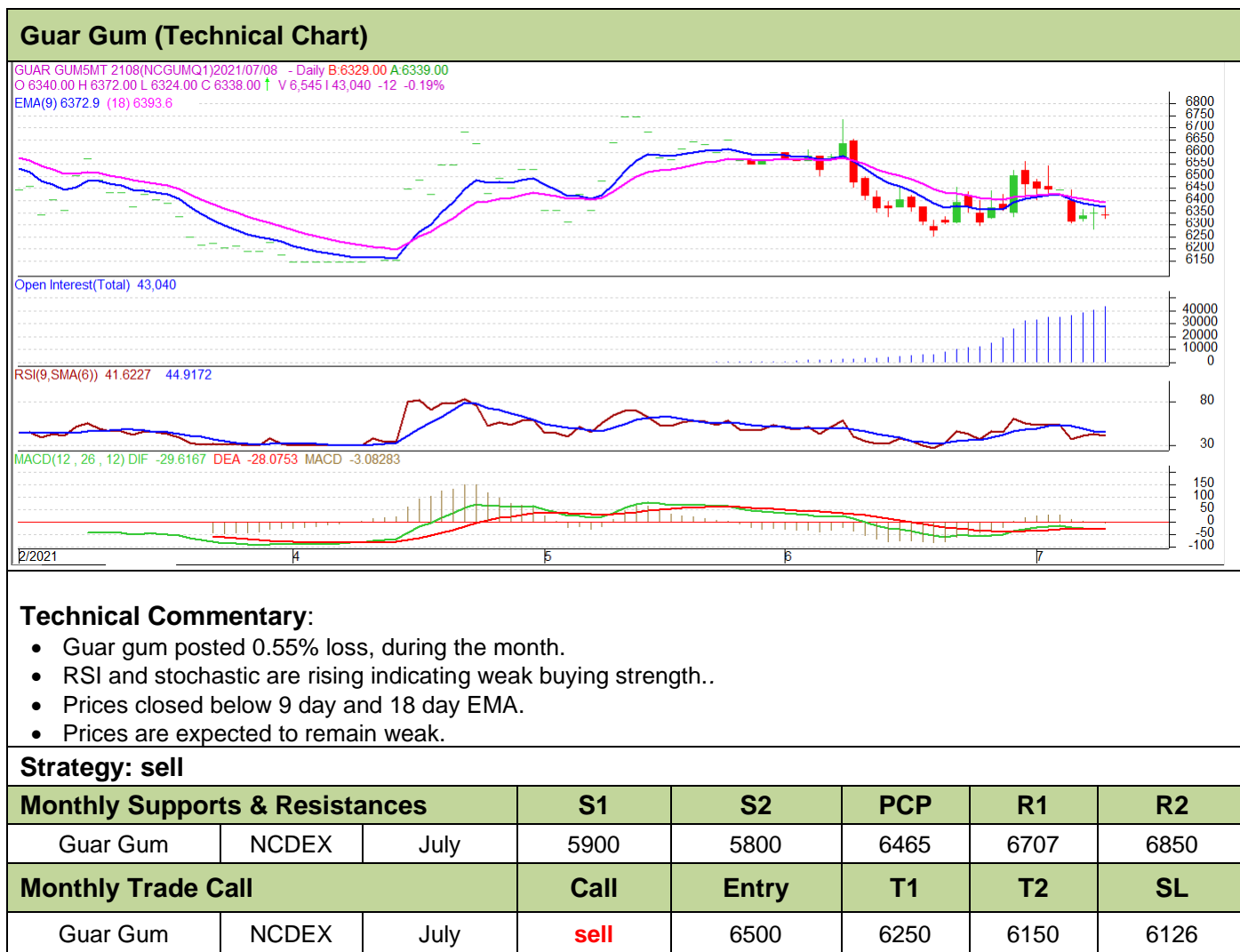
Monthly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	July	3800	3700	4175	4300	4500
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	July	sell	Above 4190	4000	3900	4200



Technical Analysis (Guar Gum)

Commodity: Guar Gum August Contract

Exchange: NCDEX



Guar Seed & Gum Prices at Key Spot Markets

Guar seed Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	30-Jun-21	30-Jun-21	30-Jun-21	28-Jun-21
Bikaner	21473	-	21473	21473
Deesa	-	-	-	-
Sri Ganganagar	2421	-	2421	2611
Jodhpur	1124	-	1124	1124
Nokha	-	-	-	-

Guar Gum Stock Position & EDD:				
Stocks	Demat	In-Process	Total	EDD
	30-Jun-21	30-Jun-21	30-Jun-21	30-Jun-21
Deesa		-	-	-
Bikaner	2742	-	2742	2653
Jodhpur	10846	79	10925	10957
Nokha	3715	140	3855	3830
Sri Ganganagar	657	20	677	931
			7-Jul-21	

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

Guar Export Prices:		7-Jul-21	7-Jul-21
	Variety	Value (Rs/Kg)	Value (\$/MT)
Guargum/Split (Mundra Port)		NR	NR
Guargum Powder	200 Mesh 5000 CPS	NR	NR
	200 Mesh 3500 CPS	NR	NR
Guargum Meal	Meal 40%	NR	NR
	Meal 50%	NR	NR

Guar Seed Prices at Key Spot Markets:

Commodity	District	Centre	Prices (Rs/Qtl)		Change
			30-Jun-21	31-May-21	
Guar Seed					
Rajasthan	Jodhpur	Jodhpur (Loose)	3800	4100	-300
		Jodhpur(Delivery)	3990	4305	-315
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3900	-	3900
		Sri-Ganganagar (Delivery)	4050	-	4050
		Rawla (Loose)	-	-	Unch
		Gharsana (Loose)	-	-	Unch
		Raisinghnagar (Loose)	3870	-	3870
	Bikaner	Bikaner (Loose)	3950	3980	-30
		Bikaner (Delivery)	4148	4179	-32
		Nokha(Loose)	3950	4025	-75
		Nokha (Delivery)	4148	4226	-79
		Khajuwala (Loose)	3900	NA	-
		Khajuwala (Delivery)	4095	NA	-
		Lunkaransar (Loose)	3875	4100	-225
	Hanumangarh	Hanumangarh (Loose)	-	-	Unch
		Hanumangarh (Delivery)	-	-	Unch
		Nohar (Loose)	-	-	Unch
		Pilibanga (Loose)	-	-	Unch
	Nagaur	Nagaur (Loose)	-	-	Unch
	Churu	Churu (Delivery)	-	-	Unch
	Alwar	Alwar (Loose)	-	-	Unch
Haryana	Hisar	Adampur (Loose)	3850	4070	-220
		Adampur (Delivery)	4043	4274	-231
	Bhiwani	Bhiwani (Delivery)	4150	Closed	-
		Siwani (Loose)	4070	Closed	-
	Sirsa	Sirsa (Loose)	3850	4050	-200
		Dhabwali (Loose)	-	-	Unch
		Dhabwali (Delivery)	-	-	Unch
		Ellanabad (Loose)	3800	-	3800
	Fatehabad	Fatehabad (Loose)	3850	Closed	-
Gujarat	Banaskantha	Deesa (Loose)	-	-	Unch
	Patan	Patan (Loose)	3675	-	3675
	Rajkot	Rajkot (Loose)	3775	3825	-50
	Jamnagar	Dhrol (Loose)	-	-	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	Unch

Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6200	6500	-300
	Alwar	Alwar	-	-	Unch
	Hanumangarh	Nohar	-	-	Unch
Haryana	Bhiwani	Bhiwani	6500	Closed	-
	Sirsa	Sirsa	6500	6470	30
		Dhabwali	-	-	Unch
		Ellanabad	-	-	Unch
	Fatehabad	Fatehabad	6300	Closed	-

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			30-Jun-21	31-May-21	
Rajasthan	Jodhpur	Jodhpur	-	-	Unch
	Sri-Ganganagar	Sri-Ganganagar	300	-	300
		Rawla	-	-	Unch
		Gharsana	-	-	Unch
		Raisinghnagar	-	-	Unch
	Bikaner	Bikaner	300	300	Unch
		Nokha	250	500	-250
		Khajuwala	200	NA	-
		Lunkaransar	200	300	-100
	Hanumangarh	Hanumangarh	-	-	Unch
		Nohar	-	-	Unch
		Pilibanga	-	-	Unch
	Nagaur	Nagaur	-	-	Unch
Haryana	Churu	Churu	-	-	Unch
	Alwar	Alwar	-	-	Unch
	Hisar	Adampur	500	400	100
	Bhiwani	Bhiwani	400	Closed	-
		Siwani	200	Closed	-
	Sirsa	Sirsa	1000	1000	Unch
		Dhabwali	-	-	Unch
		Ellanabad	-	-	Unch
	Fatehabad	Fatehabad	50	Closed	-
Gujarat	Banaskantha	Deesa	-	-	Unch
	Patan	Patan	4	-	4
	Rajkot	Rajkot	80	100	-20
	Jamnagar	Dhrol	-	-	Unch

Madhya Pradesh	Gwalior	Dabra	-	-	Unch
Total Arrivals/Above Markets			3484	2600	884

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