

# Guar Monthly Research Report

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

***In June Guar seed prices in jodhpur market witnessed incline, Guar gum prices also witnessed incline amid tight arrival, Guar gum export remain weak in June 21 and witnessed 8.03% 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 was 387 as on 23rd July 2021 compared to 380 previous week, 16th June 2021.*

*Rain over the country during the southwest monsoon season "is most likely to be normal – 95 percent to 105 percent of Long Period Average (LPA) -- with a tendency to be in the positive side of the normal", the IMD forecast stated.*

*IMD has forecast that rainfall will pick up gradually in August across north India, which has just witnessed a revival due to favorable meteorological conditions.*

*There will also be some respite in the central and eastern regions in the coming week, IMD said, with forecasts of heavy showers ranging from Maharashtra to Odisha.*

*In Rajasthan, Guar sowing is done in 1604.81 thousand hectares as compared to last year's 1592.3 thousand hectares i.e up by 0.8% while sowing is down by 38.28% as targeted area of sowing is 2600 thousand hectares for the current year.*

*In Gujarat, Guar Seed sowing is done in 67,730 hectares as compared to last three year's average of 1,33,902 i.e down by -49.42% and also down by 22.53% from 2020.*

*India's guar gum exports declined in the month of June 2021 by 8.03% to 18,707 tonnes compared to 20,340 tonnes during June 2021 at an average FoB of US \$ 1589 per tonne in the month of May 2021 as compared to US \$ 1676 per tonne in the month of May 2021. Further, the gum shipments were up by 30.29% in June 2021 compared to the same period last year. Of the total exported quantity, around 4,152 tonnes is bought US, Russia (6,042 tonnes), Germany (1,551 tonnes) and China 1033 tonnes.*

*India's guar split exports declined in the month of June 2021 by 16.81% to 9,016 tonnes compared to 10,838 tonnes during May 2021 at an average FoB of US \$ 1005 per tonne in the month of June compared to US \$ 1002 per tonne in the month of May 2021. However, the guar split shipments went up by 302 % in June 2021 compared to the same period last year. Of the total exported quantity, around 7,700 tonnes is bought China, US (980 tonnes) and Mexico*

**Previous Updates:**

*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 April 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 April 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.

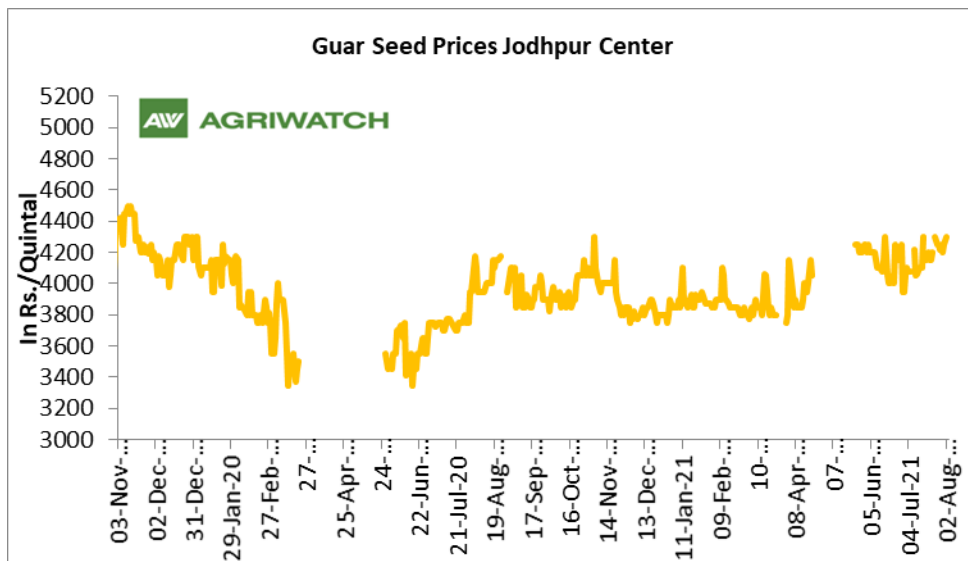
**Recommendation:**

**Monthly Call- : Market participants are advised to Buy Guar seed future September contract above 4400 levels for a target of 4600 with a stop loss at 4350.**

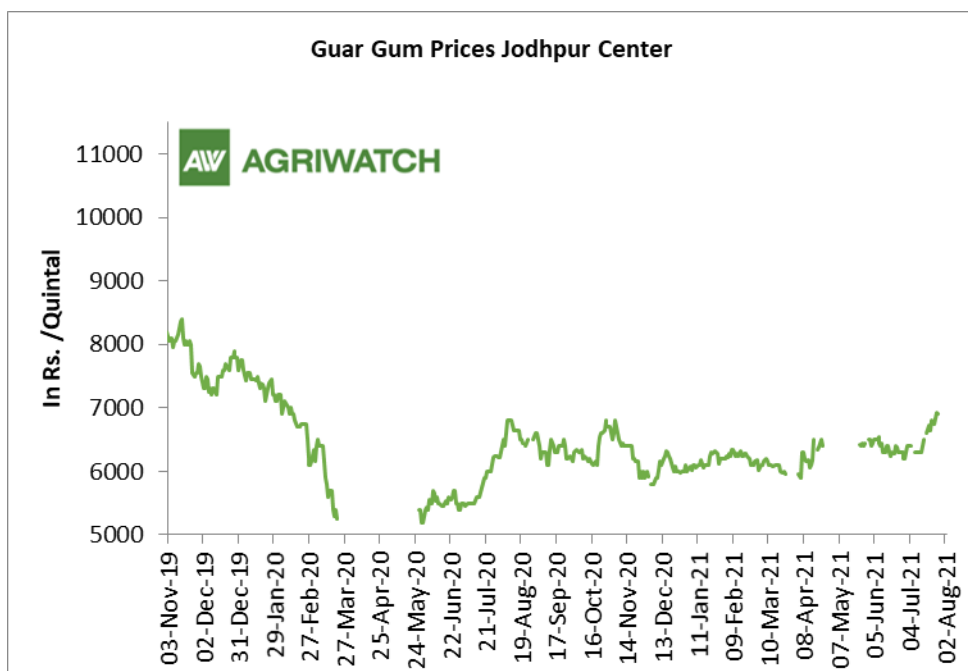
### Guar Seed Fundamental Analysis and Outlook:-

#### Domestic Front

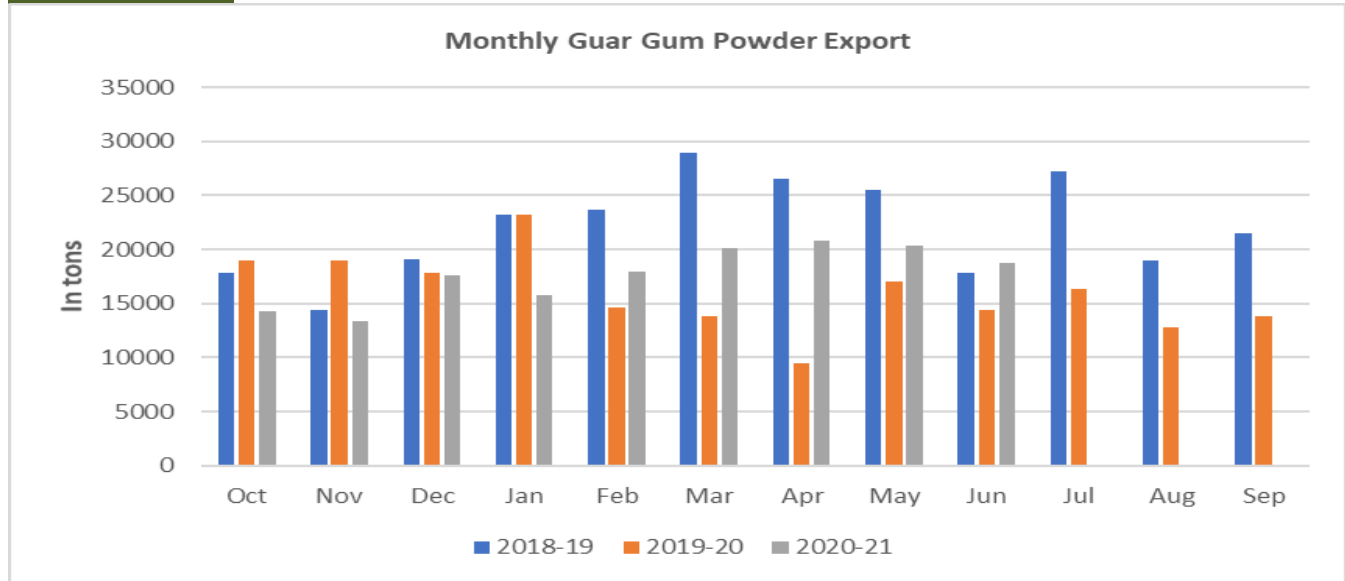
- The local guar seed paid prices witnessed inclined in July'21 compared to previous month. However in may most of the major mandis remain closed.
- The average guar seed all paid prices in Jodhpur have declined and was quoted at Rs. 4165 a quintal in June compared to Rs. 4,137 a quintal in June.
- The 2020/21 guar seed output is estimate to have fallen by around 45% compared to the previous season.



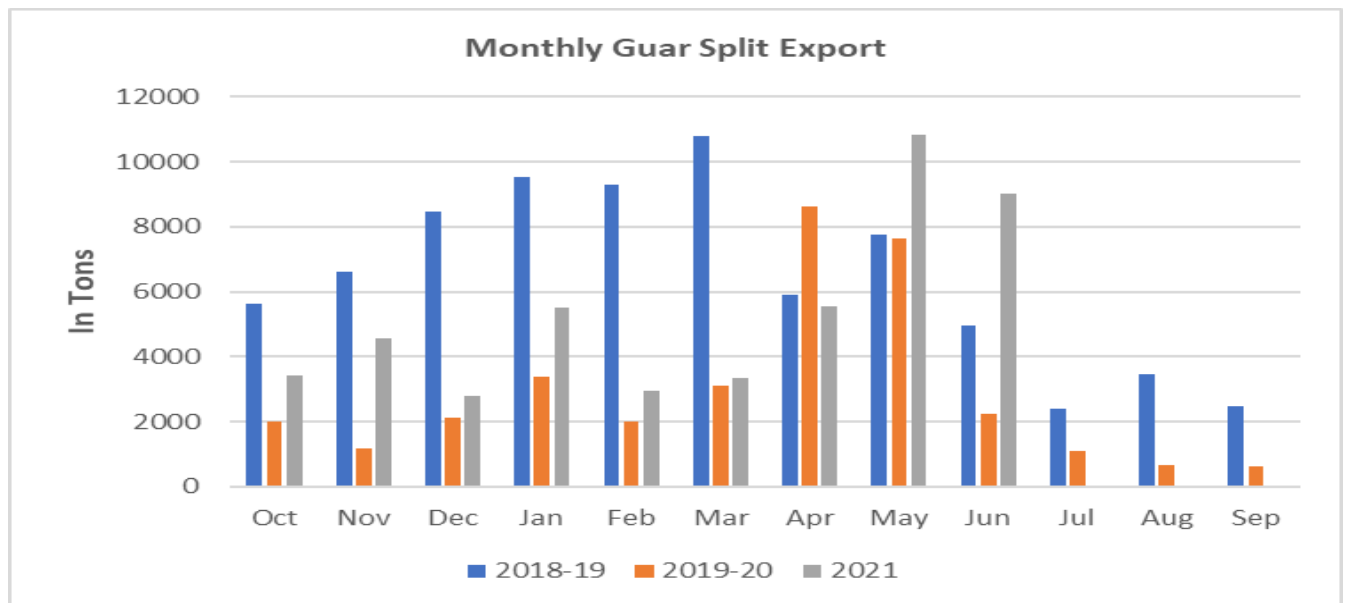
- Also, the average guar gum prices declined to around Rs. 6580 a quintal in July'21 compared to Rs. 6,369 per quintal in June'21 due to low demand and attributed the downward trend in guar gum prices to increasing supplies from growing regions.



### Export Scenario

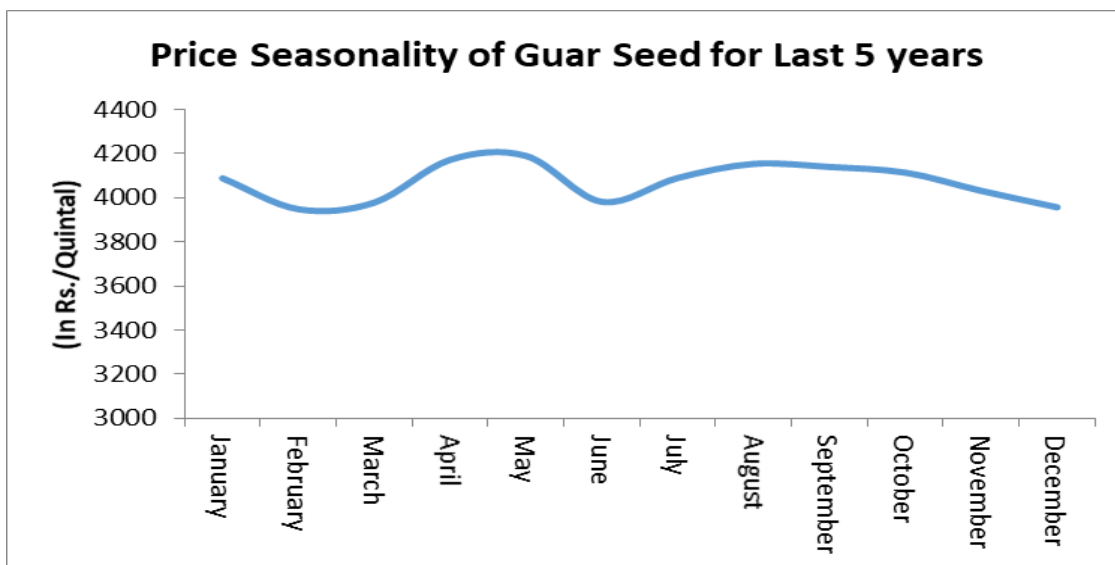


On export front, guar gum demand declined y-o-y in June 2021. India has exported 18,707 metric tons of guar gum in the month of June 2021, down by 8.03% compared to previous month and up by 30% compared to June 2020.



Exports of guar split declined in the month of June 2021. India has exported 9,016 metric tonnes of guar split in the month of June 2021, down by 16% compared to previous month and inclined by 302% compared to June 2020.

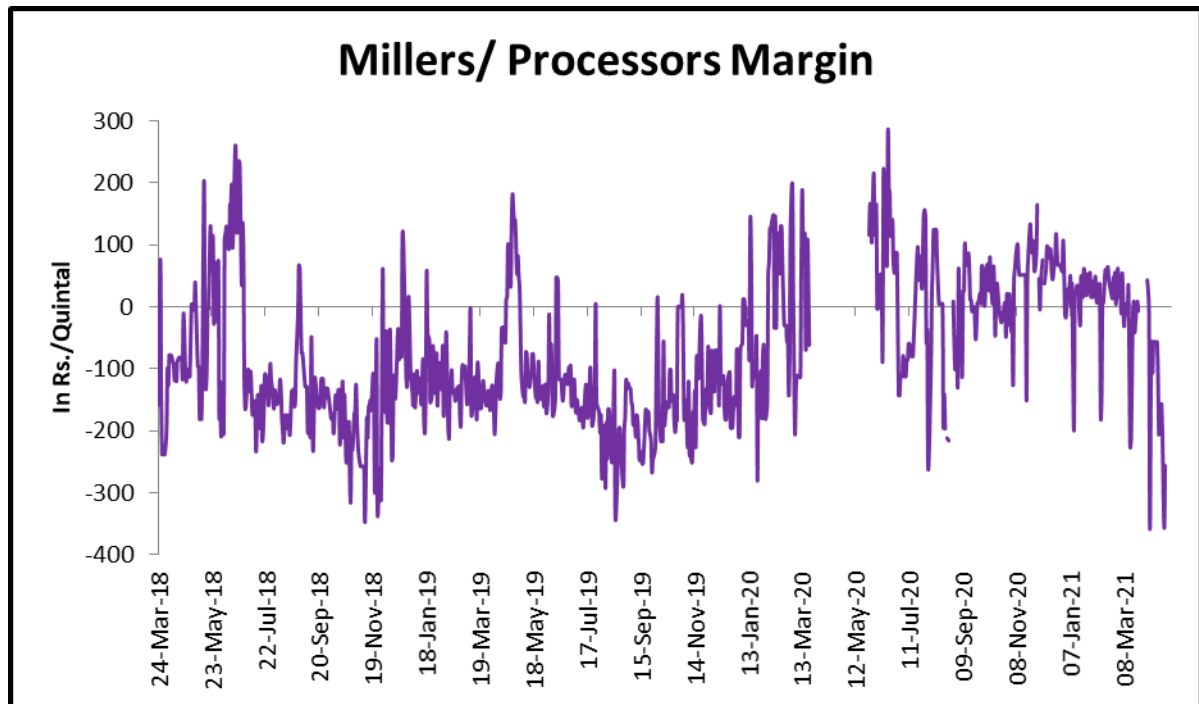
### Price Seasonality of Guar Seed



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.

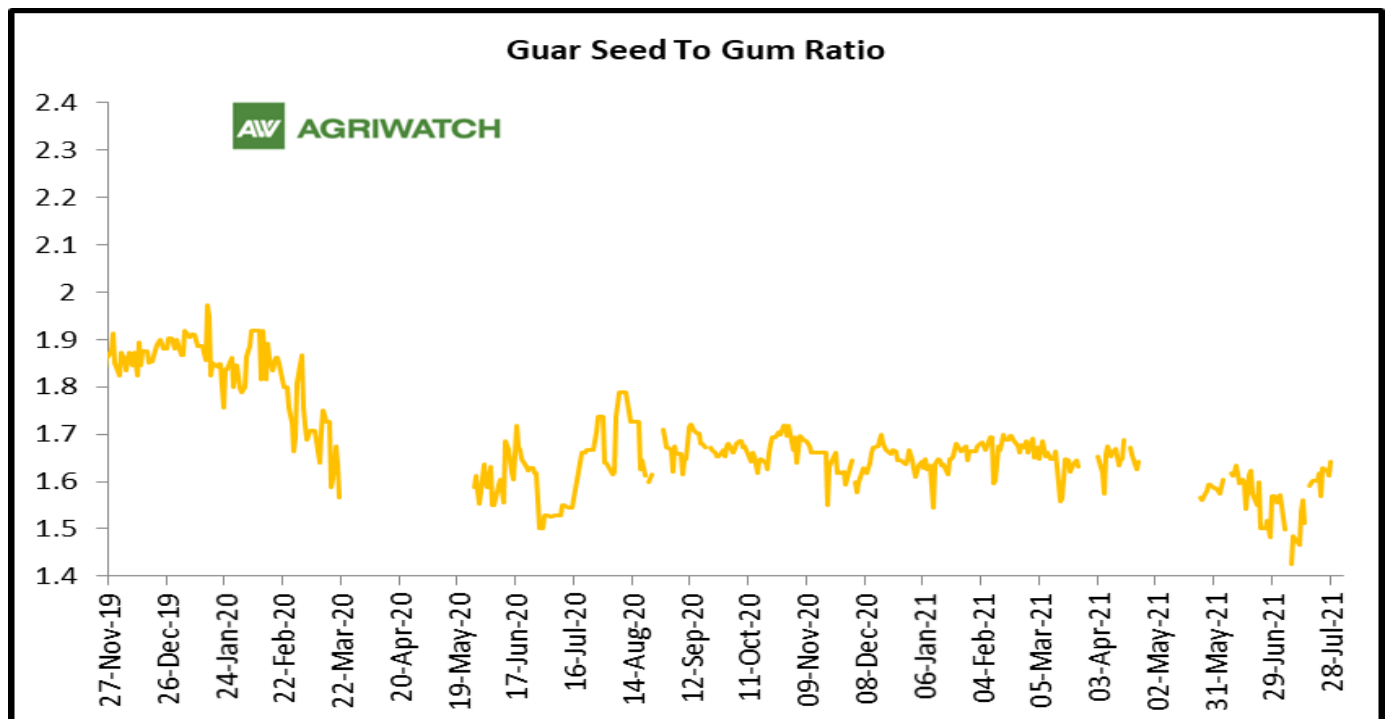
### **Millers/Processors Margin:**

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 1.55 in July'21 while in June 21 it was 1.57. 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 -September Contract

Exchange: NCDEX

### Guar Seed ( Technical Chart)

Published on Investing.com, 8/Aug/2021 - 14:22:57 GMT, Powered by TradingView.

Guar Seed 10MT Futures, India, NCDEX:NGRSc2, D

MA (18, close, 0)



### Technical Commentary:

- Guar seed posted 6.90 % gain on buyers interest.
- Prices closed a below 9 Day day EMA.
- RSI and stochastic indicating strong buying strength.
- Prices are likely to remain elevated.

### Strategy: sell

Monthly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	September	4000	4300	4463	4800	5000
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	September	Buy	Above 4400	4600	4800	4350



### Technical Analysis (Guar Gum)

Commodity: Guar Gum September Contract  
NCDEX

Exchange:

#### Guar Gum (Technical Chart)

Published on Investing.com, 8/Aug/2021 - 14:34:53 GMT, Powered by TradingView.

Guar Gum Futures, India, NCDEX:NGGc2, D



#### Technical Commentary:

- Guar gum posted 7% Gain, on Buyers Interest
- RSI and stochastic are rising indicating bullish tone.
- Prices closed Above 9 day and 18 day SMA.
- Prices are expected to remain elevated.

#### Strategy: sell

Monthly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	September	6500	6800	6920	7500	8000
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	September	Buy	6500	7200	7400	6700

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

<b>Guar seed Stock Position &amp; EDD:</b>				
<b>Stocks</b>	<b>Demat</b>	<b>In-Process</b>	<b>Total</b>	<b>EDD</b>
	<b>31-Jul-21</b>	<b>31-Jul-21</b>	<b>31-Jul-21</b>	<b>02-Aug-21</b>
<b>Bikaner</b>	15820	120	15940	20963
<b>Deesa</b>	-	-	-	-
<b>Sri Ganganagar</b>	2074	-	2074	2420
<b>Jodhpur</b>	327	-	327	1124
<b>Nokha</b>	-	-	-	-

<b>Guar Gum Stock Position &amp; EDD:</b>				
<b>Stocks</b>	<b>Demat</b>	<b>In-Process</b>	<b>Total</b>	<b>EDD</b>
	<b>31-Jul-21</b>	<b>31-Jul-21</b>	<b>31-Jul-21</b>	<b>02-Aug-21</b>
<b>Deesa</b>	-	-	-	-
<b>Bikaner</b>	3073	40	3113	2664
<b>Jodhpur</b>	9770	437	10207	10837
<b>Nokha</b>	4240	60	4300	3777
<b>Sri Ganganagar</b>	200	-	200	558
			<b>31-Jul-21</b>	

<b>Churi and Korma Prices:</b>			<b>31-Jul-21</b>
<b>Commodity</b>	<b>Center</b>	<b>Rs./75 kg.</b>	
<b>Churi</b>	Jodhpur	2050	
<b>Korma</b>	Jodhpur	3150	
<b>Churi</b>	Sri Ganganagar	1800	
<b>Korma</b>	Sri Ganganagar	2950	

<b>Guar Export Prices:</b>		<b>31-Jul-21</b>	<b>31-Jul-21</b>
	<b>Variety</b>	<b>Value (Rs/Kg)</b>	<b>Value (\$/MT)</b>
<b>Guargum/Split (Mundra Port)</b>		63	847
<b>Guargum Powder</b>	200 Mesh 5000 CPS	80	1076
	200 Mesh 3500 CPS	75	1008
<b>Guargum Meal</b>	Meal 40%	30	403
	Meal 50%	43	578

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			31-Jul-21	30-Jun-21	
Rajasthan	Jodhpur	Jodhpur (Loose)	4100	3800	300
		Jodhpur(Delivery)	4305	3990	315
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4000	3900	100
		Sri-Ganganagar (Delivery)	4150	4050	100
		Rawla (Loose)	-	-	Unch
		Gharsana (Loose)	-	-	Unch
		Raisinghnagar (Loose)	4130	3870	260
	Bikaner	Bikaner (Loose)	4230	3950	280
		Bikaner (Delivery)	4442	4148	294
		Nokha(Loose)	4175	3950	225
		Nokha (Delivery)	4384	4148	236
		Khajuwala (Loose)	Closed	3900	-
		Khajuwala (Delivery)	Closed	4095	-
		Lunkaransar (Loose)	4150	3875	275
	Hanumangarh	Hanumangarh (Loose)	4000	-	4000
		Hanumangarh (Delivery)	4200	-	4200
		Nohar (Loose)	-	-	Unch
		Pilibanga (Loose)	-	-	Unch
	Nagaur	Nagaur (Loose)	4125	-	4125
	Churu	Churu (Delivery)	-	-	Unch
	Alwar	Alwar (Loose)	-	-	Unch
Haryana	Hisar	Adampur (Loose)	NA	3850	-
		Adampur (Delivery)	NA	4043	-
	Bhiwani	Bhiwani (Delivery)	4250	4150	100
		Siwani (Loose)	4250	4070	180
	Sirsa	Sirsa (Loose)	4065	3850	215
		Dhabwali (Loose)	4100	-	4100
		Dhabwali (Delivery)	4305	-	4305
		Ellanabad (Loose)	-	3800	-3800
	Fatehabad	Fatehabad (Loose)	4000	3850	150
Gujarat	Banaskantha	Deesa (Loose)	-	-	Unch
	Patan	Patan (Loose)	3915	3675	240
	Rajkot	Rajkot (Loose)	4025	3775	250
	Jamnagar	Dhrol (Loose)	-	-	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	Unch

Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6850	6200	650
	Alwar	Alwar	-	-	Unch
	Hanumangarh	Nohar	-	-	Unch
Haryana	Bhiwani	Bhiwani	6880	6500	380
	Sirsa	Sirsa	6850	6500	350
		Dhabwali	6900	-	6900
		Ellanabad	-	-	Unch
	Fatehabad	Fatehabad	6600	6300	300

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			31-Jul-21	30-Jun-21	
Rajasthan	Jodhpur	Jodhpur	-	-	Unch
	Sri-Ganganagar	Sri-Ganganagar	250	300	-50
		Rawla	-	-	Unch
		Gharsana	-	-	Unch
		Raisinghnagar	20	-	20
	Bikaner	Bikaner	700	300	400
		Nokha	500	250	250
		Khajuwala	Closed	200	-
		Lunkaransar	150	200	-50
	Hanumangarh	Hanumangarh	50	-	50
		Nohar	-	-	Unch
		Pilibanga	-	-	Unch
	Nagaur	Nagaur	250	-	250
Haryana	Churu	Churu	-	-	Unch
	Alwar	Alwar	-	-	Unch
	Hisar	Adampur	NA	500	-
	Bhiwani	Bhiwani	NA	400	-
		Siwani	300	200	100
	Sirsa	Sirsa	300	1000	-700
		Dhabwali	200	-	200
		Ellanabad	-	-	Unch
	Fatehabad	Fatehabad	50	50	Unch
	Banaskantha	Deesa	-	-	Unch
Gujarat	Patan	Patan	14	4	10
	Rajkot	Rajkot	100	80	20
	Jamnagar	Dhrol	-	-	Unch

Madhya Pradesh	Gwalior	Dabra	-	-	Unch
Total Arrivals/Above Markets			2384	3484	-1100

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