

# Guar Monthly Research Report

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***Executive Summary***

Guar seed posted gains in the cash market yards, during the month. Further, weaker rupee against the US dollar will make the guar gum exports cheaper for the importers, increase in oilrig count likely to support export demand.

As on 2nd sept,21 In Rajasthan 21.13 lakh hectare sowing have been done as compared to 23.84 lakh hectare same period last year.

As on 6th sept,21 In Gujarat, Guar Seed sowing is done in 1,09,159 hectares as compared to last year 1,18,386.

As per data released by Baker Hughes, the number of oilrigs in USA decreased by 16 to 394 as on 3rd Sept 2021 compared to 410 previous week.

India's guar gum exports declined in the month of July 2021 by 11.64% to 16,530 tonnes compared to 18,707 tonnes during June 2021 at an average FoB of US \$ 1739 per tonne in the month of July 2021 as compared to US \$ 1589 per tonne in the month of June 2021. Further, the gum shipments were up by 0.86% in July 2021 compared to the same period last year. Of the total exported quantity, around 2,656 tonnes is bought US, Russia (4,185 tonnes), Germany (2,749 tonnes) and china 813 tonnes.

India's guar split exports declined in the month of July 2021 by 37.22% to 5,660 tonnes compared to 9,016 tonnes during July 2021 at an average FoB of US \$ 1157 per tonne in the month of July compared to US \$ 1005 per tonne in the month of June 2021. However, the guar split shipments gone up by 424 % in June 2021 compared to the same period last year. Of the total exported quantity, around 4,500 tonnes is bought China, US (980 tonnes) and Switzerland 120 tonnes.

***Previous Updates:***

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 gone 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 314 tonnes.

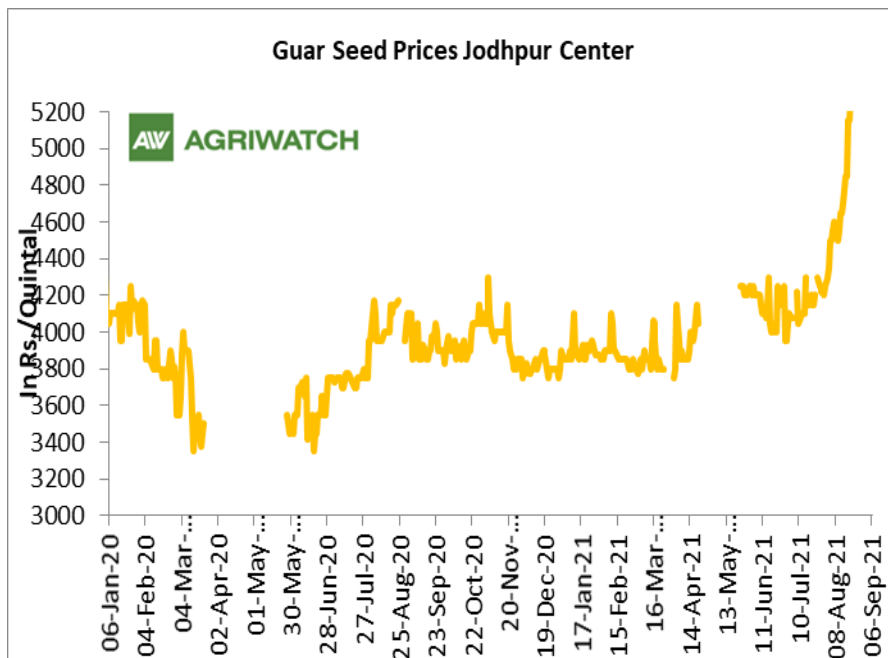
**Recommendation:**

**Monthly Call- : Market participants are advised to Buy Guar seed future October contract above 6000 levels for a target of 6450 with a stop loss at 5900.**

### Guar Seed Fundamental Analysis and Outlook:-

#### Domestic Front

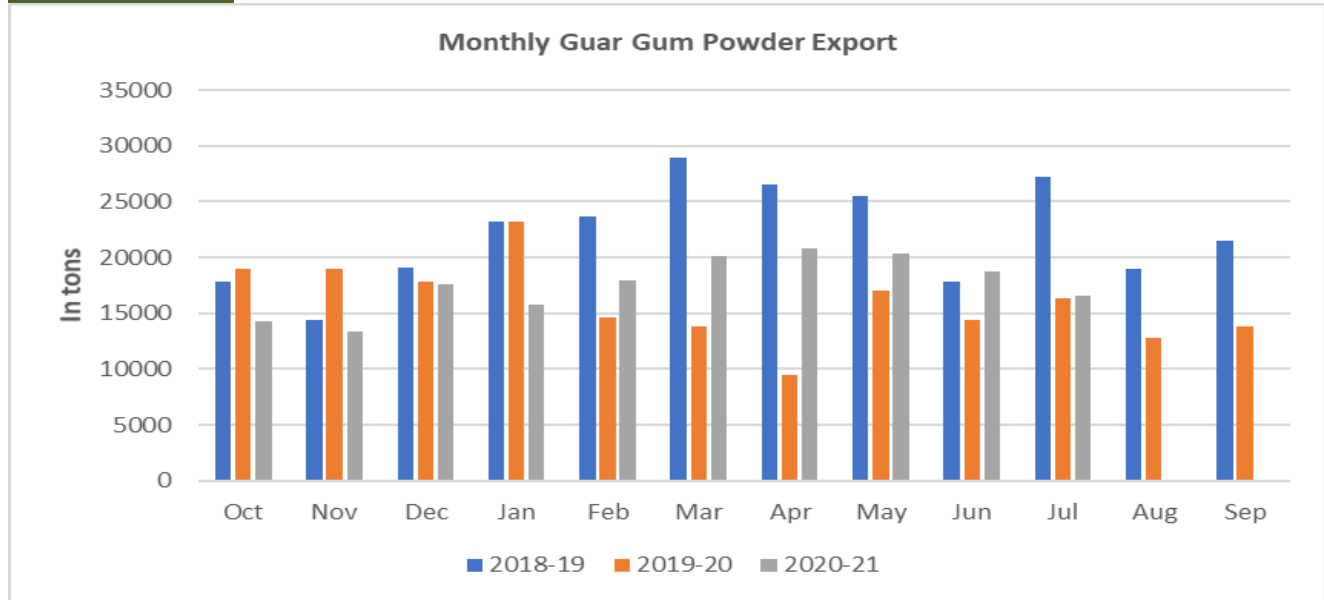
- The local guar seed paid prices witnessed increase in Aug'21 compared to previous month. Demand remained steady to weak at higher prices.
- The average guar seed all paid prices in Jodhpur have increased and was quoted at Rs. 5,271 a quintal in Aug'21 compared to Rs. 4,216 a quintal in July'21 due to lower yield expectation and lower acreage.
- The 2020/21 guar seed output is estimated to have fallen by around 45% compared to the previous season.



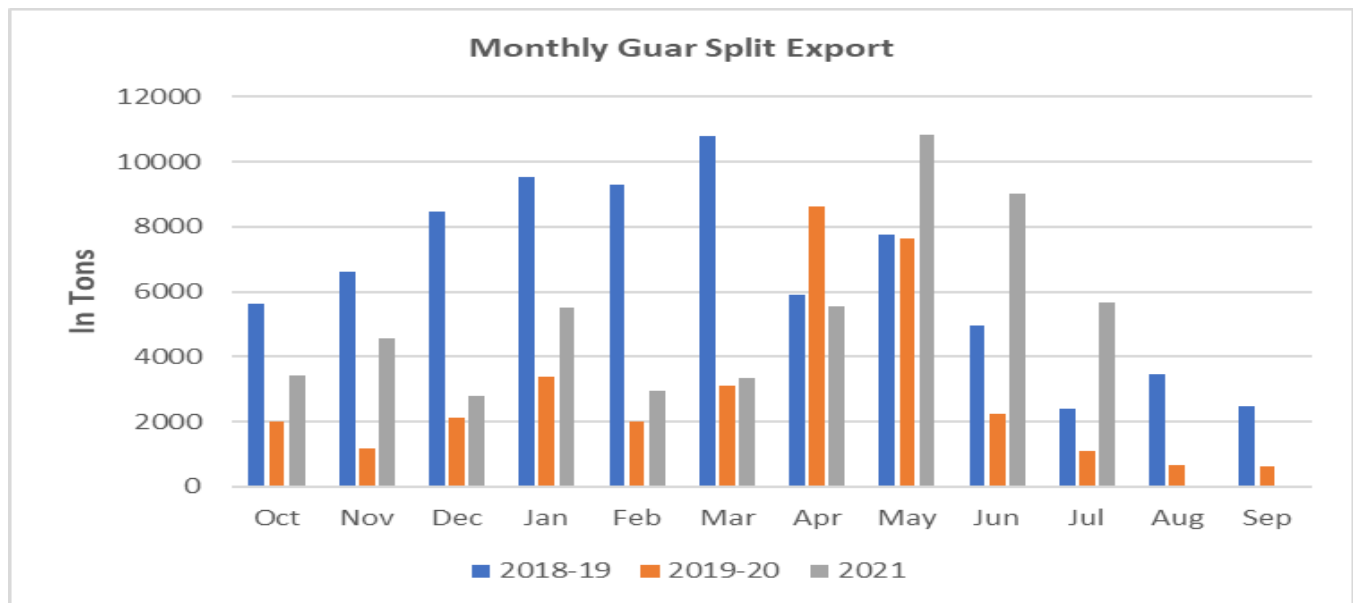
- Also, the average guar gum prices increased to around Rs. 8,635 a quintal in Aug'21 compared to Rs. 6,580 per quintal in July'21 supported by oil rigs count.



### Export Scenario

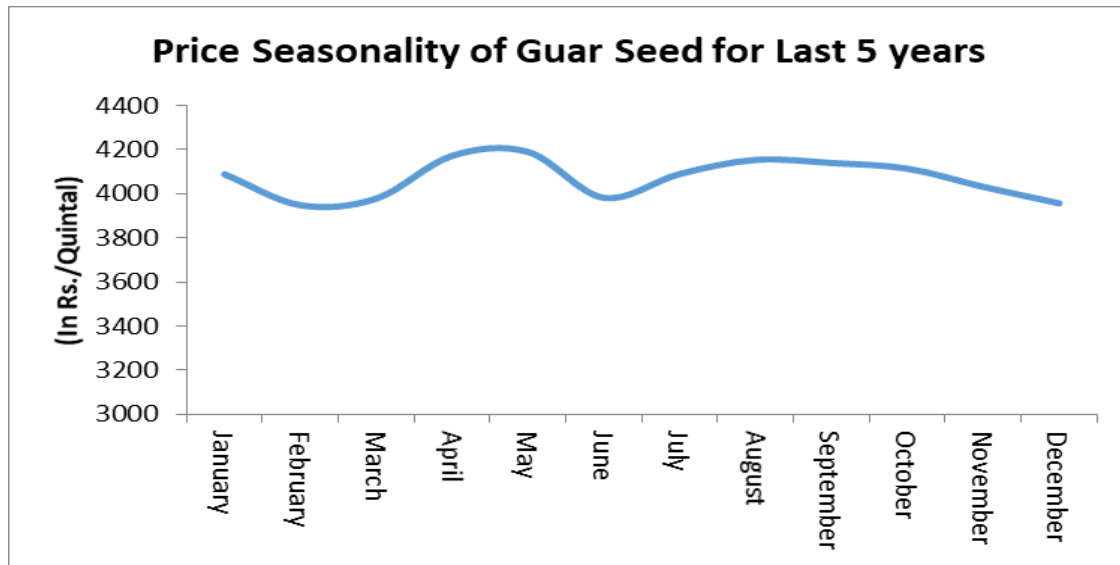


On export front, guar gum demand declined y-o-y in July 2021. India has exported 165,30 metric tons of guar gum in the month of July 2021, down by 11.64% compared to previous month and up by 0.86% compared to July 2020.



Exports of guar split declined in the month of July 2021. India has exported 5,660 metric tonnes of guar split in the month of July 2021, down by 37% compared to previous month and inclined by 424% compared to July 2020.

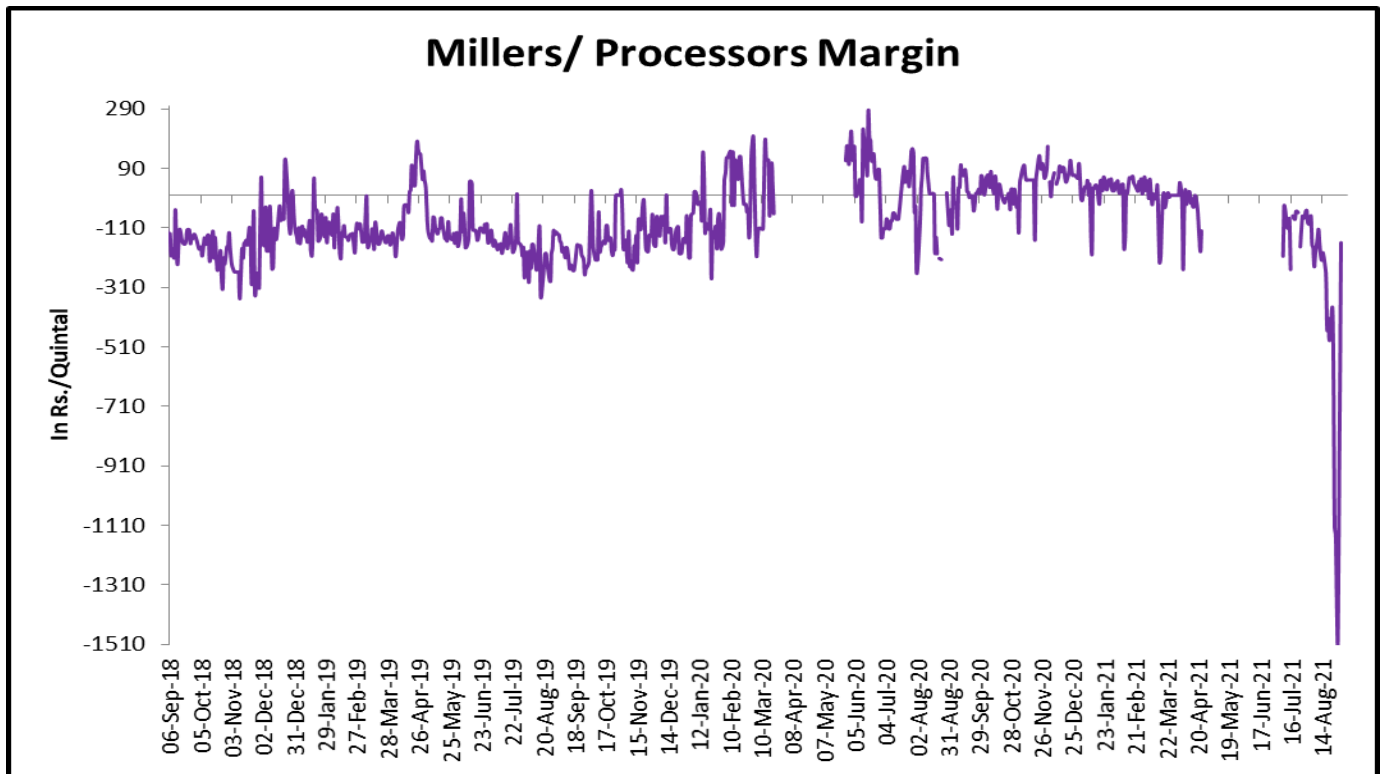
### Price Seasonality of Guar Seed



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.

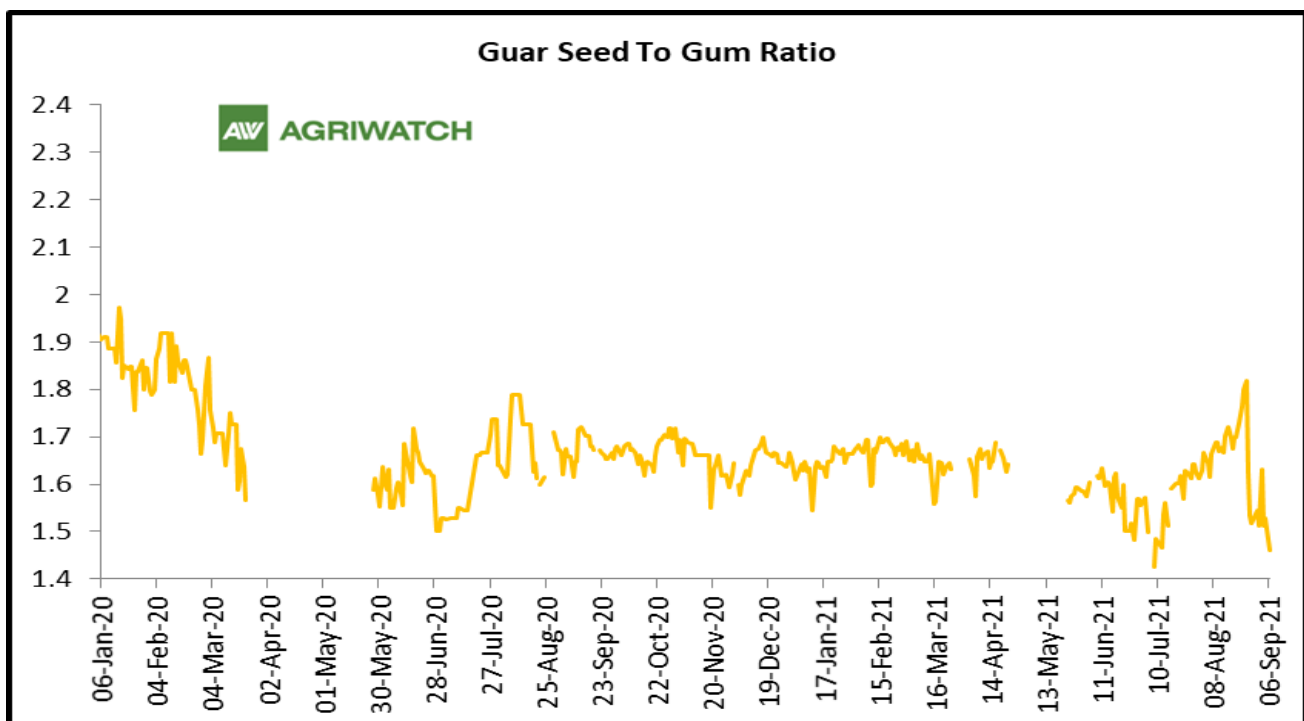
### Millers/Processors Margin:

As seen in the chart, the average crush margin of guar seed have further declined in Aug'21 as compared to July'21, the average crush margin declined to Rs. -423/quintal in Aug'21 compared to Rs. -91/quintal in July'21.



#### Guar Seed to Gum Ratio:

The average monthly Ratio of guar seed to gum stood at 1.67 in Aug'21 while in July'21 it was 1.56. Overall, steady to weak demand of gum at higher price from domestic market has kept the overall ratio lower side.





### Technical Analysis (Guar Seed)

Commodity: Guar Seed -Oct Contract

Exchange: NCDEX

#### Guar Seed ( Technical Chart)



#### Technical Commentary:

- Guar seed posted gain on buyers interest in Aug21.
- Prices closed a above 9 and 18 DMA..
- RSI and stochastic indicating good buying strength.
- Prices are likely trade range bound on firm bias

#### Strategy: Buy

Monthly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	October	5500	5000	6074	6500	7000
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Buy	Above 6000	6300	6450	5900

### Technical Analysis (Guar Gum)

Commodity: Guar Gum October Contract

Exchange: NCDEX





**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-Aug-21</b>	<b>31-Aug-21</b>	<b>31-Aug-21</b>	<b>04-Sep-21</b>
<b>Bikaner</b>	11923	-	11923	15191
<b>Deesa</b>	-	-	-	-
<b>Sri Ganganagar</b>	1307	-	1307	837
<b>Jodhpur</b>	159	-	159	159
<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-Aug-21</b>	<b>31-Aug-21</b>	<b>31-Aug-21</b>	<b>04-Sep-21</b>
<b>Deesa</b>		-	-	-
<b>Bikaner</b>	3168	70	3238	3268
<b>Jodhpur</b>	10960	149	11109	11060
<b>Nokha</b>	5287	238	5525	5345
<b>Sri Ganganagar</b>	90	-	90	90

**31-Aug-21**

<b>Churi and Korma Prices:</b>			<b>31-Aug-21</b>
<b>Commodity</b>	<b>Center</b>	<b>Rs./75 kg.</b>	
<b>Churi</b>	Jodhpur	3100	
<b>Korma</b>	Jodhpur	4900	
<b>Churi</b>	Sri Ganganagar	1800	
<b>Korma</b>	Sri Ganganagar	2950	

<b>Guar Export Prices:</b>		<b>31-Aug-21</b>	<b>31-Aug-21</b>
	<b>Variety</b>	<b>Value (Rs/Kg)</b>	<b>Value (\$/MT)</b>
<b>Guargum/Split (Mundra Port)</b>		63	861
<b>Guargum Powder</b>	200 Mesh 5000 CPS	80	1093
	200 Mesh 3500 CPS	75	1025
<b>Guargum Meal</b>	Meal 40%	30	410
	Meal 50%	43	588

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			31-Aug-21	31-Jul-21	
Rajasthan	Jodhpur	Jodhpur (Loose)	6200	4100	2100
		Jodhpur(Delivery)	6510	4305	2205
	Sri-Ganganagar	Sri-Ganganagar(Loose)	6200	4000	2200
		Sri-Ganganagar (Delivery)	6350	4150	2200
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	6000	4130	1870
	Bikaner	Bikaner (Loose)	5950	4230	1720
		Bikaner (Delivery)	6248	4442	1806
		Nokha(Loose)	6050	4175	1875
		Nokha (Delivery)	6353	4384	1969
		Khajuwala (Loose)	6100	Closed	-
		Khajuwala (Delivery)	6405	Closed	-
		Lunkaransar (Loose)	6200	4150	2050
	Hanumangarh	Hanumangarh (Loose)	6200	4000	2200
		Hanumangarh (Delivery)	6510	4200	2310
		Nohar (Loose)	-	-	-
		Pilibanga (Loose)	-	-	-
	Nagaur	Nagaur (Loose)	6200	4125	2075
	Churu	Churu (Delivery)	-	-	-
	Alwar	Alwar (Loose)	-	-	-
Haryana	Hisar	Adampur (Loose)	6200	NA	-
		Adampur (Delivery)	6510	NA	-
	Bhiwani	Bhiwani (Delivery)	6600	4250	2350
		Siwani (Loose)	5800	4250	1550
	Sirsa	Sirsa (Loose)	6200	4065	2135
		Dhabwali (Loose)	6150	4100	2050
		Dhabwali (Delivery)	6458	4305	2153
		Ellanabad (Loose)	-	-	-
	Fatehabad	Fatehabad (Loose)	6200	4000	2200
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	5805	3915	1890
	Rajkot	Rajkot (Loose)	-	4025	-
	Jamnagar	Dhrol (Loose)	-	-	-

Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
<b>Guar Gum</b>					
Rajasthan	Jodhpur	Jodhpur	9800	6850	2950
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	8000	6880	1120
	Sirsa	Sirsa	9800	6850	2950
		Dhabwali	10000	6900	3100
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	13000	6600	6400

<b>Guar Seed Arrivals in Key Centers</b>					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			31-Aug-21	31-Jul-21	
Rajasthan	Jodhpur	Jodhpur	-	-	-
	Sri-Ganganagar	Sri-Ganganagar	100	250	-150
		Rawla	-	-	-
		Gharsana	-	-	-
		Raisinghnagar	4	20	-16
	Bikaner	Bikaner	50	700	-650
		Nokha	450	500	-50
		Khajuwala	50	Closed	-
		Lunkaransar	200	150	50
	Hanumangarh	Hanumangarh	NA	50	-
		Nohar	-	-	-
		Pilibanga	-	-	-
	Nagaur	Nagaur	0	250	-250
	Churu	Churu	-	-	-
	Alwar	Alwar	-	-	-
Haryana	Hisar	Adampur	1200	NA	-
	Bhiwani	Bhiwani	100	NA	-
		Siwani	NA	300	-
	Sirsa	Sirsa	500	300	200
		Dhabwali	100	200	-100
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	-	50	-50
Gujarat	Banaskantha	Deesa	-	-	-
	Patan	Patan	66	14	52
	Rajkot	Rajkot	-	100	-100



	Jamnagar	Dhrol	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			2820	2884	-64

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