

Guar Monthly Research Report

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Executive Summary**Domestic Guar Seed Market Summary**

This Month Guar seed and guar gum witnessed gains on tight supply in mandis as compared to previous year. Overall guar likely to trade rangebound with firm bias amid lower production and tight supply.

As on 29th Oct 2021, data released by Baker Hughes, the number of oilrigs in USA increased by 1 to 444 compared to 443 previous week. Monthly oilrig count in Sept'21 stood at 406 vs 180 last year same period. Increase in oilrig count continued this week as well, increase in oilrig count in US likely to boost export demand which is major importer of guar. Additionally, Currently rupee against US dollar is near one month low, likely to stimulate guar exports.

In sri Ganganagar, from 1st to 30th oct'21 average arrival stood at 595 Qtl Vs 3,460 Qtl last year same period and total arrival in oct'21 till 30th oct stood at 13,100 Qtl Vs 86,500 Qtl last year same period, overall in sri ganganagar arrival is 85% less as compared to last year in October.

In Bikaner, from 1st to 30th oct'21 daily average arrival stood at 402 Qtl Vs 748 Qtl last year same period and total arrival in oct'21 till 30th oct stood at 10,050 Qtl Vs 18,700 Qtl last year same period, overall in Bikaner, arrival is 46% less as compared to last year in October.

According to Rajasthan govt 2021-22 first advance estimates, Guar seed production estimate pegged at 13.73 lakh tonnes vs 11.36 lakh tonne last year, Additionally, 2021-22 acreage stood at 21.13 lakh hectare as compared to 24.84 lakh hectare last year. Yield pegged higher at 650 kg/Ha vs 458 kg/Ha last year.

According to Gujarat govt 2021-22 first advance estimates, Guar Seed production estimate pegged at 1.01 lakh tonne Vs 0.85 Lakh tonnes last year, Additionally, 2021-22 acreage stood at 1.21 lakh ha Vs 1.22 lakh ha. Yield pegged higher at 873 kg/ha Vs 699 Kg/ Ha last year.

India's guar gum exports increased in the month of September 2021 by 4.76% to 19,132 tonnes compared to 18,262 tonnes during Aug 2021 at an average FoB of US \$ 1756 per tonne in the month of Sept'2021 as compared to US \$ 1699 per tonne in the month of Aug 2021. Further, the gum shipments were up by 37.85% in Sept'2021 compared to the same period last year. Of the total exported quantity, around 7,535 tonnes is bought by US, Russia 3,261 tonnes, Germany 2,117 tonnes, china 696 tonnes, Australia 686 tonnes and Canada 547 tonnes.

India's guar split exports increased in the month of Sept'2021 by 72.64% to 3,660 tonnes compared to 2,120 tonnes during Aug'2021 at an average FoB of US \$ 1370 per tonne in the month of Sept'21 compared to US \$ 1101 per tonne in the month of Aug'2021. However, the guar split shipments gone up by 485 % in Sept 2021 compared to the same period last year. Of the total exported quantity, around 3,330 tonnes bought by China, US 240 tonnes and Netherland 120 tonnes.

Previous Updates:

India's guar gum exports increased in the month of August 2021 by 10.48% to 18,262 tonnes compared to 16,530 tonnes during July 2021 at an average FoB of US \$ 1699 per tonne in the month of Aug'2021 as compared to US \$ 1739 per tonne in the month of July 2021. Further, the gum shipments were up by

42.38% in Aug'2021 compared to the same period last year. Of the total exported quantity, around 5,401 tonnes is bought by US, Russia (3,085 tonnes), Germany (2,535 tonnes) and china 959 tonnes.

India's guar split exports declined in the month of Aug'2021 by 62.54% to 2,120 tonnes compared to 5,660 tonnes during July'2021 at an average FoB of US \$ 1101 per tonne in the month of Aug'21 compared to US \$ 1157 per tonne in the month of July'2021. However, the guar split shipments gone up by 221 % in Aug 2021 compared to the same period last year. Of the total exported quantity, around 940 tonnes bought by China, US (760 tonnes) and Switzerland 240 tonnes.

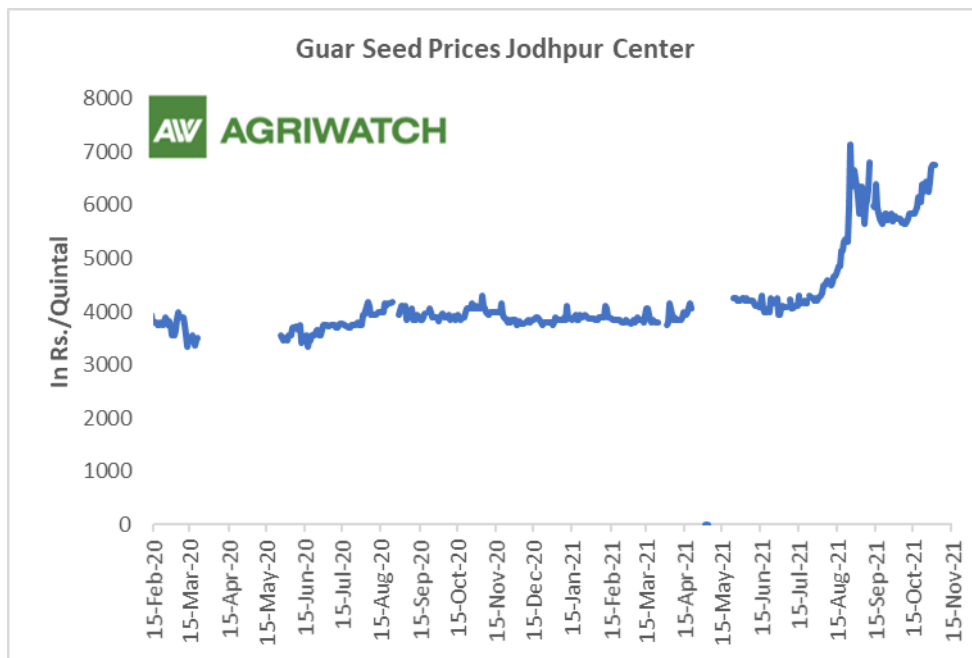
Recommendation:

Monthly Call- : Market participants are advised to sell Guar seed future November contract below 6600 levels for a target of 7250 with a stop loss at 6550.

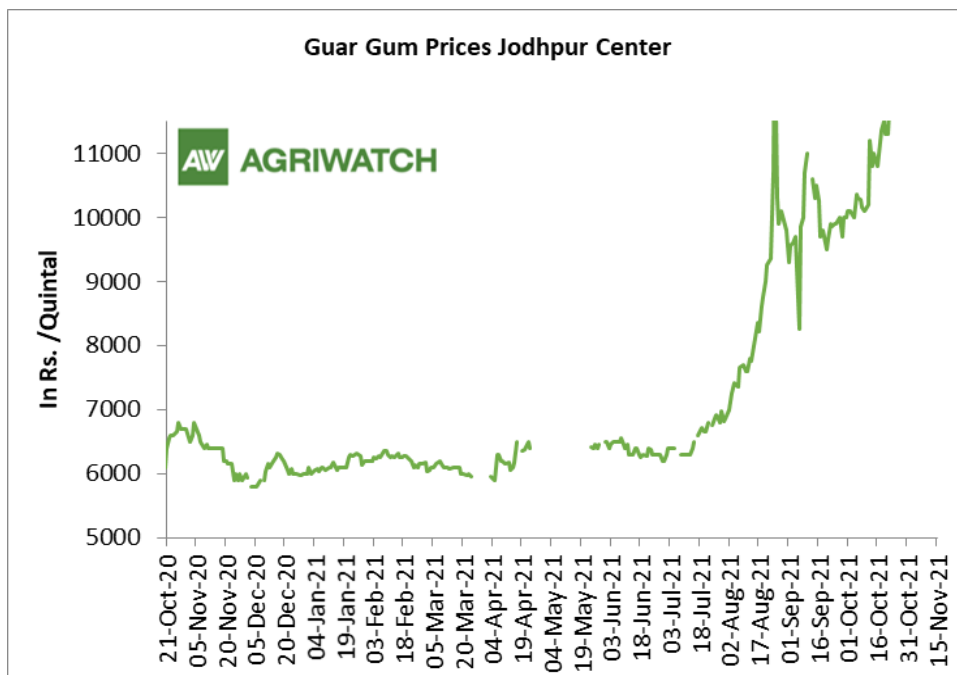
Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

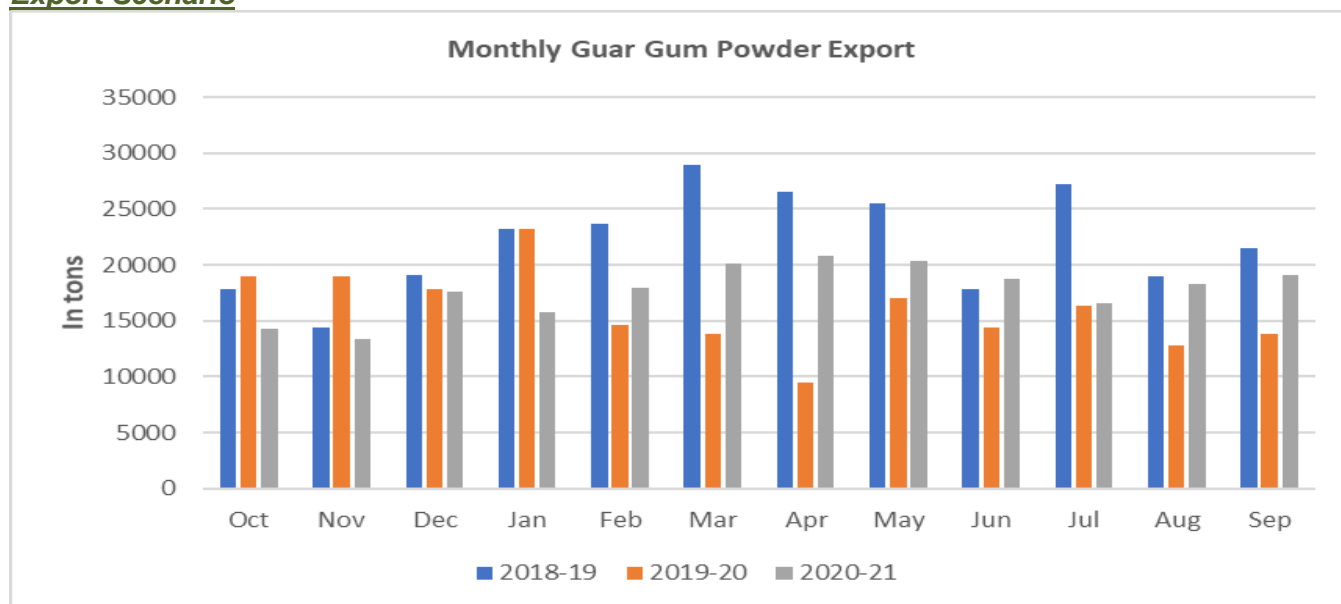
- As on 30th October, jodhpur guar seed paid prices witnessed increase to Rs 6,600/Qtl in Oct'21 and made high of Rs 6,600/Qtl, monthly low at Rs 5,500/Qtl compared to previous month at Rs 5,933/ Qtl. Prices remained elevated to tight supply in the market as compared to previous year.



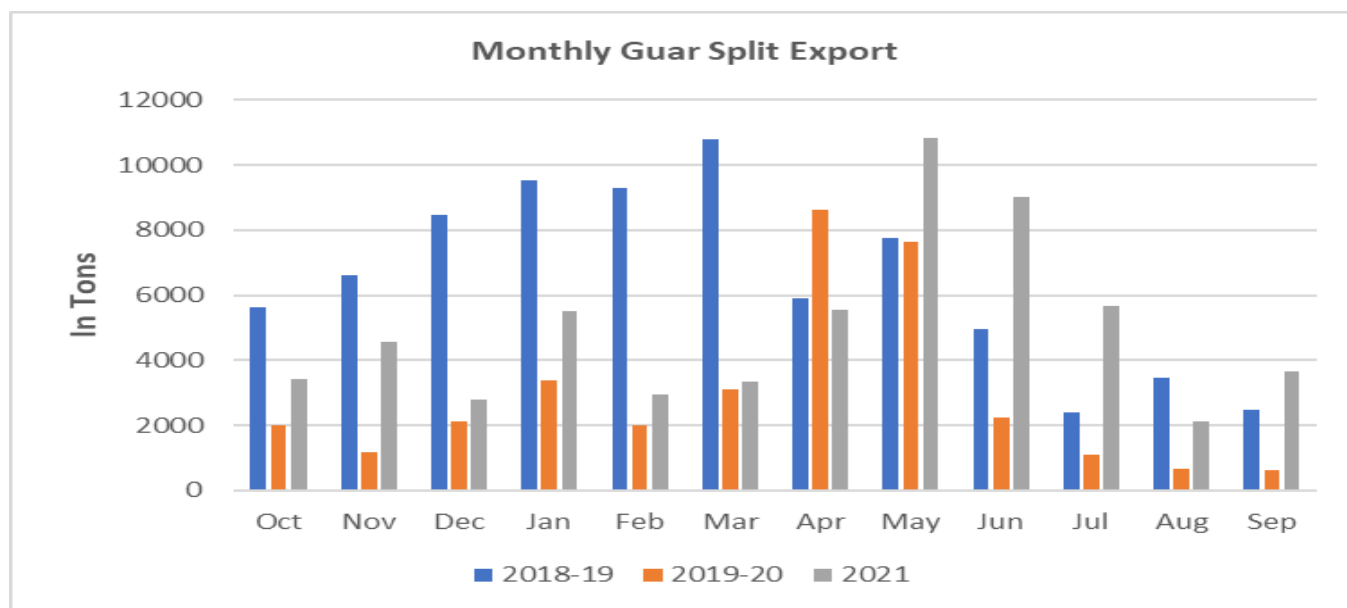
In October, jodhpur guar gum prices witnessed gains , and made high of Rs 13,450/Qtl, monthly low at Rs10,000/Qtl and closed at 13,200/Qtl.



Export Scenario

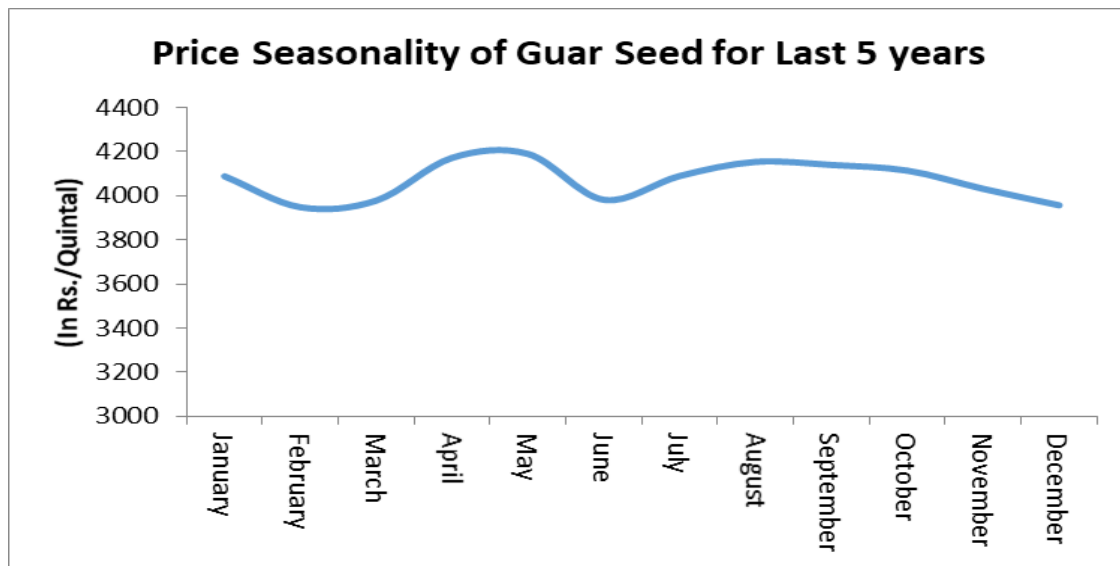


On export front, guar gum demand increased y-o-y in Sept 2021. India has exported 19,132 metric tons of guar gum in the month of Sept, 2021, up by 4.76% compared to previous month and up by 37.85% compared to Sept 2020.



Exports of guar split increased in the month of Sept 2021. India has exported 3,660 metric tonnes of guar split in the month of Sept 2021, up by 72.64% compared to previous month and increased by 485.60% compared to Sept 2020.

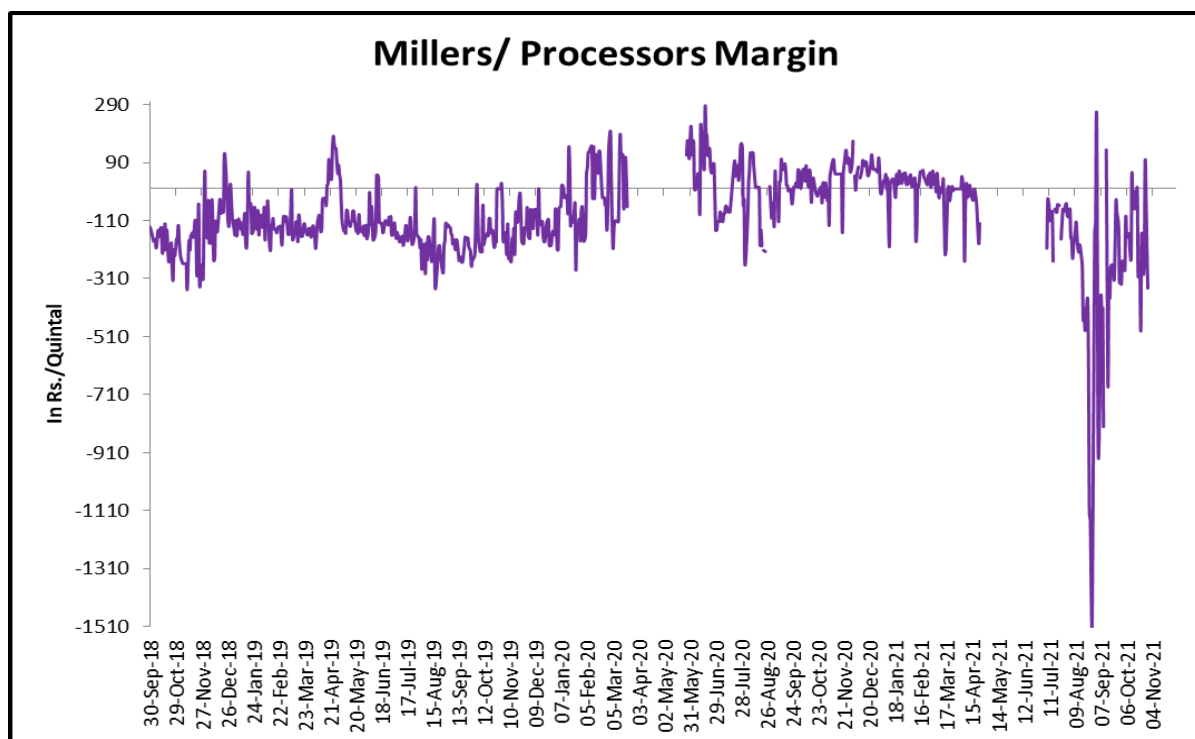
Price Seasonality of Guar Seed



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.

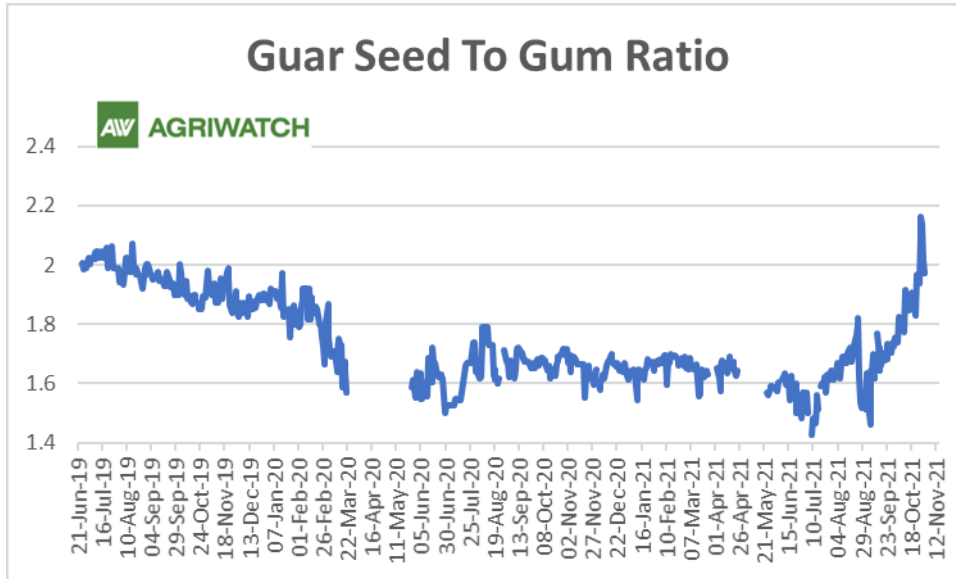
Millers/Processors Margin:

As seen in the chart, the average crush margin of guar seed have increased in October'21 as compared to Sept'21, the average crush margin increased to Rs. -173/quintal in Oct'21 compared to Rs. -308/quintal in Sept'21.



Guar Seed to Gum Ratio:

The average monthly Ratio of guar seed to gum stood at 1.89 in October'21 while in Sept'21 it was 1.66. Overall, firm demand of gum from domestic market has kept the overall ratio lower side.



Technical Analysis (Guar Seed)
Commodity: Guar Seed -Nov Contract
Exchange: NCDEX
Guar Seed (Technical Chart)

Technical Commentary:

- Guar seed posted gain on buyers interest.
- Prices closed a above 9 and 18 DMA.
- RSI and stochastic indicating firm buying strength.
- MACD crossover indicating bullish momentum.

Strategy: Buy

Monthly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	Nov	6500	6700	6980	7300	7500
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Nov	Buy	Below 6600	7000	7250	6550

Technical Analysis (Guar Gum)

Commodity: Guar Gum Nov Contract

Exchange: NCDEX

Guar Gum (Technical Chart)



Technical Commentary:

- Guar gum posted gain in September on buyers interest.
- RSI and stochastic are rising indicating bullish tone.
- Prices closed Above 9 day and 18 day SMA.
- MACD cross over indicating bullish momentum.

Strategy: Buy

Monthly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Nov	12000	12500	13298	13500	14000
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Nov	BUY	12800	13400	13800	12700

Guar Seed & Gum Prices at Key Spot Markets

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			30-Oct-21	30-Sep-21	
Rajasthan	Jodhpur	Jodhpur (Loose)	6600	5650	950
		Jodhpur(Delivery)	6930	5933	998
	Sri-Ganganagar	Sri-Ganganagar(Loose)	6800	5150	1650
		Sri-Ganganagar (Delivery)	6950	5300	1650
		Rawla (Loose)	-	-	Unch
		Gharsana (Loose)	-	-	Unch
		Raisinghnagar (Loose)	-	-	Unch
	Bikaner	Bikaner (Loose)	6800	5700	1100
		Bikaner (Delivery)	7140	5985	1155
		Nokha(Loose)	6800	5700	1100
		Nokha (Delivery)	7140	5985	1155
		Khajuwala (Loose)	6750	5800	950
		Khajuwala (Delivery)	7088	6090	998
		Lunkaransar (Loose)	6750	5900	850
	Hanumangarh	Hanumangarh (Loose)	7300	5700	1600
		Hanumangarh (Delivery)	7665	5985	1680
		Nohar (Loose)	-	-	Unch
		Pilibanga (Loose)	-	-	Unch
	Nagaur	Nagaur (Loose)	6300	5700	600
	Churu	Churu (Delivery)	-	-	Unch
	Alwar	Alwar (Loose)	-	-	Unch
Haryana	Hisar	Adampur (Loose)	6800	6100	700
		Adampur (Delivery)	7140	6405	735
	Bhiwani	Bhiwani (Delivery)	6900	5400	1500
		Siwani (Loose)	6800	5900	900
	Sirsa	Sirsa (Loose)	6200	5600	600
		Dhabwali (Loose)	-	-	Unch
		Dhabwali (Delivery)	-	-	Unch
		Ellanabad (Loose)	-	-	Unch
	Fatehabad	Fatehabad (Loose)	6800	5700	1100
Gujarat	Banaskantha	Deesa (Loose)	-	-	Unch
	Patan	Patan (Loose)	6105	5460	645
	Rajkot	Rajkot (Loose)	6575		6575

	Jamnagar	Dhrol (Loose)	-	-	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	13200	10000	3200
	Alwar	Alwar	-	-	Unch
	Hanumangarh	Nohar	-	-	Unch
Haryana	Bhiwani	Bhiwani	12800	9500	3300
	Sirsa	Sirsa	13300	10000	3300
		Dhabwali	-	-	Unch
		Ellanabad	-	-	Unch
	Fatehabad	Fatehabad	13200	10000	3200

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			30-Oct-21	30-Sep-21	
Rajasthan	Jodhpur	Jodhpur	-	-	Unch
	Sri-Ganganagar	Sri-Ganganagar	500	200	300
		Rawla	-	-	Unch
		Gharsana	-	-	Unch
		Raisinghnagar	-	-	Unch
	Bikaner	Bikaner	500	200	300
		Nokha	300	200	100
		Khajuwala	150	30	120
		Lunkaransar	200	500	-300
	Hanumangarh	Hanumangarh	50	300	-250
		Nohar	-	-	Unch
		Pilibanga	-	-	Unch
	Nagaur	Nagaur	-	-	Unch
	Churu	Churu	-	-	Unch
	Alwar	Alwar	-	-	Unch
Haryana	Hisar	Adampur	700	300	400
	Bhiwani	Bhiwani	200	50	150
		Siwani	NA	NA	-
	Sirsa	Sirsa	300	700	-400
		Dhabwali	-	-	Unch
		Ellanabad	-	-	Unch
	Fatehabad	Fatehabad	50	-	50
Gujarat	Banaskantha	Deesa	-	-	Unch
	Patan	Patan	13	17	-4



	Rajkot	Rajkot	400	-	400
	Jamnagar	Dhrol	-	-	Unch
Madhya Pradesh	Gwalior	Dabra	-	-	Unch
Total Arrivals/Above Markets			3363	2497	866

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