

# Guar Monthly Research Report

## Contents

- ❖ Executive Summary
- ❖ Recommendations
- ❖ Domestic Market Fundamentals
- ❖ Export Scenario
- ❖ Price Seasonality of Guar Seed
- ❖ Domestic Guar Seed Supply & Demand Situation
- ❖ Processing Margins (Monthly)
- ❖ Technical Analysis (Futures Market)
- ❖ Monthly Guar Seed & Gum Prices at Key Spot Markets

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

This Month Guar seed and guar gum remained under pressure on firm supply in mandis as compared to previous month. However, arrival remains tight YOY.

In sri Ganganagar, Oct-Nov'21 arrival stood 74% lower at 27,450 Qtl vs 104,900 Qtl in same period last year. Whereas, in Oct'21 arrival stood 85% lower at 13,400 Qtl vs 88,000 Qtl and in Noveber'21 arrival stood 17% lower at 14,050 Qtl vs 16,900 Qtl last year same period.

In Bikaner (Bikaner, Nokha, Khajuwala and Lunkaransar), Oct-Nov'21 arrival stood 1% lower at 98,880 Qtl vs 100,180 Qtl in same period last year. Whereas, in Oct'21 arrival stood 25% lower at 31,080 Qtl vs 41,230 Qtl and in Noveber'21 arrival stood 15% higher at 67,800 Qtl vs 58,950 Qtl last year same period.

In November'21, Jodhpur guar seed prices declined by 20-22% on firm arrival of new season crop and prices closed to one month low. Jodhpur guar gum corrected by 25-29% in November followed by weakness in guar seed prices. However, guar seed prices are still more than 45% higher YoY on lower production expectation.

As on 03rd Dec 2021, data released by Baker Hughes, the number of oilrigs in USA remained unchanged to 467 compared to 467 previous week. Monthly oilrig count in Oct'21 stood at 438 vs 201 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 remained weak, likely to stimulate guar exports.

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.

**Previous Updates:**

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



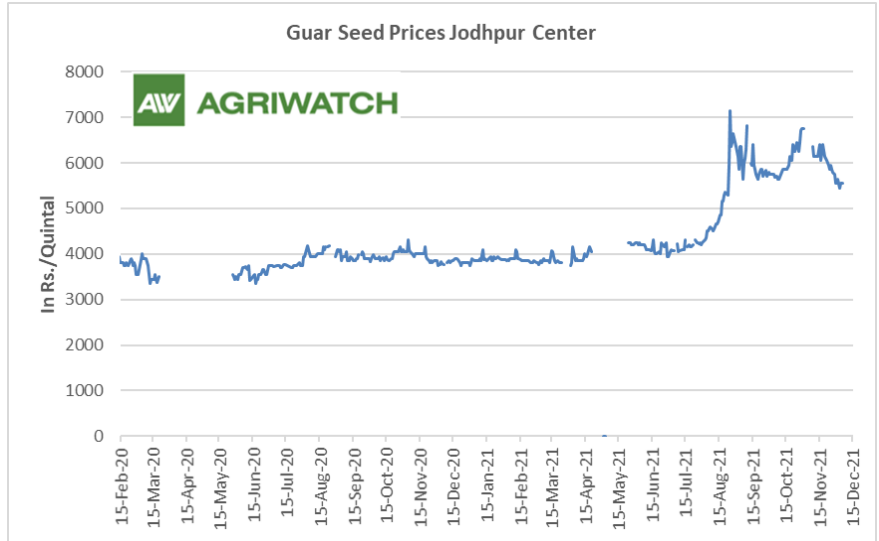
485 % in Sept 2021 compared to the same period last year. Of the total exported quantity, around 3,330 tonnes bought by China, US 240 tonnes and Netherland 120 tonnes.

**Recommendation: Monthly Call- : Market participants are advised to Buy Guar seed future January contract below 5500 levels for a target of 6700 with a stop loss at 5250.**

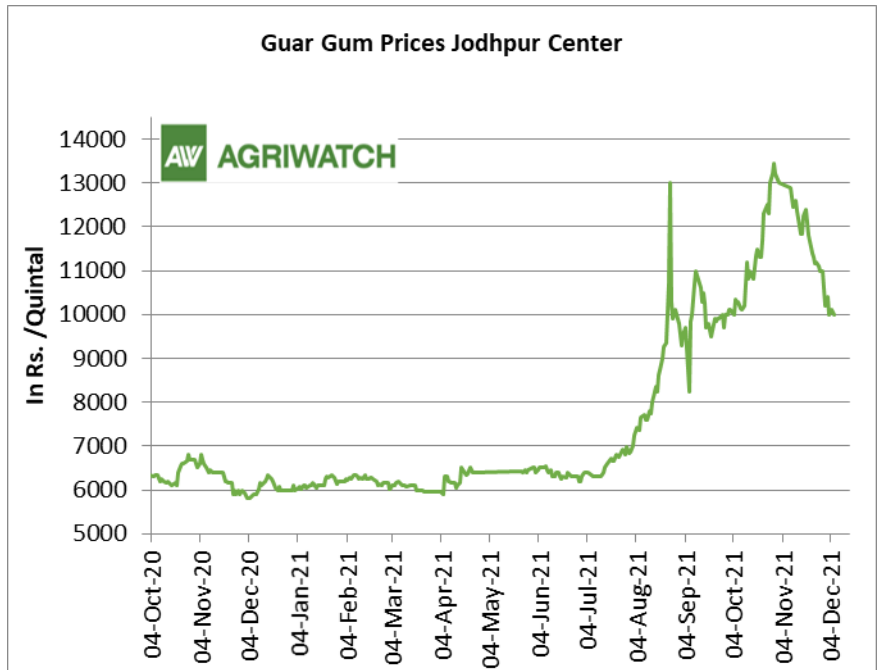
### Guar Seed Fundamental Analysis and Outlook:-

#### Domestic Front

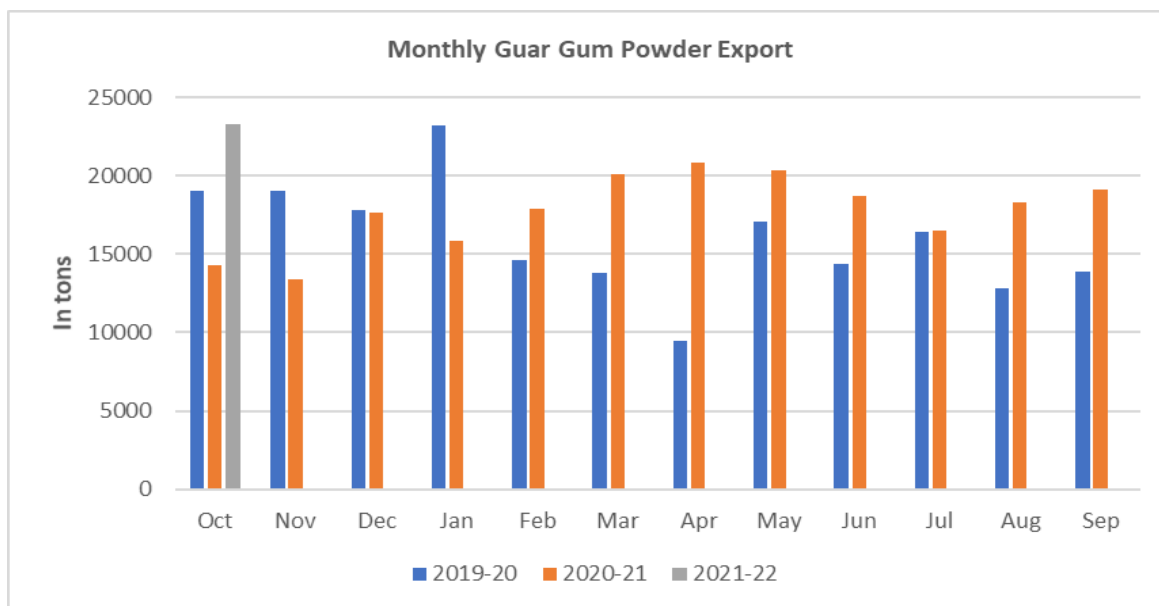
- As on 30<sup>th</sup> November, jodhpur guar seed paid prices decreased to Rs 5,500/Qtl in Oct'21 and made high of Rs 6,750/Qtl, monthly low at Rs 5,550/Qtl compared to previous month at Rs 6,750/ Qtl. Firm arrival kept guar seed prices under pressure.



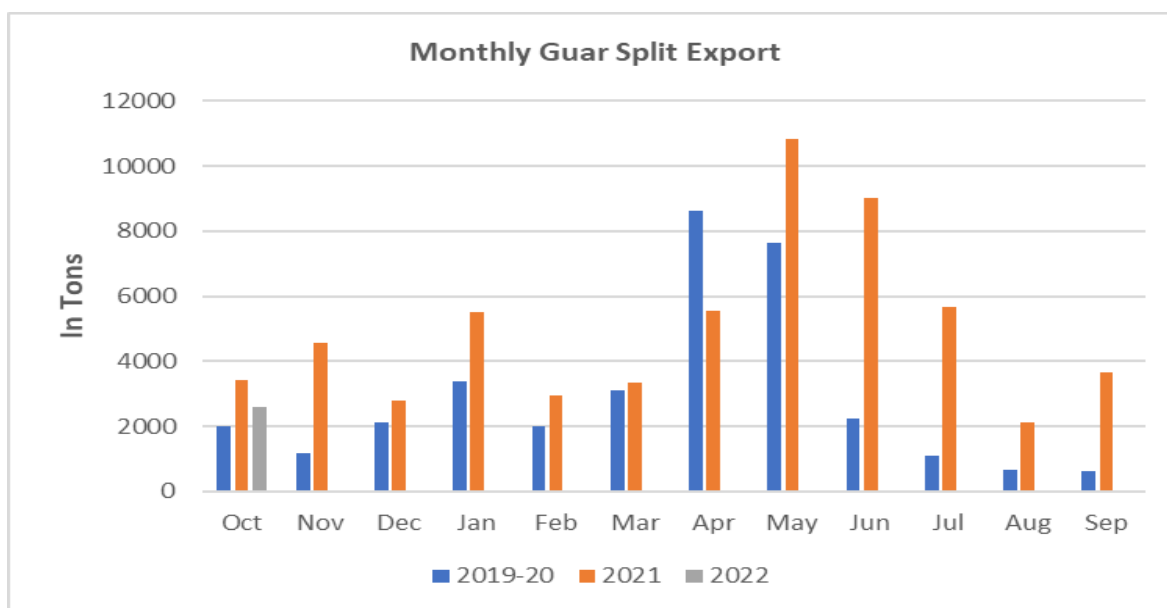
As on 30<sup>th</sup> November, jodhpur guar gum prices decreased to Rs 10,200/Qtl and made high of Rs 13,000/Qtl, monthly low at Rs 10,200/Qtl compared to previous month at Rs 13,200/ Qtl. Prices remained under pressure followed by weakness in guar seed prices.



### Export Scenario

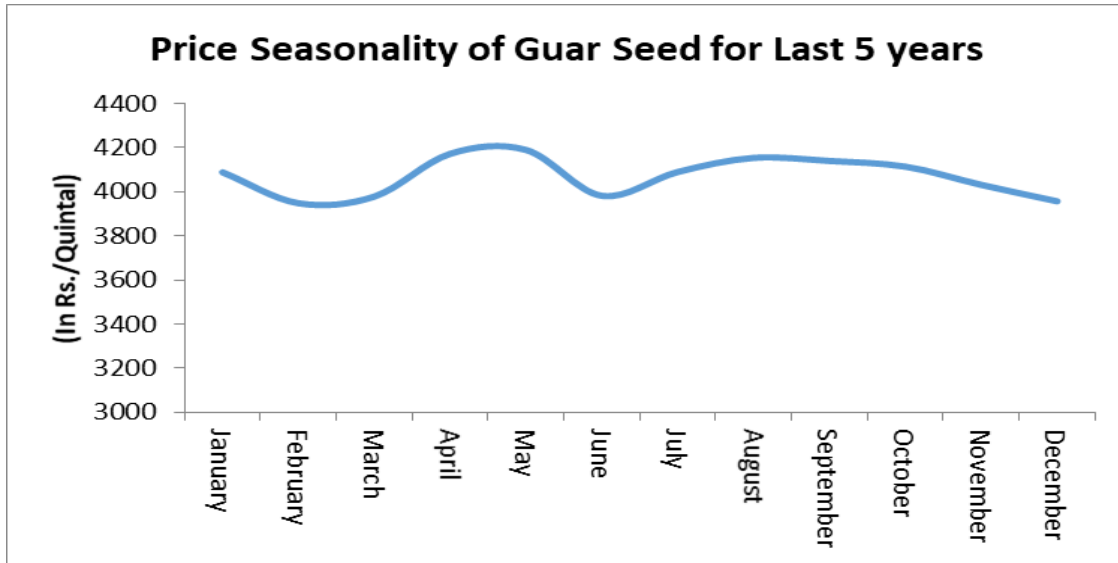


India's guar gum exports increased in the month of October 2021 by 21.74% to 23,292 tonnes compared to 19,132 tonnes during previous month at an average FoB of US \$ 1849 per tonne in the month of Oct'2021 as compared to US \$ 1756 per tonne previous month. Further, the gum shipments were up by 62.53% in Oct'2021 compared to the same period last year. Of the total exported quantity, around 10,083 tonnes bought by US, Russia 3,327 tonnes, Germany 2,711 tonnes, china 789 tonnes, Australia 466 tonnes and Canada 911 tonnes.



India's guar split exports decreased in the month of Oct'2021 by 29.51% to 2,580 tonnes compared to 3,660 tonnes previous month at an average FOB of US \$ 1325 per tonne in the month of Oct'21 compared to US \$ 1,370 per tonne previous month. However, the guar split shipments gone down by 24.78 % in Oct 2021 compared to the same period last year. Of the total exported quantity, around 1,900 tonnes bought by China, US 500 tonnes and Netherland 120 tonnes.

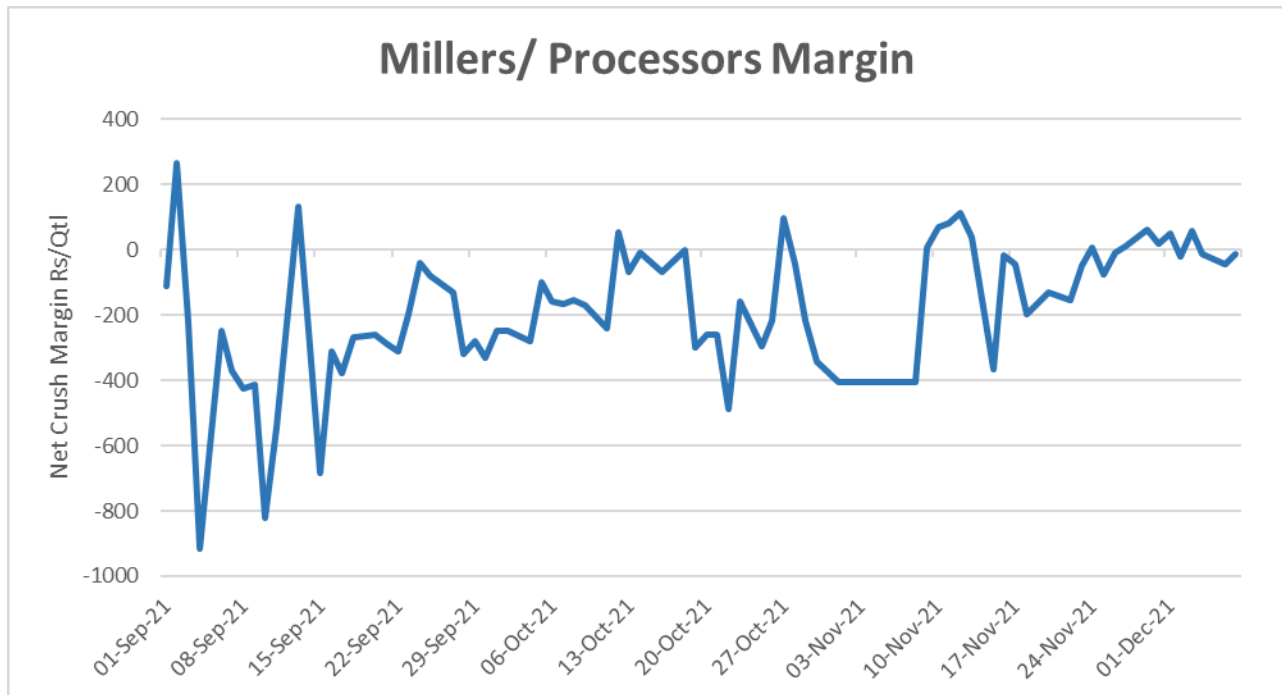
### Price Seasonality of Guar Seed



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.

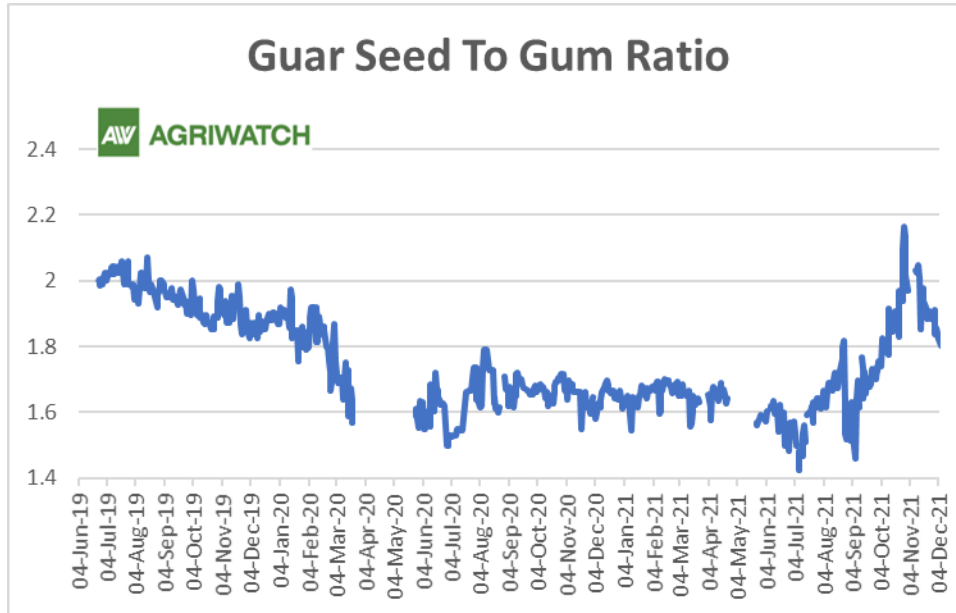
### Millers/Processors Margin:

As seen in the chart, the average crush margin of guar seed have increased in November'21 as compared to Oct'21, the average crush margin increased to Rs. -114/quintal in Nov'21 compared to Rs. -173/quintal in Oct'21.



### Guar Seed to Gum Ratio:

The average monthly Ratio of guar seed to gum stood at 1.9 in November'21 while in October'21 it was 1.89. Overall, firm demand of gum from domestic market has kept the overall ratio upper side. However, declining in last few weeks.



### Technical Analysis (Guar Seed)

Commodity: Guar Seed -Jan Contract

Exchange: NCDEX

#### Guar Seed ( Technical Chart)



#### Technical Commentary:

- Guar seed continued down trend in November.
- Prices closed below 9 and 18 DMA indicating weak momentum.
- RSI and stochastic indicating weak buying strength.
- MACD crossover indicating bearish momentum.

Monthly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	Jan	5000	5200	5796	7300	7500
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Jan	Buy	Near 5500	6500	7200	5250



### Technical Analysis (Guar Gum)

Commodity: Guar Gum Jan Contract

Exchange: NCDEX

#### Guar Gum (Technical Chart)



#### Technical Commentary:

- Guar gum continued down trend in November.
- Prices closed below 9 and 18 DMA indicating weak momentum.
- RSI and stochastic indicating weak buying strength.
- MACD crossover indicating bearish momentum.

Monthly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Jan	9000	9500	10167	12500	13000
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Jan	BUY	10000	11000	12000	9600

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

<b>Guar Seed Prices at Key Spot Markets:</b>					
<b>Commodity</b>	<b>District</b>	<b>Centre</b>	<b>Prices (Rs/Qtl)</b>		<b>Change</b>
<b>Guar Seed</b>			<b>30-Nov-21</b>	<b>30-Oct-21</b>	
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur (Loose)	5400	6600	<b>-1200</b>
		Jodhpur(Delivery)	5670	6930	<b>-1260</b>
	<b>Sri-Ganganagar</b>	Sri-Ganganagar(Loose)	6050	6800	<b>-750</b>
		Sri-Ganganagar (Delivery)	6200	6950	<b>-750</b>
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	<b>Bikaner</b>	Bikaner (Loose)	5600	6800	<b>-1200</b>
		Bikaner (Delivery)	5880	7140	<b>-1260</b>
		Nokha(Loose)	5550	6800	<b>-1250</b>
		Nokha (Delivery)	5828	7140	<b>-1313</b>
		Khajuwala (Loose)	5500	6750	<b>-1250</b>
		Khajuwala (Delivery)	5775	7088	<b>-1313</b>
		Lunkaransar (Loose)	5600	6750	<b>-1150</b>
	<b>Hanumangarh</b>	Hanumangarh (Loose)	5800	7300	<b>-1500</b>
		Hanumangarh (Delivery)	6090	7665	<b>-1575</b>
		Nohar (Loose)	-	-	-
		Pilibanga (Loose)	-	-	-
	<b>Nagaur</b>	Nagaur (Loose)	5450	6300	<b>-850</b>
	<b>Churu</b>	Churu (Delivery)	-	-	-
	<b>Alwar</b>	Alwar (Loose)	-	-	-
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	5300	6800	<b>-1500</b>
		Adampur (Delivery)	5565	7140	<b>-1575</b>
	<b>Bhiwani</b>	Bhiwani (Delivery)	6000	6900	<b>-900</b>
		Siwani (Loose)	5700	6800	<b>-1100</b>
	<b>Sirsa</b>	Sirsa (Loose)	5450	6200	<b>-750</b>
		Dhabwali (Loose)	-	-	-
		Dhabwali (Delivery)	-	-	-
		Ellanabad (Loose)	-	-	-
	<b>Fatehabad</b>	Fatehabad (Loose)	5600	6800	<b>-1200</b>
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	-	-	-

	Patan	Patan (Loose)	5575	6105	-530
	Rajkot	Rajkot (Loose)	5575	6575	-1000
	Jamnagar	Dhrol (Loose)	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
<b>Guar Gum</b>					
Rajasthan	Jodhpur	Jodhpur	10200	13200	-3000
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	12100	12800	-700
	Sirsa	Sirsa	10300	13300	-3000
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	10500	13200	-2700

<b>Guar Seed Arrivals in Key Centers</b>					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			30-Nov-21	30-Oct-21	
Rajasthan	Jodhpur	Jodhpur	50	0	50
	Sri-Ganganagar	Sri-Ganganagar	1500	500	1000
		Rawla	-	-	-
		Gharsana	-	-	-
		Raisinghnagar	-	-	-
	Bikaner	Bikaner	1500	500	1000
		Nokha	800	300	500
		Khajuwala	300	150	150
		Lunkaransar	500	200	300
	Hanumangarh	Hanumangarh	65	50	15
		Nohar	-	-	-
		Pilibanga	-	-	-
	Nagaur	Nagaur	885	-	885
Haryana	Churu	Churu	-	-	-
	Alwar	Alwar	-	-	-
	Hisar	Adampur	600	700	-100
	Bhiwani	Bhiwani	900	200	700
		Siwani	50	-	-
	Sirsa	Sirsa	800	300	500
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	50	50	Unch



Gujarat	Banaskantha	Deesa	-	-	-
	Patan	Patan	30	13	17
	Rajkot	Rajkot	350	400	-50
	Jamnagar	Dhrol	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			8380	3363	5017

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