

Guar Monthly Research Report

Contents

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

Executive Summary

This month Guar seed delivery prices at Jodhpur witnessed gains on decrease in arrivals rally in crude oil and firm export demand. Guar Gum prices too went up and increased by more than 7%. It is likely to trade rangebound with firm bias

WTI Crude oil rallied by more than 17% in Jan'22 and continued to hover above USD 85/ barrel.

Oil rig count in the US went up this month too, jumping by 15 in Jan. We expect firm crude oil prices will support increase in oilrig count in upcoming months too.

Squeeze in crush margin continued this month too; lower guar products like churi and korma kept crush margins lower.

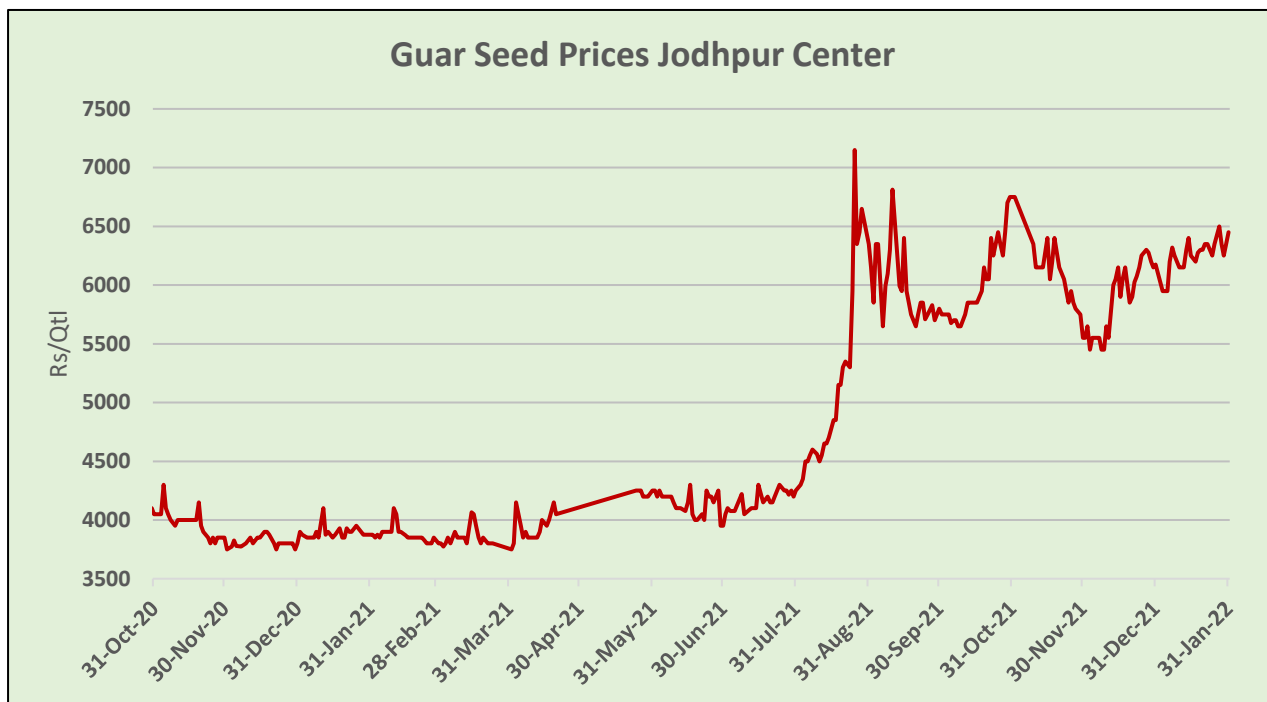
In December 2021, India's Guar Gum exports increased by 44.70% to 25,274 tonnes and guar split exports too increased in the month of Dec'2021 by 24.73% to 3,268 tonnes compared to 2,620 tonnes previous month. We expect Guar Gum exports in Jan'22 between 22,000-25,000 tonnes.

Outlook – Guar seed (Spot, Jodhpur basis):

Guar seed delivery prices are expected to trade range bound with firm bias supported by good export demand and firm crude oil prices. The seed prices are likely to trade in the range between 6,200 – 6,700/Qtl. in the short-run.

Domestic Market Fundamentals

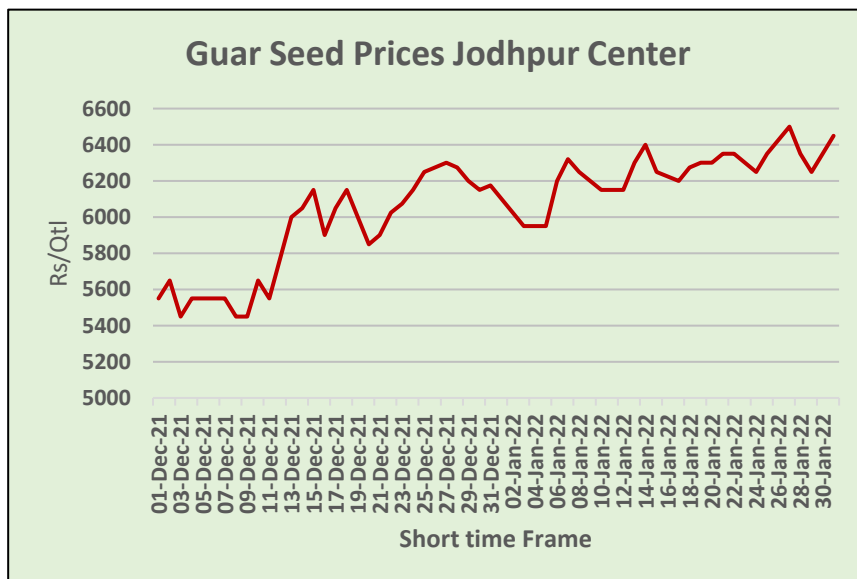
This month Jodhpur guar seed and Guar Gum average prices went up amid tight arrivals, good rally in crude oil prices, firm export demand and increase in oil rig counts. Overall arrivals however, went down in Rajasthan and Haryana and Gujarat.

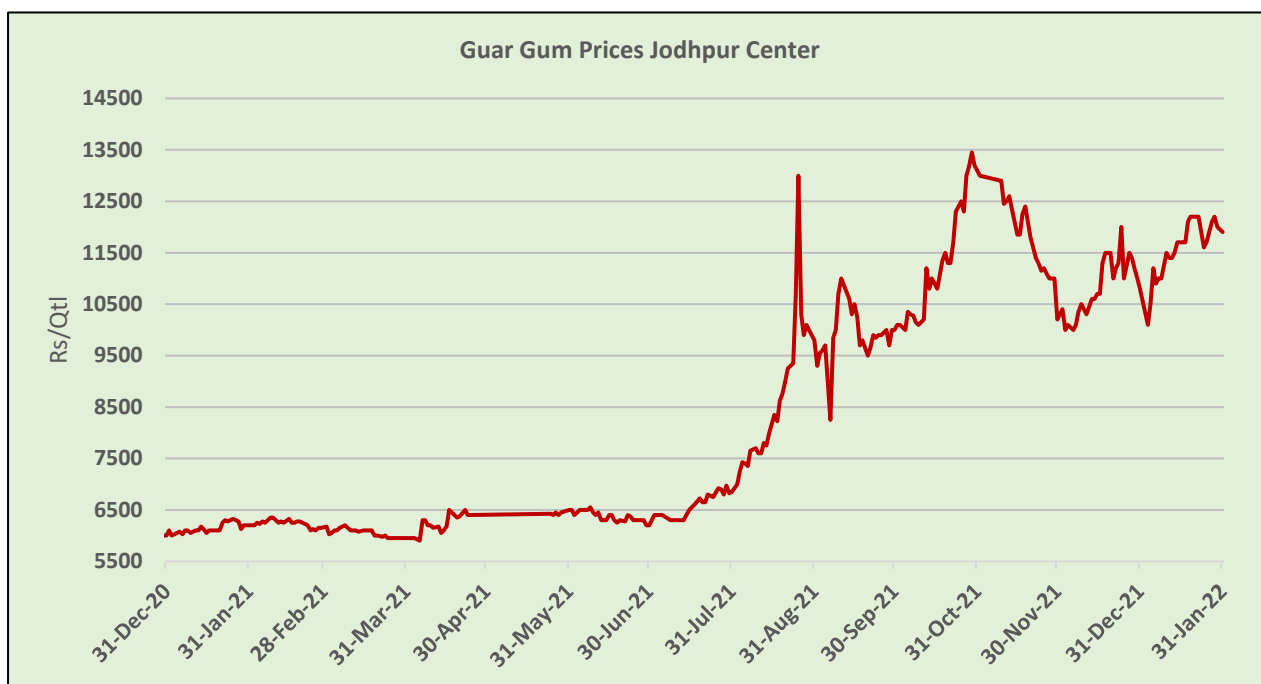


The average monthly price of Jodhpur Guar seed delivery increased by 6.22% to Rs. 6,403 a quintal, compared to Rs.6,028/ qtl previous month. The market made a low of 6,090 and high of 6,668 during the month. Prices went up on tight arrivals, firm export demand and good rally in crude oil prices. WTI crude oil continued good rally in January too and witnessed gain of more than 17% on supply concerns.

As on 31st Jan'22, Guar seed Jodhpur delivery price stood at Rs.6,615/qtl as compared to previous month closing at Rs.6,326/qtl.

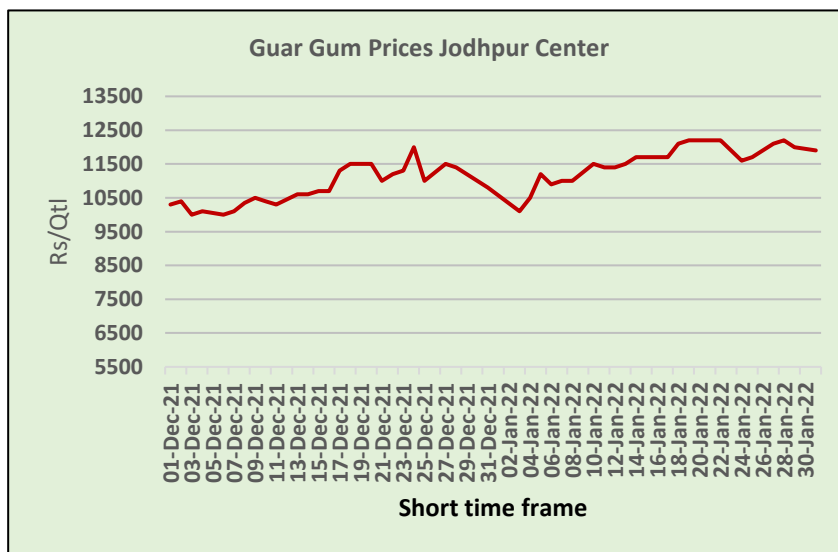
As on 29th Jan'2021, as per data released by Baker Hughes, the number of oilrigs in USA went up by 15 to 495 compared to 480 in previous month.





The average monthly price of Jodhpur gum increased by 7.09% to Rs. 11,583 a quintal, compared to Rs.11,817/ qtl previous month. The market made a low of 10,100 and high of 12,200 during the month. Firm crude oil prices pushed Guar Gum prices.

As on 31st Jan'22, Jodhpur Guar Gum prices closed at Rs.11,900/Qtl as compared to previous month closing at Rs.10,800/qtl.



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.

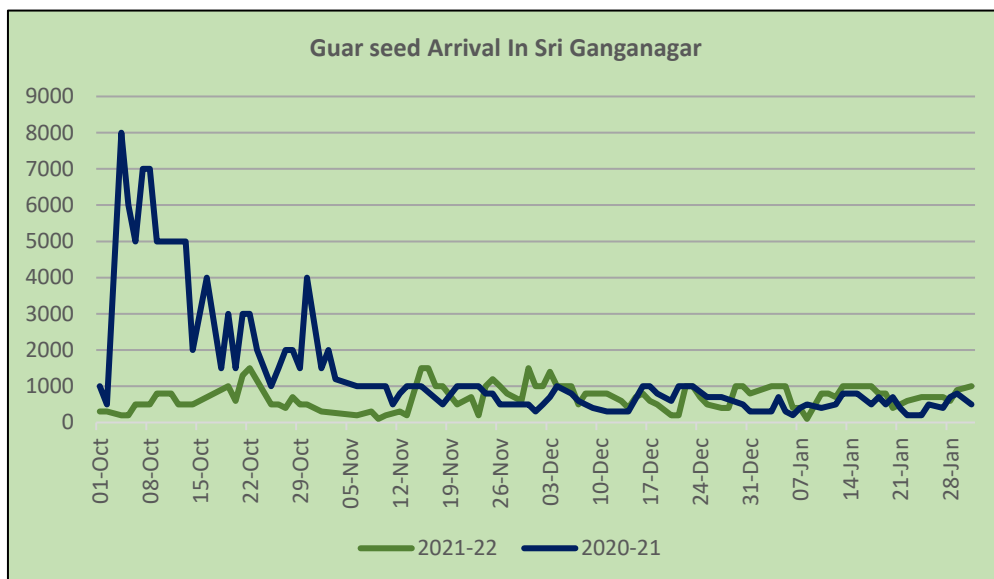
According to Gujarat govt 2021-22 first advance estimates, Guar Seed production estimate pegged at 1.01 lakh tonne Vs 0.85 Lakh tonnes last year, Additionally, 2021-22 acreage stood at 1.21 lakh ha Vs 1.22 lakh ha. Yield pegged higher at 873 kg/ha Vs 699 Kg/ Ha last year.

According to Agriwatch estimates, 2021 Guar seed production is estimated at 4.5 lakh tonnes lower than previous year at 5.83 lakh tonnes.

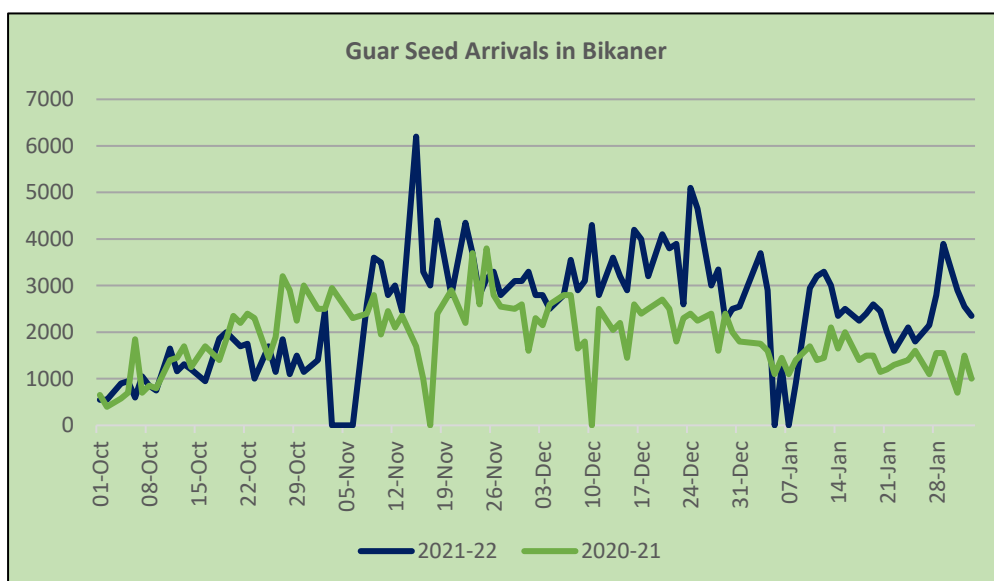
Arrivals

In Sri Ganganagar, Oct-Jan'22 arrivals stood 51% lower at 64,250 Qtl vs 1,29,900 Qtl in same period last year. Whereas, in Jan'22 arrival stood 54% higher at 16,900 Qtl vs 11,000 Qtl in Jan'21.

Based on the crop loss in the Sri Ganganagar and Hanumangarh belt, production has been lower and has resulted into low arrivals this season.



Bikaner (Bikaner, Nokha, Khajuwala and Lunkaransar), Oct-Jan'22 arrivals were 30% up at 2,48,530 Qtl vs 1,90,980 Qtl in same period last year. Whereas, in Jan'22 arrival stood 61% higher at 59,900 Qtl vs 37,150 Qtl in Dec'20.

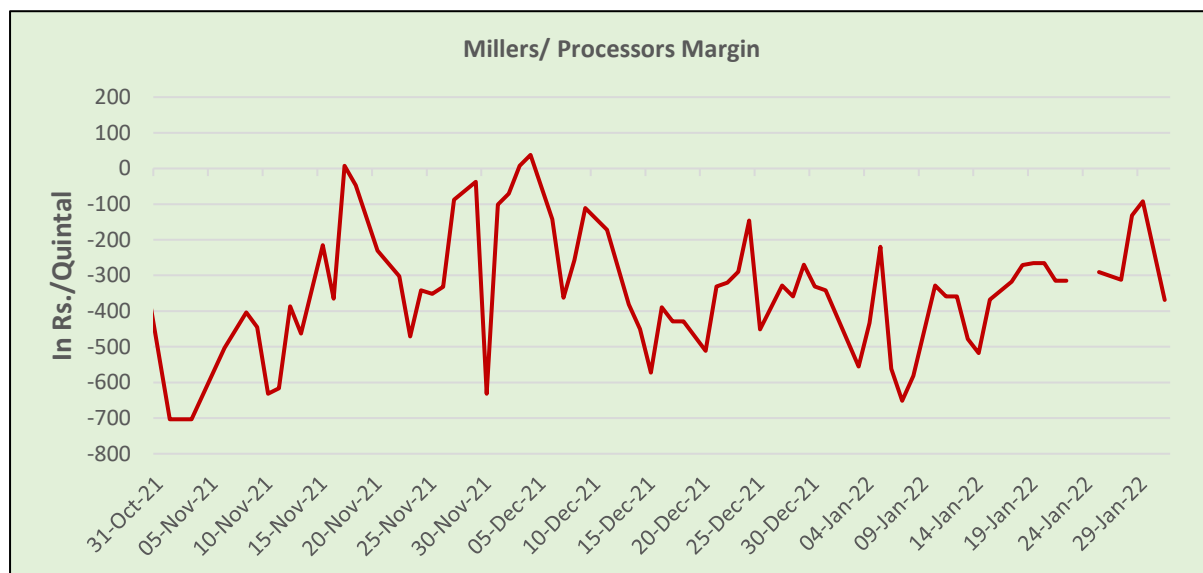


This season Bikaner,

Barmer and Jodhpur region received good rainfall, hence better crop production has resulted into firm arrivals.

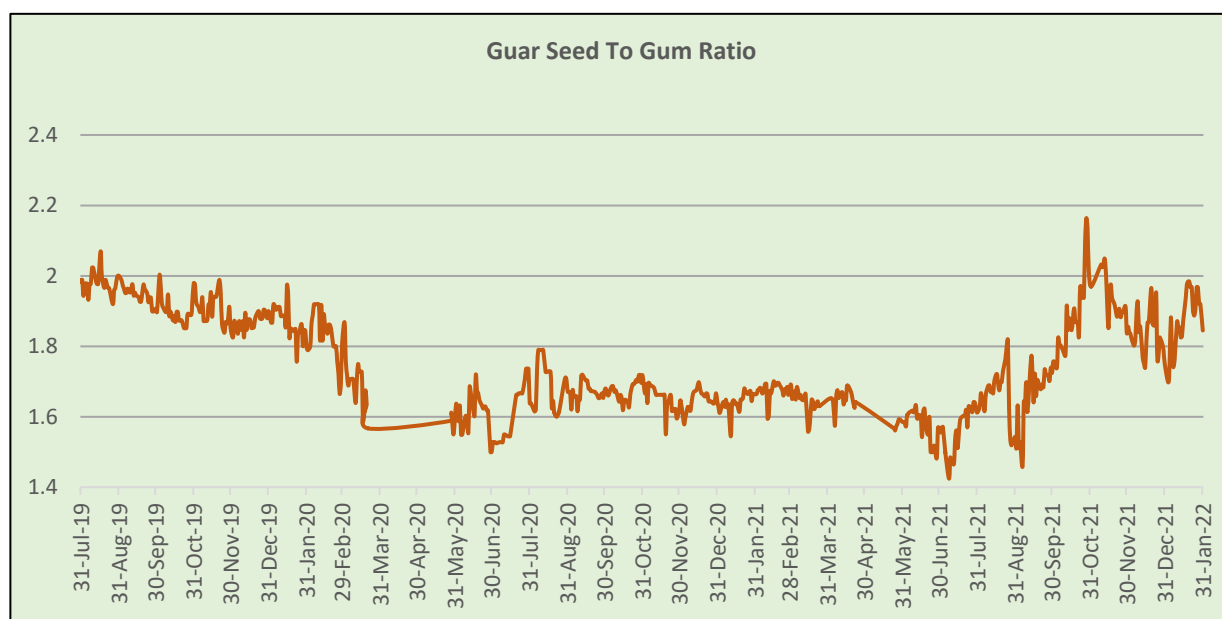
Millers/Processors Margin

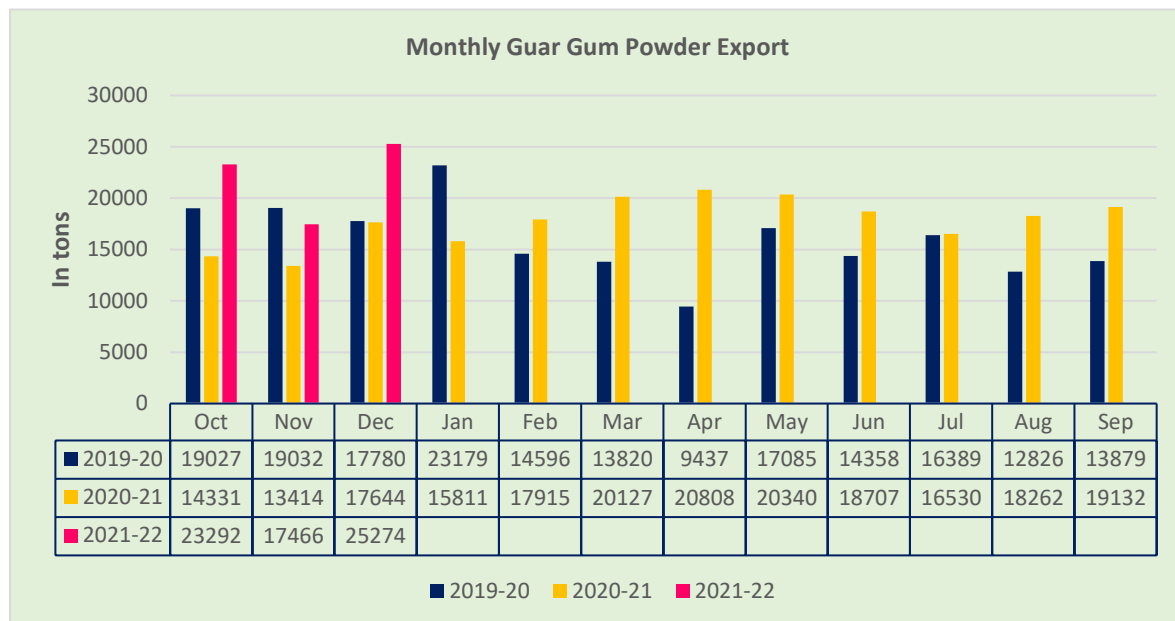
As seen in the chart, the average crush margin of guar seed has decreased in January'22 as compared to December'21. The average crush margin decreased to Rs. -363/quintal in Jan'22 compared to Rs. -283/quintal in Dec'21. Lower guar product prices like churi and korma have pushed down the processors' margin.



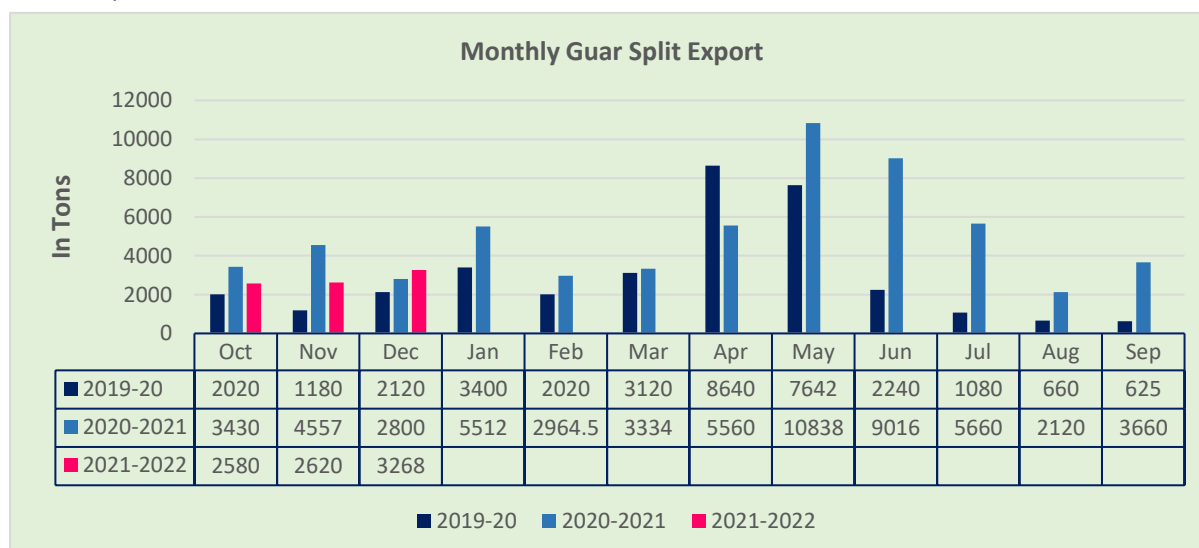
Guar Seed to Gum Ratio

The average monthly ratio of guar seed to gum stood at 1.87 as compared to last week 1.83 Overall, good demand of gum from domestic markets has pushed overall ratio on higher side.



Export Scenario


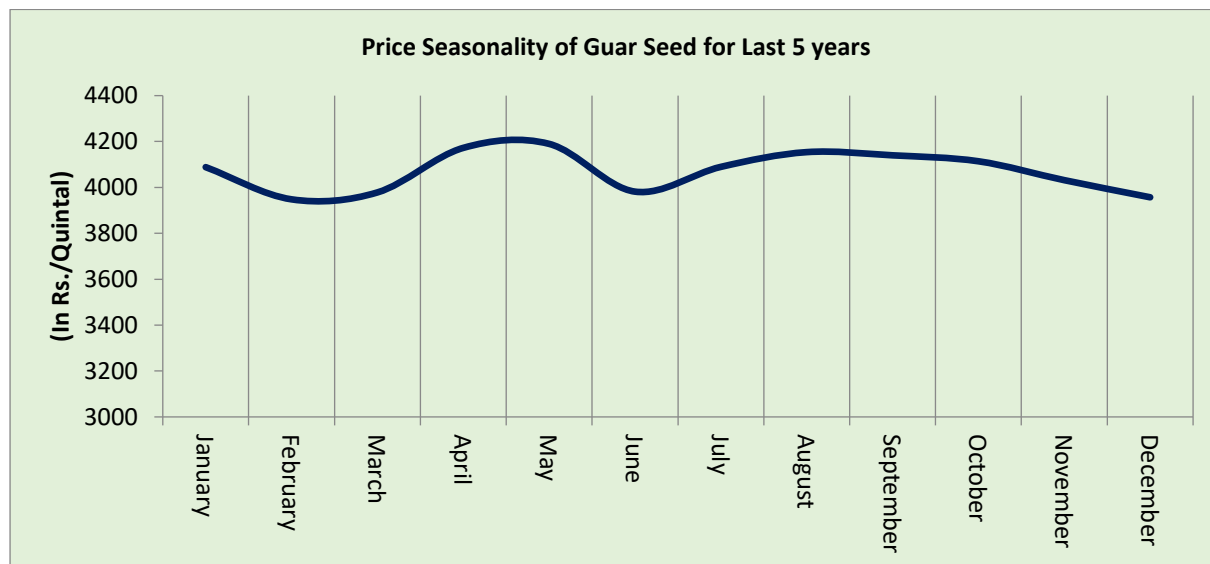
India's Guar Gum exports increased in the month of December 2021 by 44.70% to 25,274 tonnes compared to 17,466 tonnes during previous month at an average FoB of US \$ 2466 per tonne in the month of Dec'2021 as compared to US \$ 2169 per tonne previous month. Further, the gum shipments were up by 43.24% in Dec'2021 compared to the same period last year. Of the total exported quantity, around 7,671 tonnes bought by US, Russia bought 6,964 tonnes, Germany 3,092 tonnes, china 1,036 tonnes, Australia 835 tonnes and Canada 687 tonnes. YoY good export demand has underpinned the guar prices triggered by good rally in crude oil prices and weak USD/INR. In Jan'22 we expect Guar Gum exports to be in between 22,000-25,000 tonnes.



India's guar split exports too increased in the month of Dec'2021 by 24.73% to 3,268 tonnes compared to 2,620 tonnes previous month at an average FoB of US \$ 1,639 per tonne in the month of Dec'21 compared to US \$ 1,557 per tonne previous month. The guar split shipments went up by 16.71 % in

Dec'21 2021 compared to the same period last year. Of the total exported quantity, around 1,360 tonnes bought by China, US 960 tonnes, Mexico 528 tonnes and Switzerland 240 tonnes.

Price Seasonality of Guar Seed



Technical Analysis (Guar Seed)

Commodity: Guar Seed
Exchange: NCDEX

Expiry: March 20, 2021
Contract: March

Guar Seed (March, Daily Chart)

Technical Commentary:

- This Month, Guar seed posted 5.21% gain, aggressive long build up pushed prices higher and closed at 6357.
- Prices closed near 9 and 18 DMA, indicating steady tone in near-term, 50 DMA emerged as good support.
- MACD cross over indicating steady tone in near term.
- RSI above 50, indicating good buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	March	6000	5800	6357	6700	6900
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	March	BUY	6100-6200	6400	6600	6050

Technical Analysis (Guar Gum)
Commodity: Guar Gum
Contract: March
Exchange: NCDEX
Expiry: March 20, 2021
Guar Gum (March, Daily Chart)

Technical Commentary:

- This month Guar Gum posted 10.96% gains on long build-up and closed at 12061
- Prices closed near 9 and 18 DMA, indicating steady tone in near-term. Currently trading above 100 DMA.
- MACD cross over indicating steady tone in near term.
- RSI above 50 indicating firm buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	March	11200	11000	12061	12500	12800
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	March	BUY	Above 11400	11800	12300	11200

Guar Seed Prices at Key Spot Markets:

Commodity	District	Centre	Prices (Rs/Qtl)		Change
			31-Jan-22	31-Dec-21	
Guar Seed					
Rajasthan	Jodhpur	Jodhpur (Loose)	6300	6025	275
		Jodhpur(Delivery)	6615	6326	289
	Sri-Ganganagar	Sri-Ganganagar(Loose)	6050	5800	250
		Sri-Ganganagar (Delivery)	6200	5950	250
		Rawla (Loose)	5850	5850	Unch
		Gharsana (Loose)	6000	5800	200
		Raisinghnagar (Loose)	6140	6000	140
	Bikaner	Bikaner (Loose)	6100	5700	400
		Bikaner (Delivery)	6405	5985	420
		Nokha(Loose)	6100	5750	350
		Nokha (Delivery)	6405	6038	368
		Khajuwala (Loose)	6000	5800	200
		Khajuwala (Delivery)	6300	6090	210
		Lunkaransar (Loose)	6000	5800	200
	Hanumangarh	Hanumangarh (Loose)	6000	5800	200
		Hanumangarh (Delivery)	6300	6090	210
		Nohar (Loose)	6000	-	-
		Pilibanga (Loose)	6000	5700	300
	Nagaur	Nagaur (Loose)	5900	5700	200
	Churu	Churu (Delivery)	5650	5900	-250
	Alwar	Alwar (Loose)	5600	5100	500
Haryana	Hisar	Adampur (Loose)	6000	5650	350
		Adampur (Delivery)	6300	5933	368
	Bhiwani	Bhiwani (Delivery)	-	6000	-
		Siwani (Loose)	6150	5725	425
	Sirsa	Sirsa (Loose)	5975	5650	325
		Dhabwali (Loose)	5900	-	-
		Dhabwali (Delivery)	6195	-	-
		Ellanabad (Loose)	5975	-	-
	Fatehabad	Fatehabad (Loose)	5650	5300	350
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	-	5490	-
	Rajkot	Rajkot (Loose)	6075	5570	505
	Jamnagar	Dhrol (Loose)	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-

Guar Gum					
Rajasthan	Jodhpur	Jodhpur	11900	10800	1100
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	-	11200	-
	Sirsa	Sirsa	12100	11200	900
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	11900	10300	1600

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			31-Jan-22	31-Dec-21	
Rajasthan	Jodhpur	Jodhpur	30	150	-120
	Sri-Ganganagar	Sri-Ganganagar	1000	800	200
		Rawla	150	200	-50
		Gharsana	50	100	-50
		Raisinghnagar	80	50	30
	Bikaner	Bikaner	1300	800	500
		Nokha	400	450	-50
		Khajuwala	400	300	100
		Lunkaransar	800	1000	-200
	Hanumangarh	Hanumangarh	250	150	100
		Nohar	500	-	500
		Pilibanga	300	100	200
	Nagaur	Nagaur	300	1000	-700
	Churu	Churu	80	150	-70
	Alwar	Alwar	70	20	50
Haryana	Hisar	Adampur	800	800	Unch
	Bhiwani	Bhiwani	-	500	-
		Siwani	300	300	Unch
	Sirsa	Sirsa	2000	1000	1000
		Dhabwali	200	-	200
		Ellanabad	270	-	270
	Fatehabad	Fatehabad	150	200	-50
Gujarat	Banaskantha	Deesa	-	-	-
	Patan	Patan	-	23	-
	Rajkot	Rajkot	55	100	-45

	Jamnagar	Dhrol	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			9485	8193	1292

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2022 Indian Agribusiness Systems Limited