

# Guar Monthly Research Report

## Contents

- ❖ Executive Summary
- ❖ Outlook
- ❖ 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**

This month Guar seed delivery monthly average prices at Jodhpur remained sideways witnessing mild gains and Guar gum prices too remained sideways. Till third week of February, guar seed and guar gum prices remained elevated, However, in last week of February, the Russia-Ukraine conflict pushed guar prices lower, as Russia is second largest guar importer after USA.

WTI Crude oil rallied by more than 8.59% in Feb'22 and continued to hover above USD 100/ barrel.

Oil rig count in the US went up February too, jumping by 27 and we expect that the firm crude oil prices may support increase in oilrig count in upcoming months too.

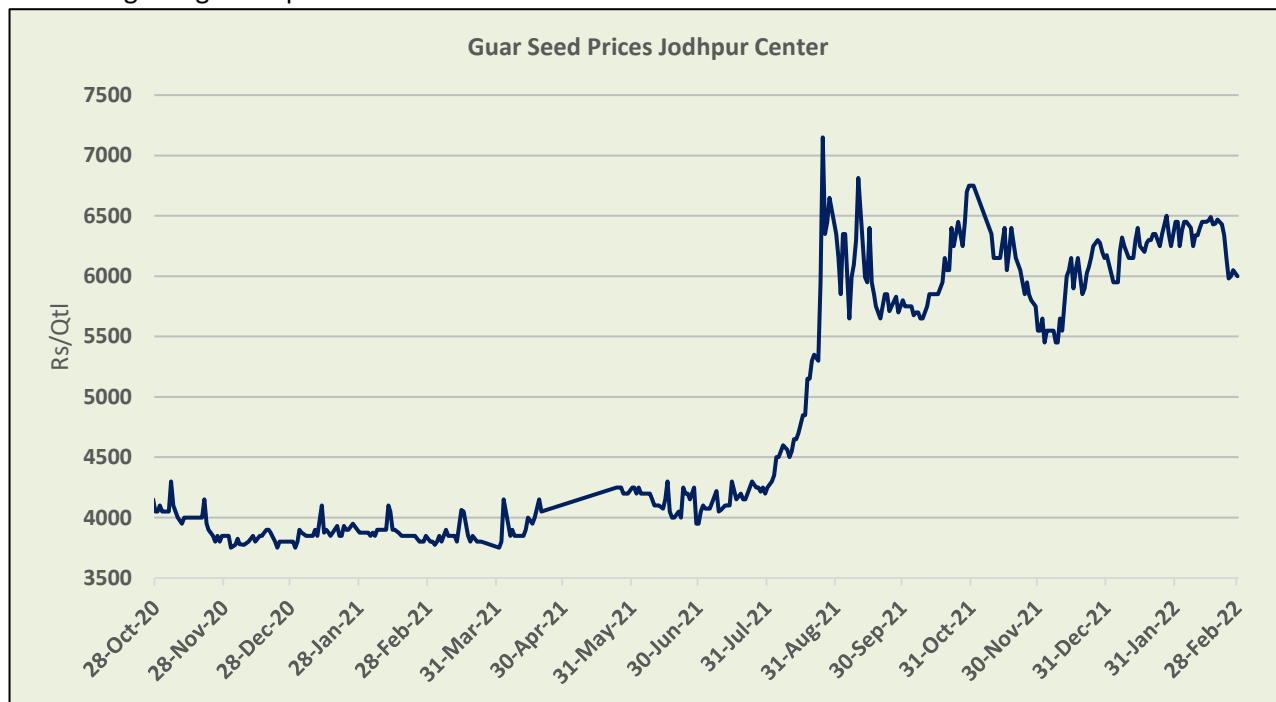
Squeeze in crush margin continued this month too; lower guar products like churi and korma kept crush margin lower.

**Outlook – Guar seed (Spot, Jodhpur basis):**

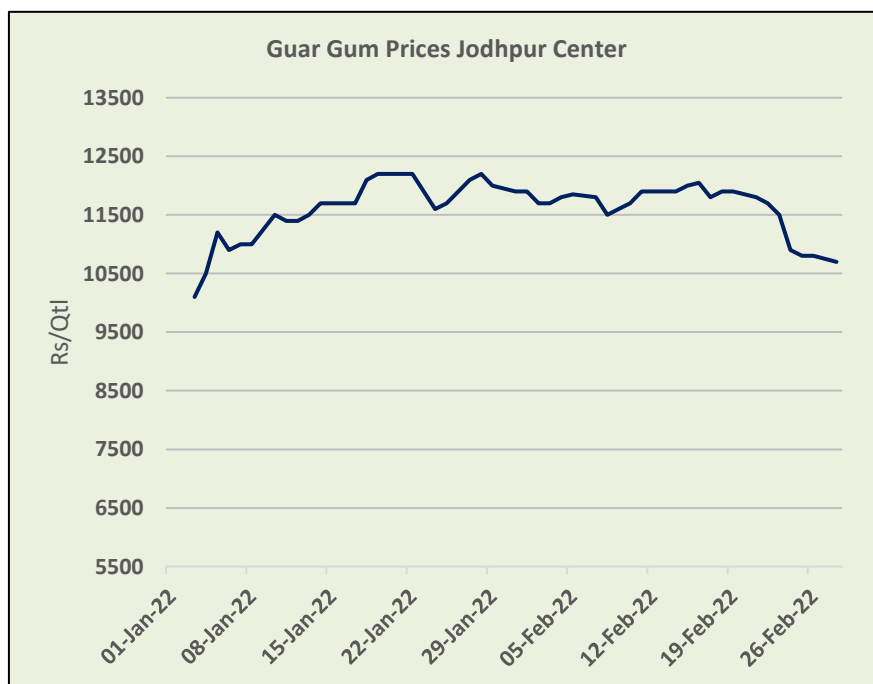
Guar seed delivery prices are expected to trade range bound with weakness amid export concerns due to the Russia-Ukraine conflict. The seed prices are likely to trade in the range between 6,000 – 6,500/Qtl. in the short run.

### Domestic Market Fundamentals

This month Jodhpur Guar seed and guar gum average price witnessed good rally till third week of February in tandem with bullish crude oil prices, good export demand and increase in oilrig count. However, in last week of February, the Russia-Ukraine conflict pushed guar prices lower, as Russia is second highest guar importer from India.

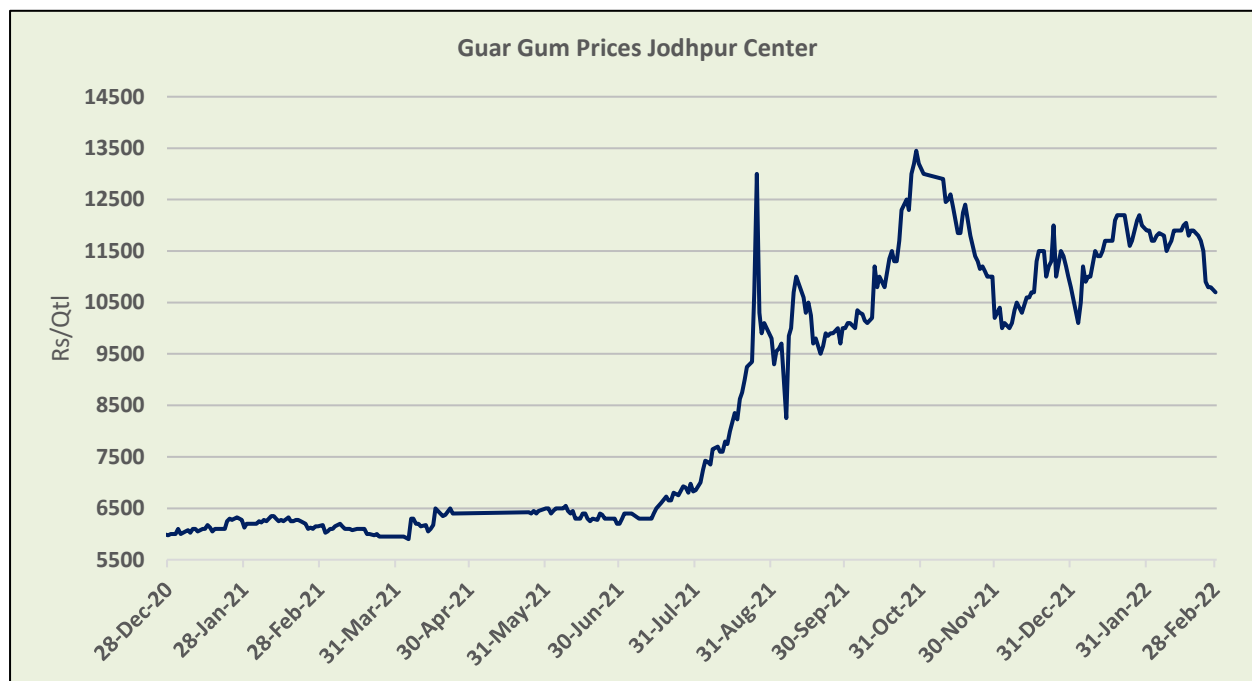


The average monthly price of Jodhpur Guar seed delivery remained sideways and went barely up by 1.30% to Rs. 6,486 a quintal, compared to Rs.6,403/ qtl previous month. The market made a low of 6,122 and high of 6,657 during the month. Russia-Ukraine conflict pushed guar seed prices lower in last week of February on supply chain disruption. WTI Crude Oil continued its good rally in February too and witnessed a gain of more than 8.59% on supply concerns and geopolitical tension.



As on Feb'22, Guar seed Jodhpur delivery price stood at Rs.6,143/qtl as compared to previous month closing at Rs.6,615/qtl.

As on 25th Feb'2022, as per data released by Baker Hughes, the number of oilrigs in USA went up by 2 to 522 as compared to previous week at 520 and 309 previous year same period.

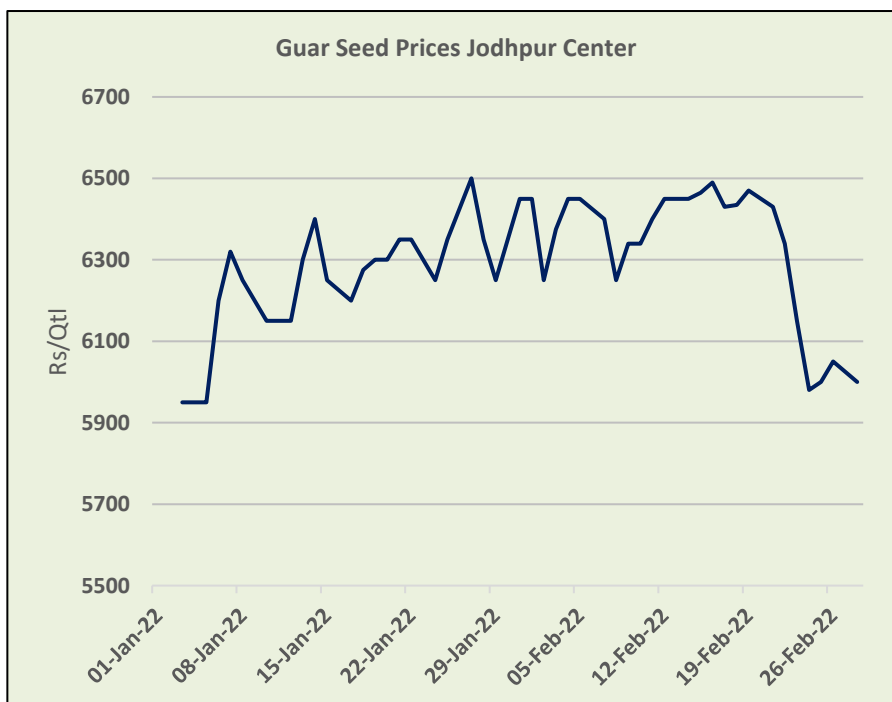


The average monthly prices of Jodhpur Guar Gum too remained sideways and barely went up by 0.40% to Rs. 11,629 a quintal, compared to Rs. 11,583 / qtl previous month. The market made a low of 10,700 and high of 12,050 during the month.

As on 28th Feb'22, Jodhpur Guar gum prices closed at Rs.10,700/Qtl as compared to previous month closing at Rs.11,900/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.



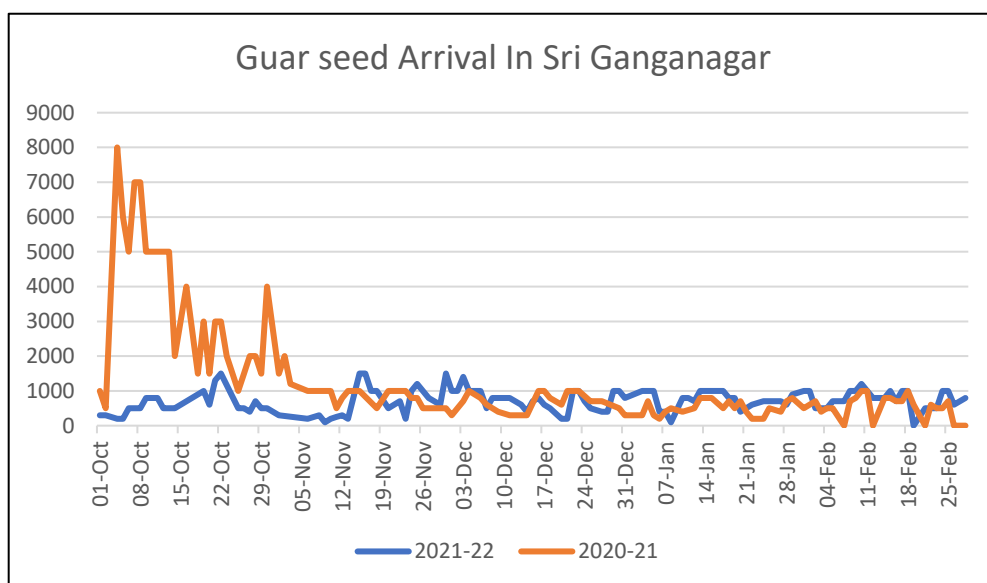
According to Gujarat govt 2021-22 first advance estimates, Guar Seed production estimate pegged at 1.01 lakh tonne Vs 0.85 Lakh tonnes last year, Additionally, 2021-22 acreage stood at 1.21 lakh ha Vs 1.22 lakh ha. Yield is pegged higher at 873 kg/ha Vs 699 Kg/ Ha last year.

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

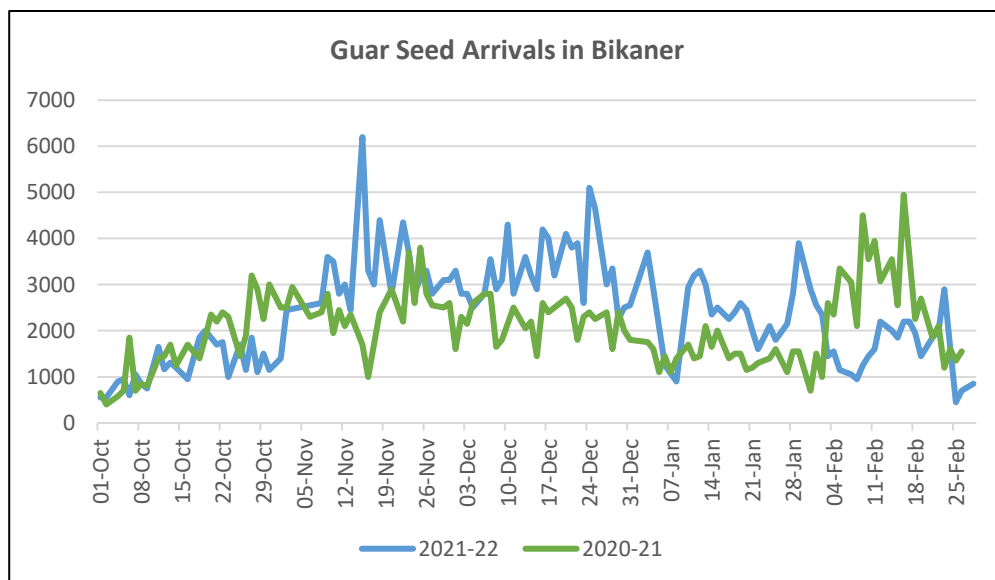
### Arrivals

In Sri Ganganagar, Oct-Feb'22 arrival stood 42% lower at 82,550 Qtl vs 1,43,000 Qtl in same period last year. Whereas, in Feb'22 arrival stood 40% higher at 18,300 Qtl vs 13,100 Qtl in Feb'21.

Upon Crop loss in Sri Ganganagar and Hanumangarh belt, production has been lower and resulted into low arrivals this season.



Bikaner (Bikaner, Nokha, Khajuwala and Lunkaransar), Oct-Feb'22 arrivals were 14% up at 2,83,230 Qtl vs 2,48,755 Qtl in same period last year. Whereas, in Feb'22 arrival stood 34% lower at 39,600 Qtl vs 60,275 Qtl in Feb'21.

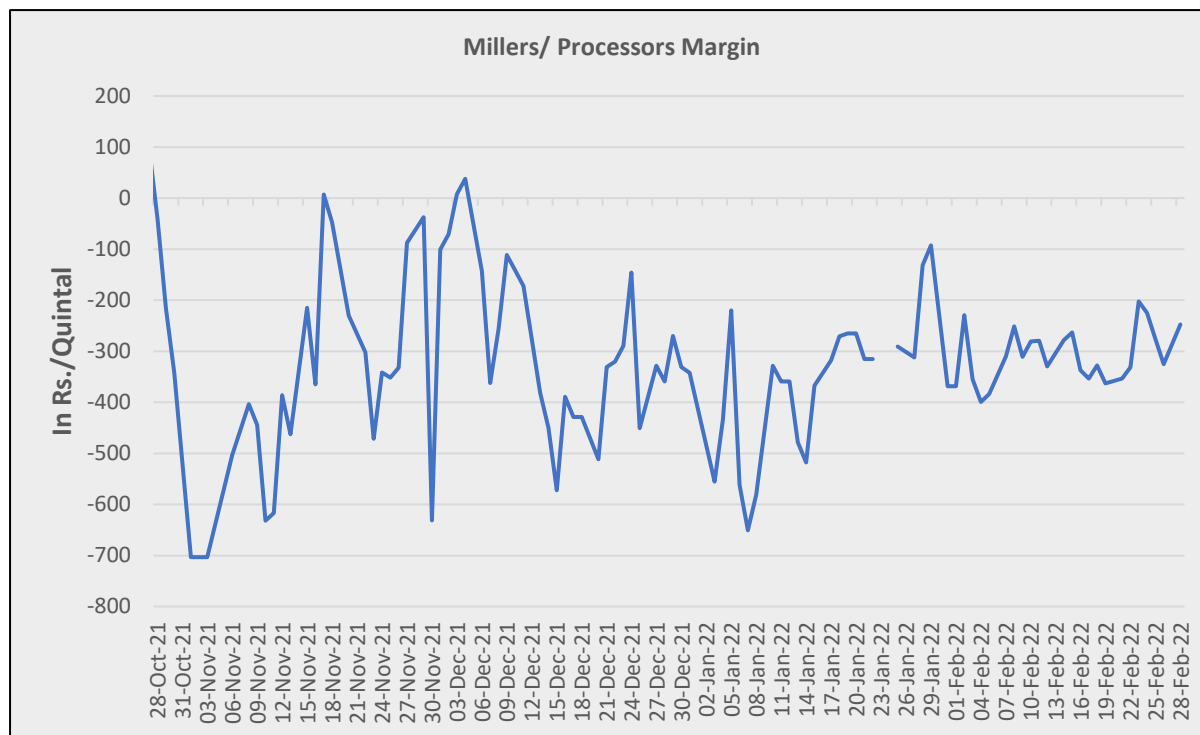


This season Bikaner,

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

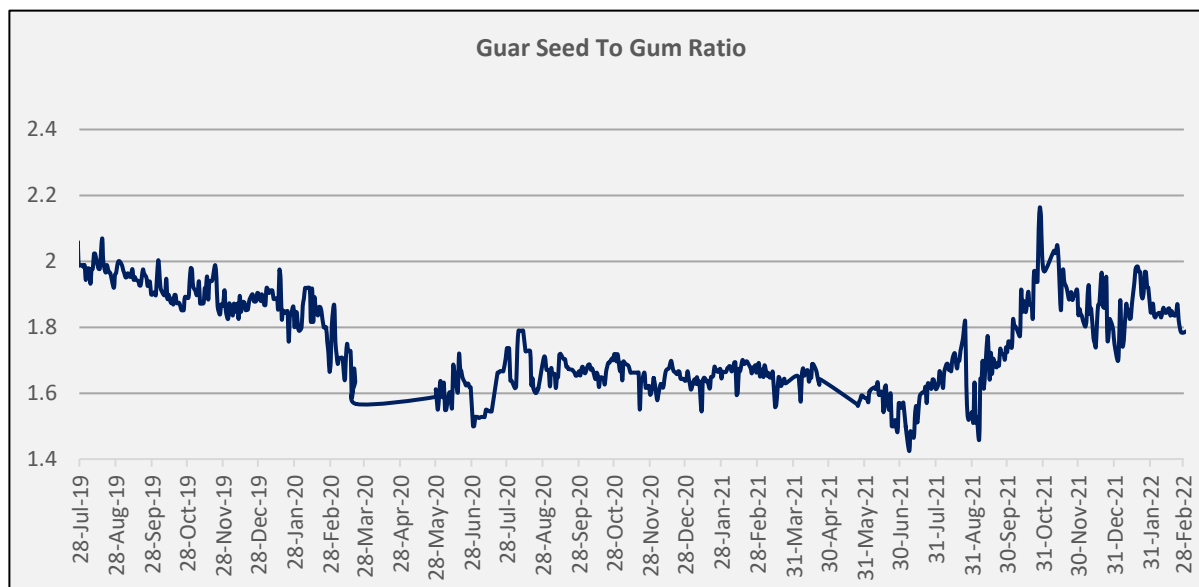
### Millers/Processors Margin

As seen in the chart, the average crush margin of guar seed has slightly increased in February'22 as compared to January'22, the average crush margin increased to Rs. -307/quintal in Jan'22 compared to Rs. -363/quintal in Jan'22. Lower guar product prices like churi and korma have kept processors' margin tight.

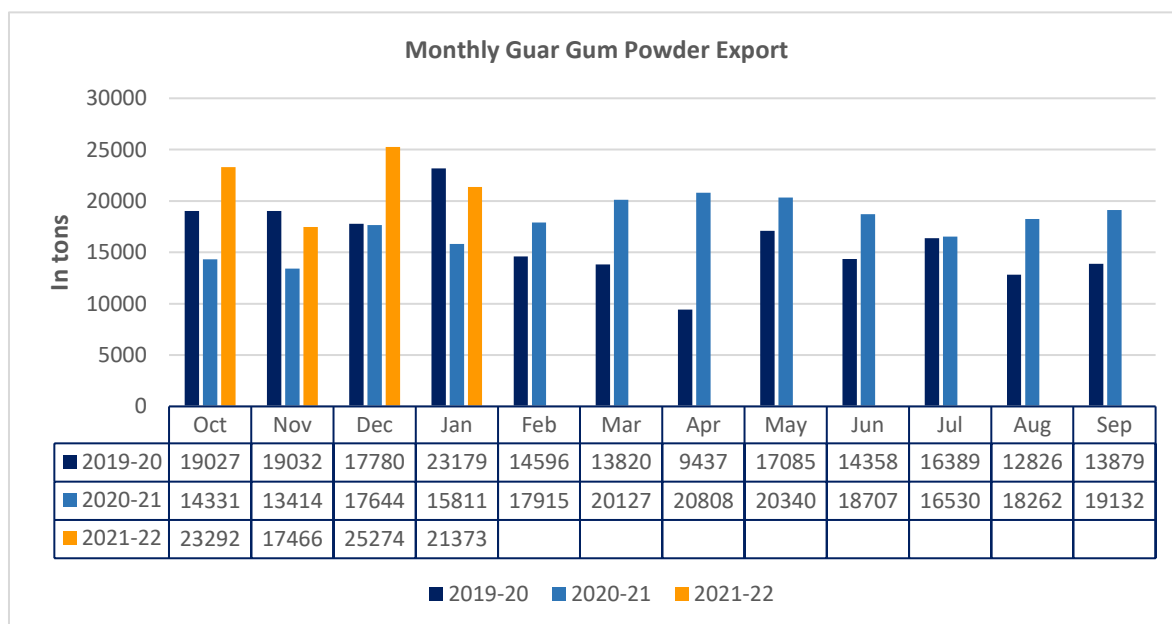


### Guar Seed to Gum Ratio

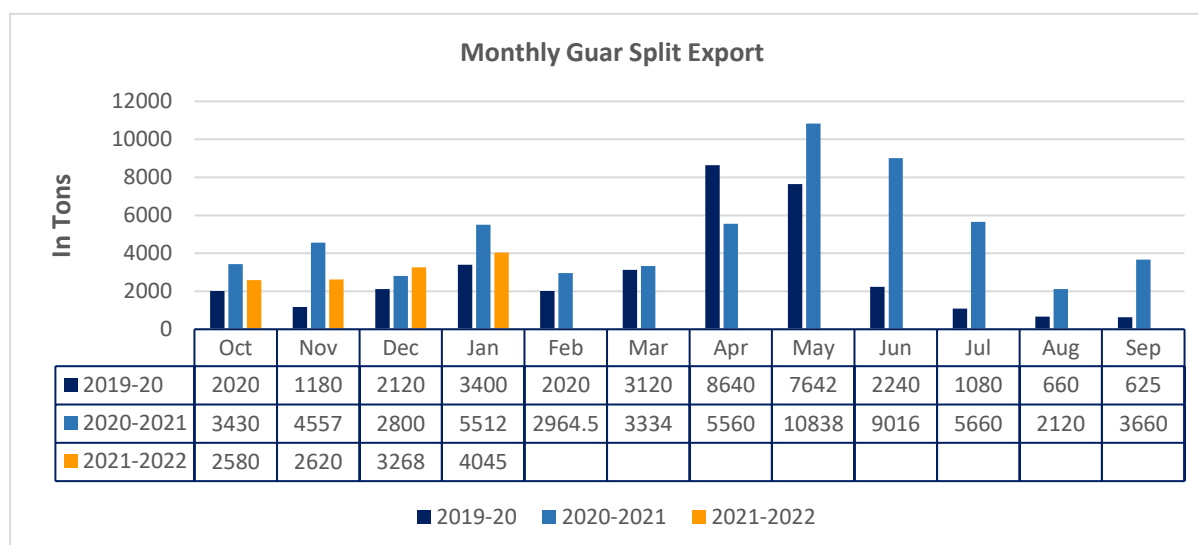
The average monthly price ratio of guar seed to gum stood at 1.84 as compared to last week 1.87. Overall, good demand of gum from domestic markets has kept overall ratio on higher side.



### Export Scenario



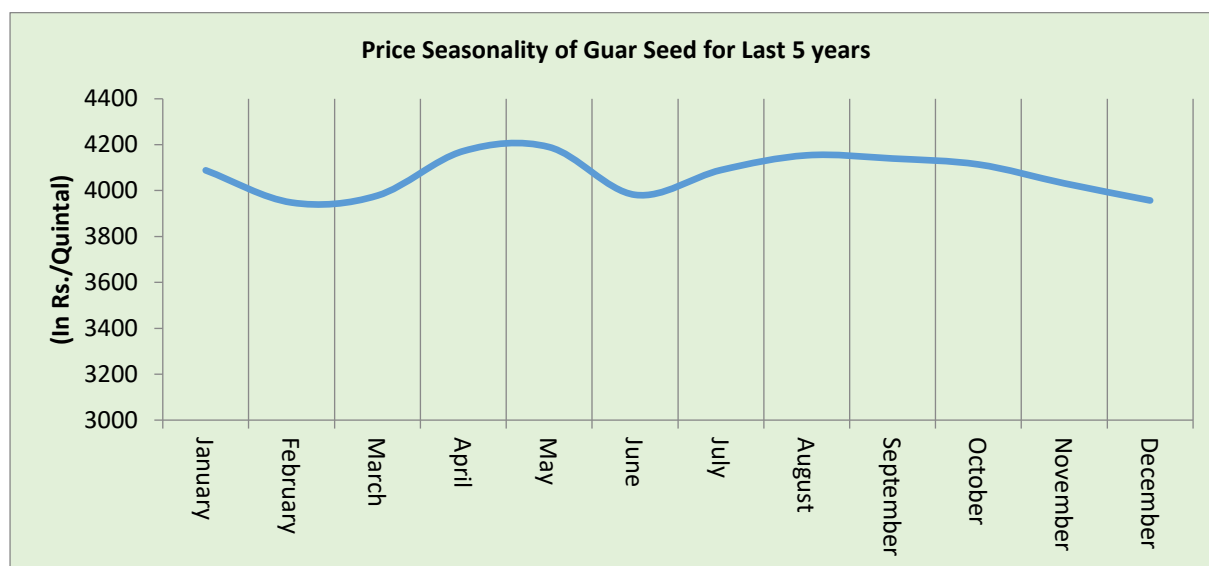
India's guar gum exports decreased in the month of January 2022 by 15.43% to 21,373 tonne compared to 25,274 tonne during previous month at an average FoB of US \$2,171 per tonne as compared to US \$2,466 per tonne previous month. However, the gum shipments were up by 35.18% in Jan'2022 compared to the same period last year. Of the total exported quantity, around 6,473 tonne bought by US, Russia bought 3,519 tonne, Germany bought 2,640 tonne, China bought 1,282 tonne, and Canada bought 696 tonne. In Feb'22 we expect Guar gum exports to be in between 20,000-23,000 tonnes.



India's guar split exports increased in the month of Jan'2022 by 23.78% to 4,045 tonne compared to 3,268 tonne previous month at an average FoB of US \$ 1,780 per tonne compared to US \$ 1,639 per tonne previous month. However, the guar split shipments gone down by 26.61 % in Jan'22 compared

to the same period last year. Of the total exported quantity, around 3,460 tonne bought by China, US bought 500 tonne, and Mexico bought 78 tonne. In Feb'22 we expect Guar split exports to be in between 2,500-3,000 tonnes.

### Price Seasonality of Guar Seed





**Technical Analysis (Guar Seed)**

**Commodity: Guar Seed**  
**Exchange: NCDEX**

**Expiry: April 20, 2022**  
**Contract: April**

**Guar Seed (April, Daily Chart)**

**Technical Commentary:**

- This Month, Guar seed posted 7.48% loss, aggressive short selling and long liquidation pushed prices lower in last week of feb and closed at 5922.
- Prices closed below 9 and 18 DMA, indicating weak tone in near-term. Currently trading below 50 DMA.
- MACD cross over indicating weak tone in near term.
- RSI near 40, indicating weak buying strength.

| Weekly Supports & Resistances |       |       | S1   | S2        | PCP  | R1   | R2   |
|-------------------------------|-------|-------|------|-----------|------|------|------|
| Guar Seed                     | NCDEX | April | 5600 | 5500      | 5922 | 6300 | 6500 |
|                               |       |       | Call | Entry     | T1   | T2   | SL   |
| Guar Seed                     | NCDEX | April | BUY  | 5700-5800 | 6000 | 6200 | 5650 |

### Technical Analysis (Guar Gum)

**Commodity: Guar Gum**  
**Contract: April**

**Exchange: NCDEX**  
**Expiry: April 20, 2022**



### **Technical Commentary:**

- This month Guar gum posted 10.09% loss, aggressive short selling and long liquidation pushed prices lower in last week of feb and closed at 10844.
- Prices closed below 9 and 18 DMA, indicating weak tone in near-term.
- Currently trading below 50 DMA.
- MACD cross over indicating weak tone in near term.
- RSI near 40 indicating weak buying strength.

| Weekly Supports & Resistances |       |       | S1    | S2          | PCP   | R1    | R2    |
|-------------------------------|-------|-------|-------|-------------|-------|-------|-------|
| Guar Gum                      | NCDEX | April | 10300 | 10200       | 10844 | 11500 | 12000 |
| Weekly Trade Call             |       |       | Call  | Entry       | T1    | T2    | SL    |
| Guar Gum                      | NCDEX | April | BUY   | Above 10500 | 10900 | 11200 | 10400 |

| Guar Seed Prices at Key Spot Markets: |                |                           |                 |           |        |
|---------------------------------------|----------------|---------------------------|-----------------|-----------|--------|
| Commodity                             | District       | Centre                    | Prices (Rs/Qtl) |           | Change |
| Guar Seed                             |                |                           | 28-Feb-22       | 31-Jan-22 |        |
| Rajasthan                             | Jodhpur        | Jodhpur (Loose)           | 5850            | 6300      | -450   |
|                                       |                | Jodhpur(Delivery)         | 6143            | 6615      | -473   |
|                                       | Sri-Ganganagar | Sri-Ganganagar(Loose)     | 5850            | 6050      | -200   |
|                                       |                | Sri-Ganganagar (Delivery) | 6000            | 6200      | -200   |
|                                       |                | Rawla (Loose)             | 5675            | 5850      | -175   |
|                                       |                | Gharsana (Loose)          | 5575            | 6000      | -425   |
|                                       |                | Raisinghnagar (Loose)     | 5450            | 6140      | -690   |
|                                       | Bikaner        | Bikaner (Loose)           | 5700            | 6100      | -400   |
|                                       |                | Bikaner (Delivery)        | 5985            | 6405      | -420   |
|                                       |                | Nokha(Loose)              | 5600            | 6100      | -500   |
|                                       |                | Nokha (Delivery)          | 5880            | 6405      | -525   |
|                                       |                | Khajuwala (Loose)         | 5700            | 6000      | -300   |
|                                       |                | Khajuwala (Delivery)      | 5985            | 6300      | -315   |
|                                       |                | Lunkaransar (Loose)       | -               | 6000      | -      |
|                                       | Hanumangarh    | Hanumangarh (Loose)       | 5650            | 6000      | -350   |
|                                       |                | Hanumangarh (Delivery)    | 5933            | 6300      | -368   |
|                                       |                | Nohar (Loose)             | 5700            | 6000      | -300   |
|                                       |                | Pilibanga (Loose)         | 5300            | 6000      | -700   |
|                                       | Nagaur         | Nagaur (Loose)            | 5500            | 5900      | -400   |
|                                       | Churu          | Churu (Delivery)          | 5650            | 5650      | Unch   |
|                                       | Alwar          | Alwar (Loose)             | 5400            | 5600      | -200   |
| Haryana                               | Hisar          | Adampur (Loose)           | 5800            | 6000      | -200   |
|                                       |                | Adampur (Delivery)        | 6090            | 6300      | -210   |
|                                       | Bhiwani        | Bhiwani (Delivery)        | 5650            | -         | -      |
|                                       |                | Siwani (Loose)            | 5675            | 6150      | -475   |
|                                       | Sirsa          | Sirsa (Loose)             | 5500            | 5975      | -475   |
|                                       |                | Dhabwali (Loose)          | 5550            | 5900      | -350   |
|                                       |                | Dhabwali (Delivery)       | 5828            | 6195      | -368   |
|                                       |                | Ellanabad (Loose)         | 5200            | 5975      | -775   |
|                                       | Fatehabad      | Fatehabad (Loose)         | 5150            | 5650      | -500   |
| Gujarat                               | Banaskantha    | Deesa (Loose)             | -               | -         | -      |
|                                       | Patan          | Patan (Loose)             | -               | -         | -      |
|                                       | Rajkot         | Rajkot (Loose)            | NA              | 6075      | -      |
|                                       | Jamnagar       | Dhrol (Loose)             | -               | -         | -      |
| Madhya Pradesh                        | Gwalior        | Dabra (Loose)             | -               | -         | -      |

| Guar Gum  |             |           |       |       |       |
|-----------|-------------|-----------|-------|-------|-------|
| Rajasthan | Jodhpur     | Jodhpur   | 10700 | 11900 | -1200 |
|           | Alwar       | Alwar     | -     | -     | -     |
|           | Hanumangarh | Nohar     | -     | -     | -     |
| Haryana   | Bhiwani     | Bhiwani   | 10500 | -     | -     |
|           | Sirsa       | Sirsa     | 10800 | 12100 | -1300 |
|           |             | Dhabwali  | -     | -     | -     |
|           |             | Ellanabad | -     | -     | -     |
|           | Fatehabad   | Fatehabad | 10600 | 11900 | -1300 |

| Guar Seed Arrivals in Key Centers |                |                |                     |           |        |
|-----------------------------------|----------------|----------------|---------------------|-----------|--------|
| Commodity                         | District       | Centre         | Arrivals (Quintals) |           | Change |
| Guar Seed                         |                |                | 28-Feb-22           | 31-Jan-22 |        |
| Rajasthan                         | Jodhpur        | Jodhpur        | 100                 | 30        | 70     |
|                                   | Sri-Ganganagar | Sri-Ganganagar | 800                 | 1000      | -200   |
|                                   |                | Rawla          | 50                  | 150       | -100   |
|                                   |                | Gharsana       | 30                  | 50        | -20    |
|                                   |                | Raisinghnagar  | 150                 | 80        | 70     |
|                                   | Bikaner        | Bikaner        | 500                 | 1300      | -800   |
|                                   |                | Nokha          | 200                 | 400       | -200   |
|                                   |                | Khajuwala      | 150                 | 400       | -250   |
|                                   |                | Lunkaransar    | NR                  | 800       | -      |
|                                   | Hanumangarh    | Hanumangarh    | 150                 | 250       | -100   |
|                                   |                | Nohar          | 250                 | 500       | -250   |
|                                   |                | Pilibanga      | 100                 | 300       | -200   |
|                                   | Nagaur         | Nagaur         | 100                 | 300       | -200   |
|                                   | Churu          | Churu          | 500                 | 80        | 420    |
|                                   | Alwar          | Alwar          | 20                  | 70        | -50    |
| Haryana                           | Hisar          | Adampur        | 300                 | 800       | -500   |
|                                   | Bhiwani        | Bhiwani        | 100                 | -         | -      |
|                                   |                | Siwani         | 250                 | 300       | -50    |
|                                   | Sirsa          | Sirsa          | 500                 | 2000      | -1500  |
|                                   |                | Dhabwali       | 300                 | 200       | 100    |
|                                   |                | Ellanabad      | 10                  | 270       | -260   |
|                                   | Fatehabad      | Fatehabad      | 50                  | 150       | -100   |
| Gujarat                           | Banaskantha    | Deesa          | -                   | -         | -      |
|                                   | Patan          | Patan          | -                   | -         | -      |
|                                   | Rajkot         | Rajkot         | -                   | 55        | -      |

|                              |          |       |      |      |       |
|------------------------------|----------|-------|------|------|-------|
|                              | Jamnagar | Dhrol | -    | -    | -     |
| Madhya Pradesh               | Gwalior  | Dabra | -    | -    | -     |
| Total Arrivals/Above Markets |          |       | 4610 | 9485 | -4875 |