

Guar Monthly Research Report

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Executive Summary

Guar seed delivery monthly average prices at Jodhpur prices went up by 1.9% to Rs.6358/Qtl on good export demand and firm crude oil prices during the month under review.

Guar gum too went up by 3.7% to Rs.11,219/qtl.

WTI Crude oil remained firm and went up by 4.76% to USD 100.28/ driven by supply concern.

As per data released by Baker Hughes, the number of oilrigs in USA went up by 9 to 531 in March'22 as compared to previous month at 522.

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

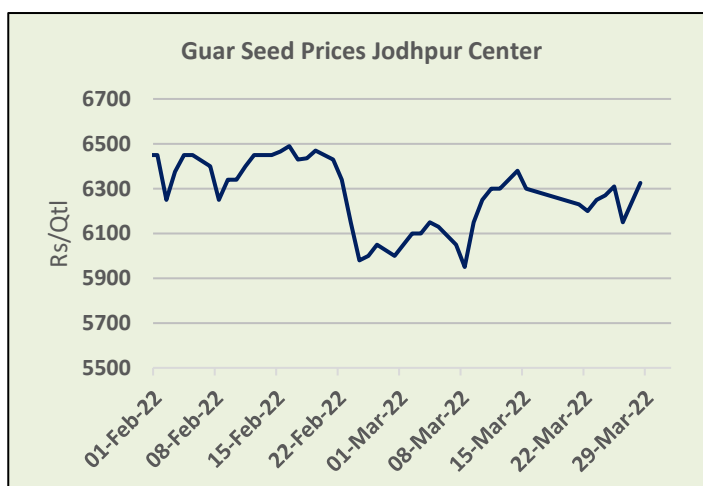
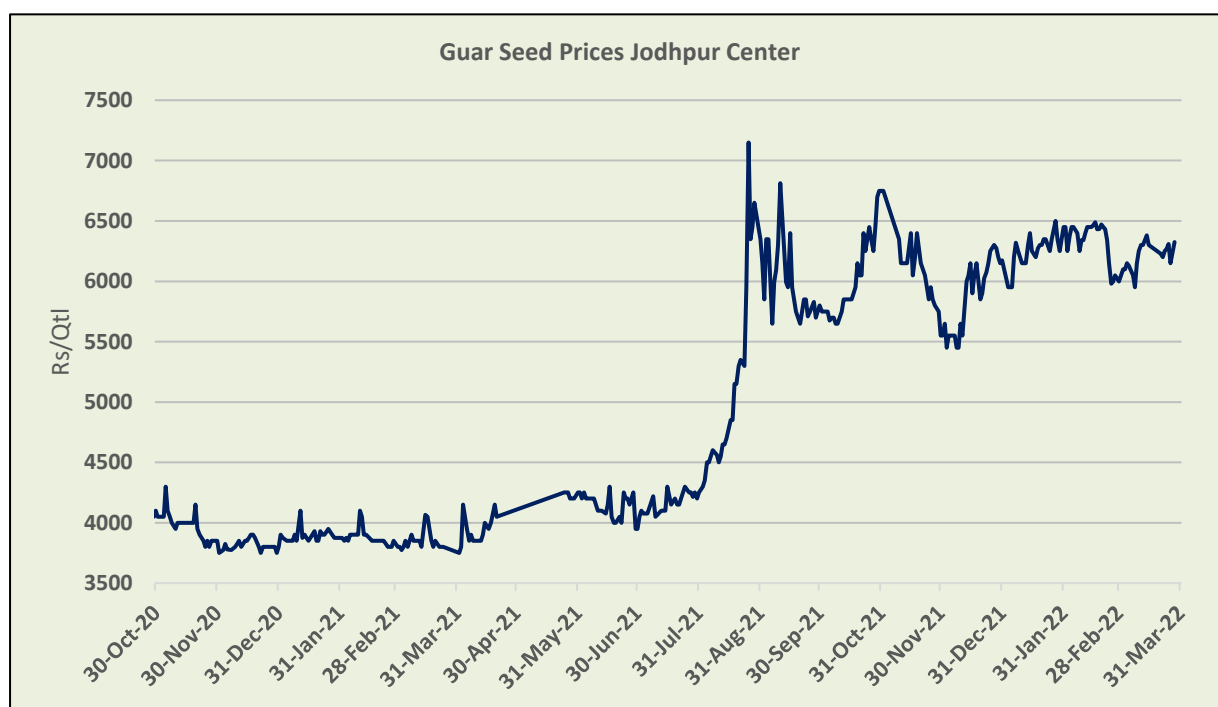
Outlook – Guar seed (Spot, Jodhpur basis):

Guar seed delivery prices are expected to trade range bound with firm bias on good export demand, firm crude oil prices, increase in oil rig count and multiyear tight stocks. The seed prices are likely to trade in the range between 6,500 –7,000/Qtl. in the short-run.

Domestic Market Fundamentals

Guar seed is trading 71% higher YoY and 3% up MoM on lowest production in last five years and multi year lower stocks. Earlier in March there was a balanced demand and supply situation but now demand has been increasing for Guar gum internationally. Additionally, decrease in arrivals too contributed to the price gains. US President Joe Biden has urged oil drilling companies in the US to exploit their unused capacity and pump more oil to bring price stability to the oil market, which is likely to increase guar gum export demand. New crop arrivals are low and farmers and stockists are releasing old stocks.

Jodhpur Guar seed delivery prices made low at Rs. 6,090/ qtl on 8th March and rebounded to Rs.6,484/ qtl levels in last week of March on expectation of Ruble-rupee trade arrangement by the Indian government for export transactions with Russia and good export demand from USA and other countries. Additionally decrease in arrivals too attributed to the price gains.



As per data released by Baker Hughes, the number of oilrigs in USA went up by 9 to 531 in March'22 as compared to previous month at 522.



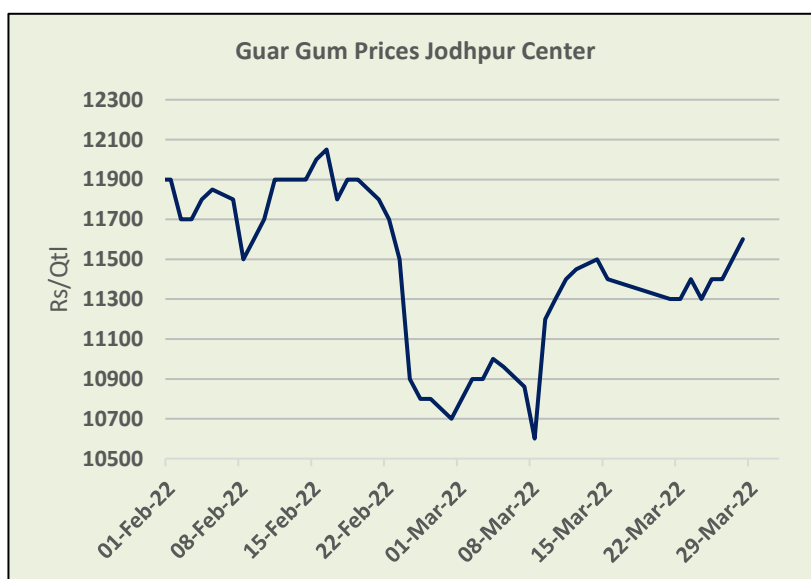
In March'22 average monthly price of Jodhpur Guar gum too went up by 3.7% to Rs. 11,219 a quintal, compared to Rs. 11,629 / qtl previous month. The market made a low of 10,600 and high of 11,600 during the month.

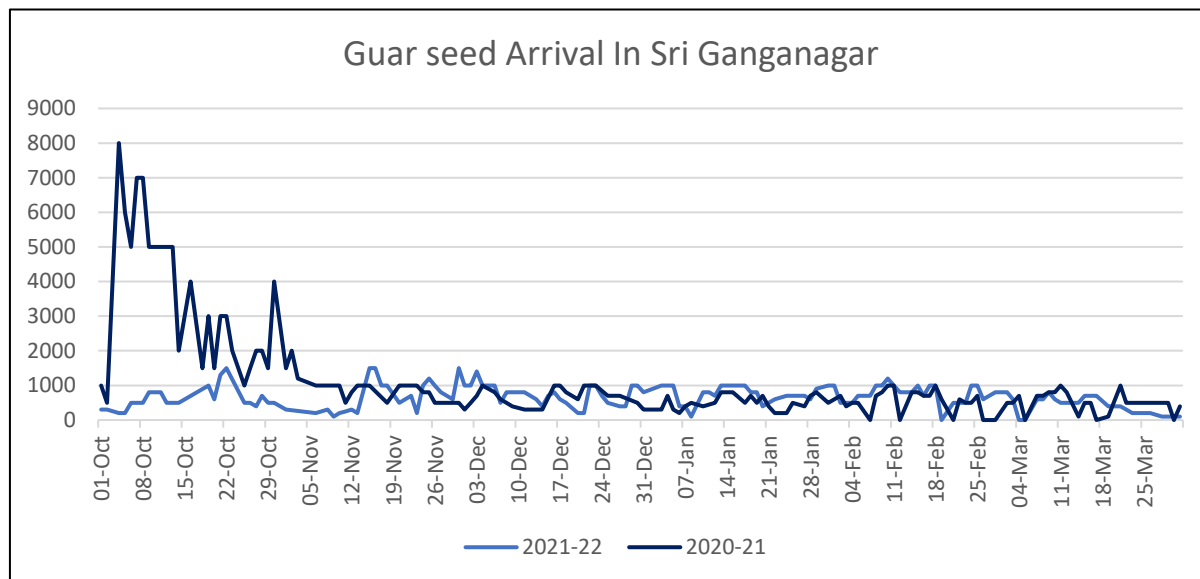
As on 31st March'22, Jodhpur Guar gum prices closed at Rs.10,600/Qtl as compared to previous month closing at Rs.10,700/qtl.

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.

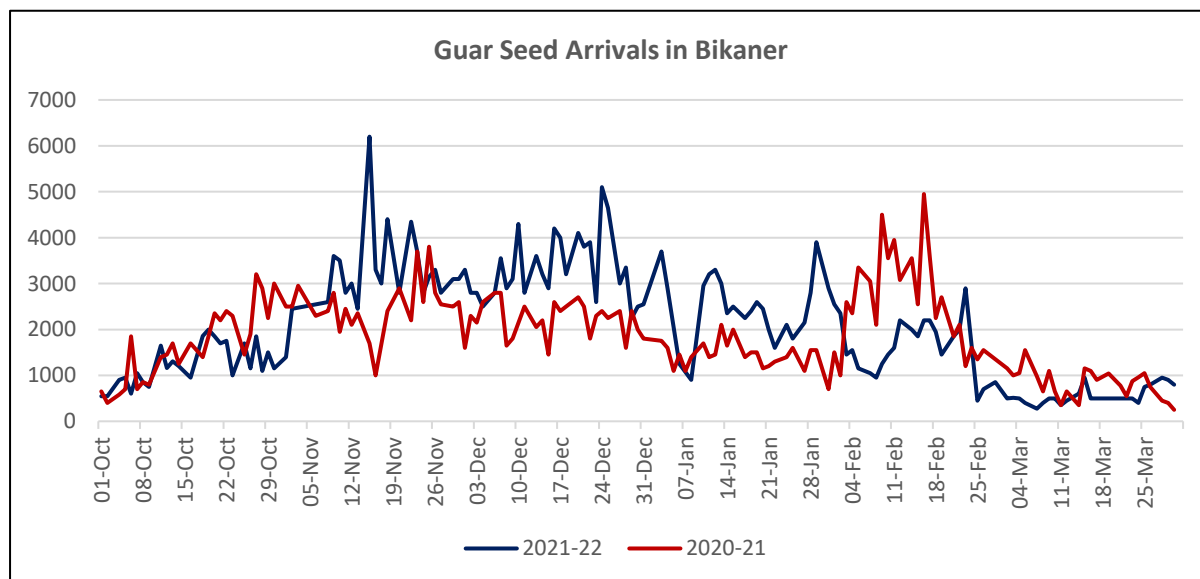
According to Agriwatch estimates, 2021 Guar seed production is estimated at 4.5 lakh tonnes lower than previous year at 5.83 lakh tonnes.



Arrivals


In Sri Ganganagar, Oct-March'22 arrivals stood 41% lower at 92,450 Qtl vs 1,55,600 Qtl in same period last year. Whereas, in March'22 arrival stood 21% lower at 9,900 Qtl vs 12,600 Qtl in March'21.

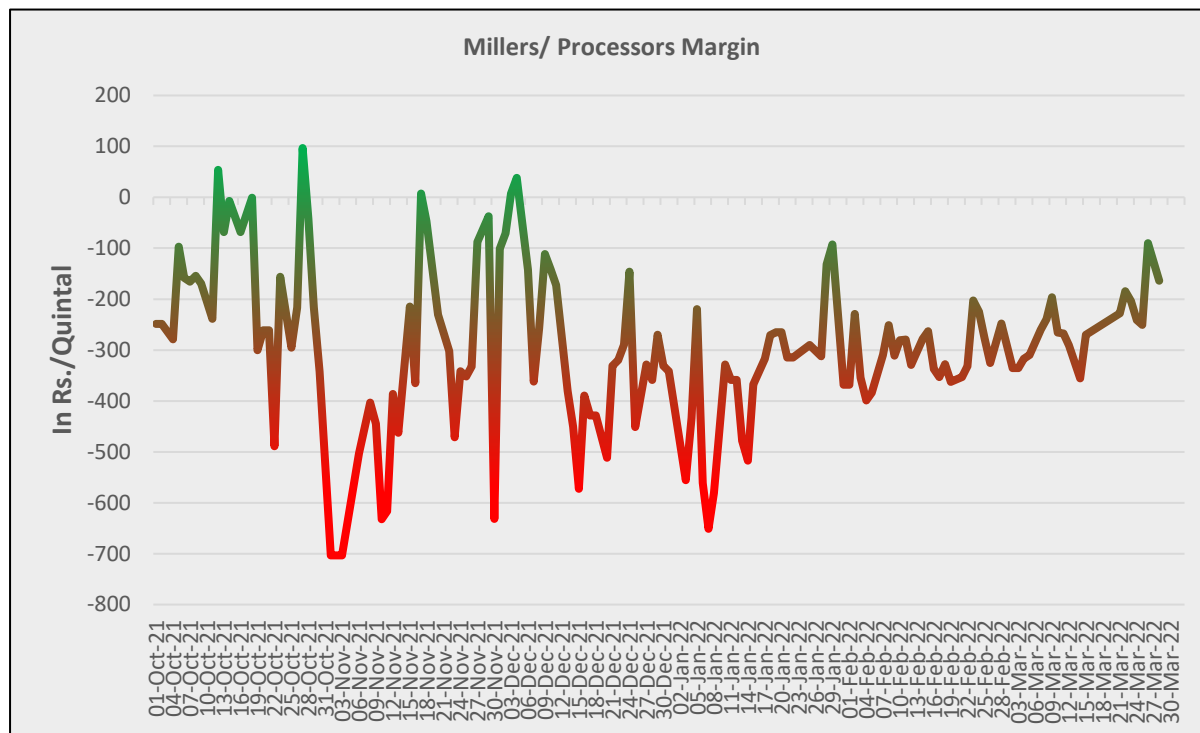
Upon Crop loss in Sri Ganga Nagar and Hanumangarh belt, production has been lower and resulted into low arrivals this season.



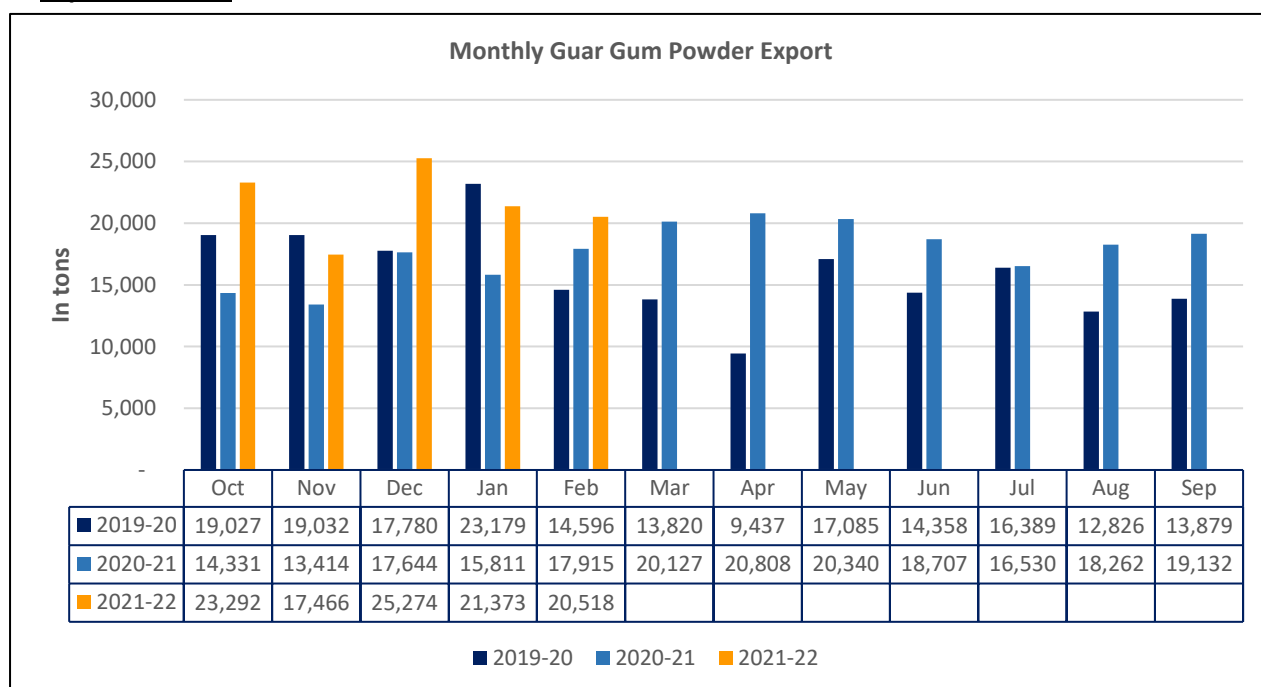
Bikaner (Bikaner, Nokha, Khajuwala and Lunkaransar), Oct-March'22 arrivals were 10% up at 2,95,765 Qtl vs 2,68,495 Qtl in same period last year. Whereas, in March'22 arrival stood 36% lower at 12,535 Qtl vs 19,740 Qtl in March'21. This season Bikaner, Barmer and Jodhpur region received good rainfall, hence better crop production has resulted into firm arrivals.

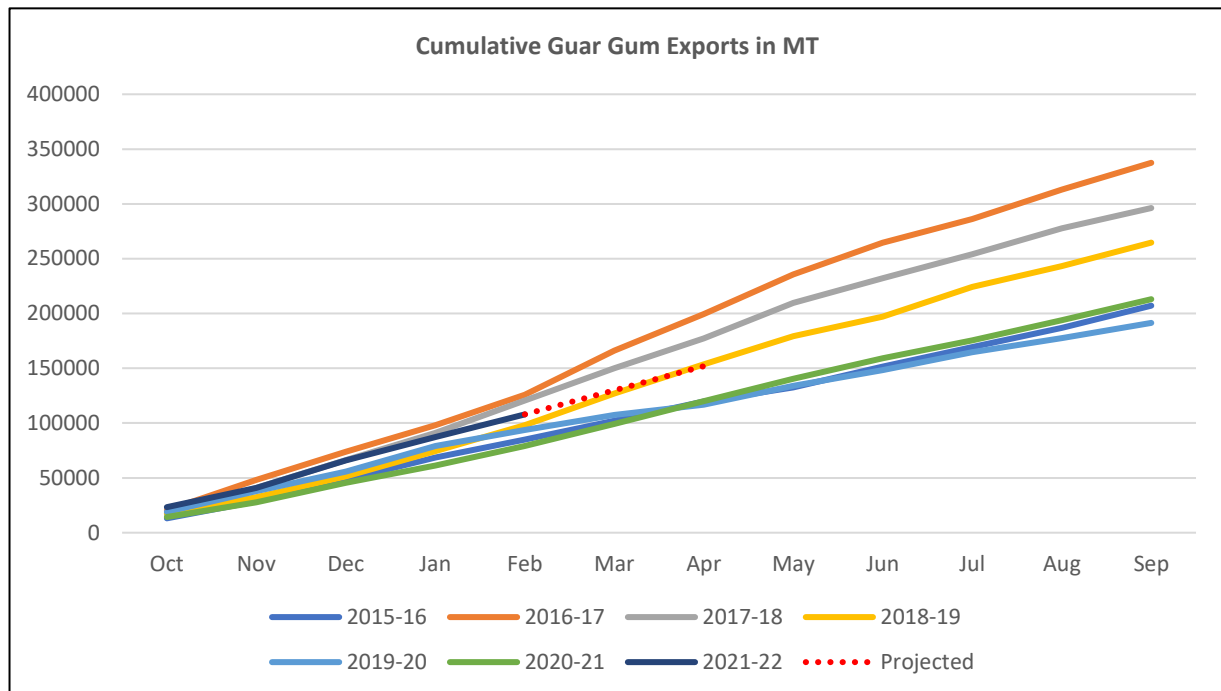
Millers/Processors Margin

As seen in the chart, the average crush margin of guar seed has slightly increased in March'22 as compared to Feb'22, the average crush margin increased to Rs. -252/quintal in March'22 compared to Rs. -307/quintal in Feb'22. Lower guar product prices like churi and korma have kept processors' margin tight.



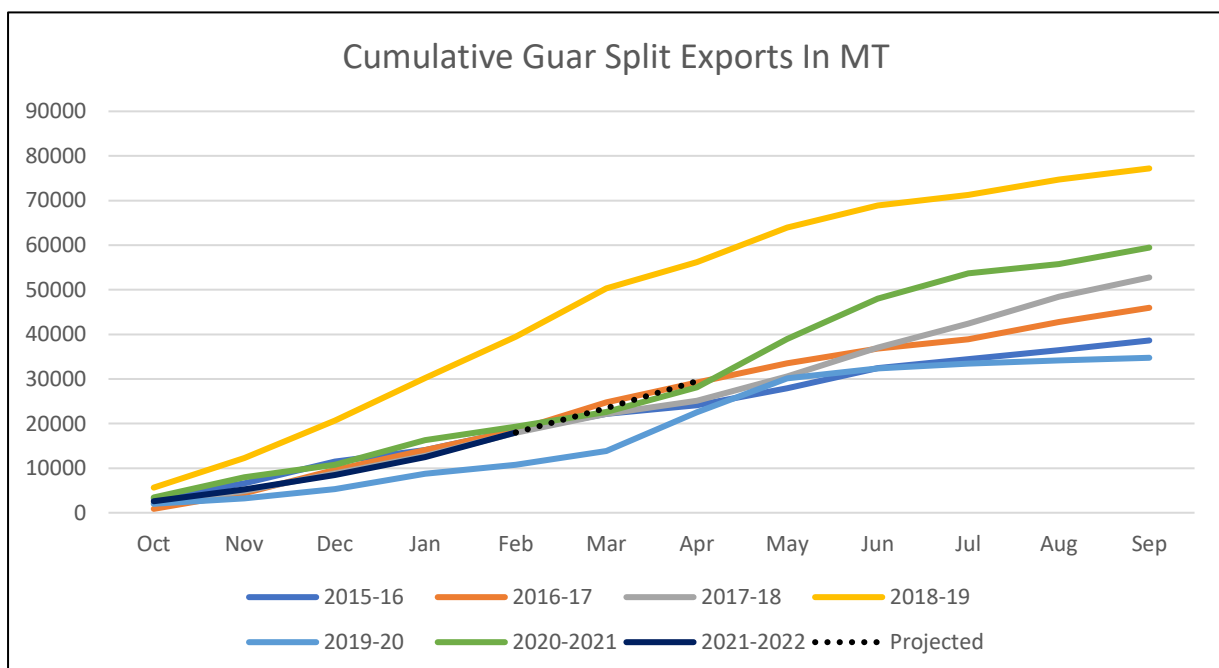
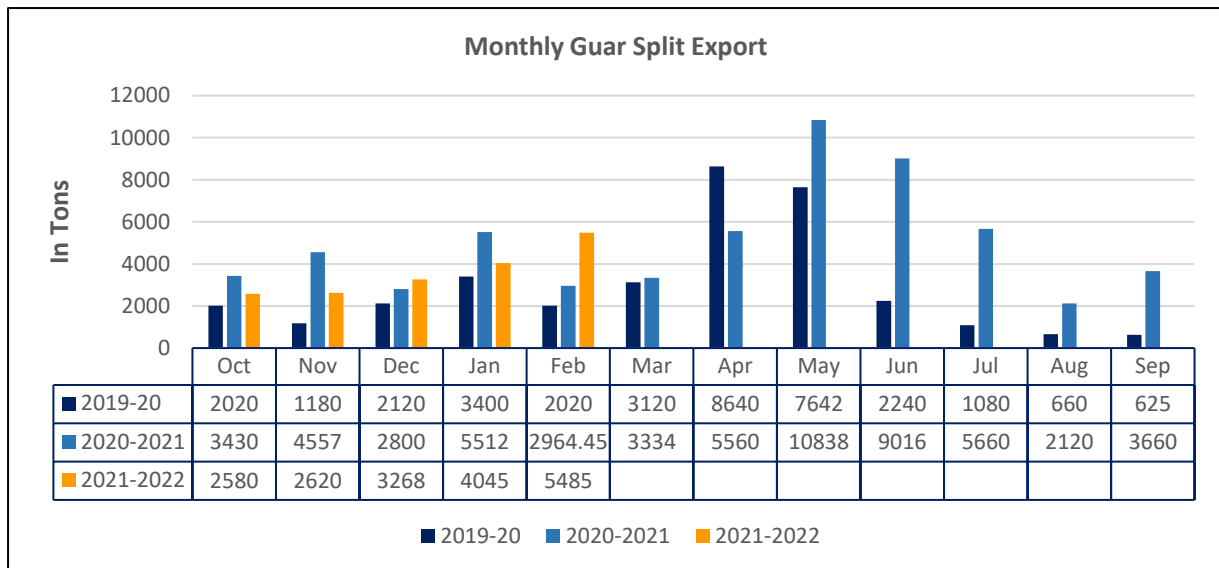
Export Scenario



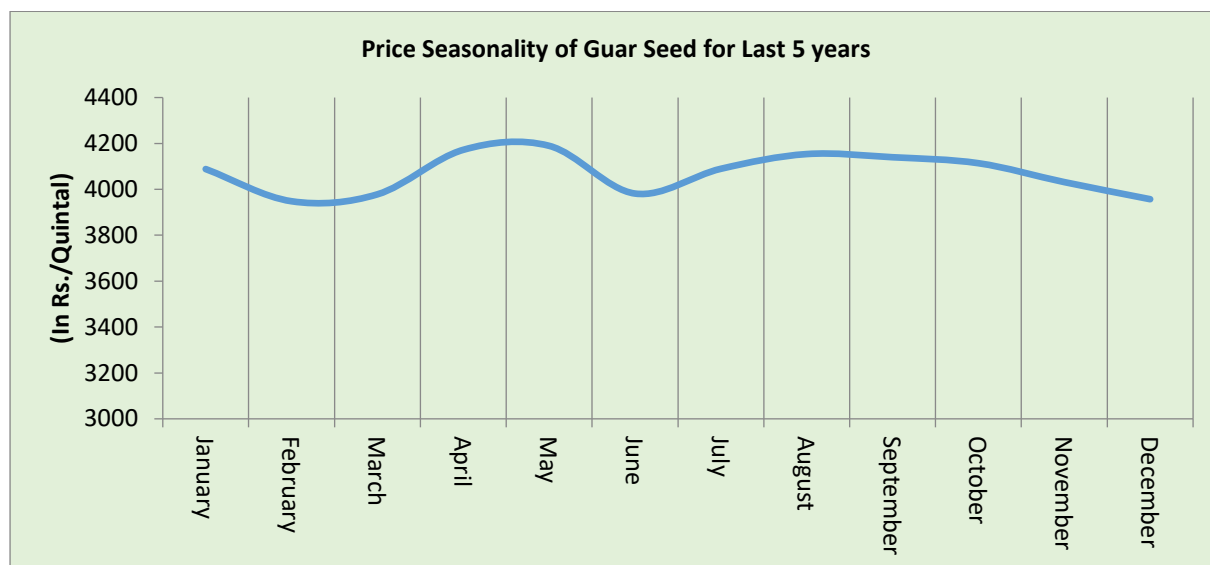


Overall, India's guar export in Oct'21-Feb'22 is up by 28% to 1,25,921 MT as compared to 98,379 MT previous same period last year. Increase in oilrig count and weak Indian currency supported export demand.

India's guar gum exports decreased in the month of February 2022 by 4% to 20,518 MT compared to 21,373 MT during previous month at an average FOB of US \$2,326 per MT as compared to US \$2,171 per MT previous month. However, the gum shipments were up by 14.53% in Feb'2022 compared to the same period last year. Out of the total exported quantity, around 6,406 MT (31.22%) bought by US, Russia bought 3,579 MT (17.44%), Germany 2,356 MT (11.48%), China 1,230 MT (5.99%), and Canada 897 MT (4.37%) respectively.



India's Guar split exports increased in the month of Feb'2022 by 35.60% to 5,485 MT as compared to 4,045 MT previous month at an average FoB of US \$ 1,815 per MT compared to US \$ 1,780 per MT last month. However, the guar split shipments went up by 85.03 % to 5,485 MT in Feb'22 compared to the same period last year at 2,964 MT. Out of the total exports, around 3,460 MT (72.20%) bought by China, US 760 MT (13.86%), Mexico 405 MT (7.38%) and Switzerland bought 360 MT(6.56%) respectively.

Price Seasonality of Guar Seed


As seen in the above price seasonality chart, prices goes up in the month of April and usually remain lower in the month of June.

Technical Analysis (Guar Seed)

Commodity: Guar Seed
Exchange: NCDEX

Expiry: May 20, 2022
Contract: May


Technical Commentary:

- As seen in the above chart, prices are moving in the channel, upper channel can be characterized as resistance and lower channel as support.
- During the month under review, Guar seed went up by 7.47%, market made low at 5900 and a high at 6488 and closed at 6406.
- Currently trading above 9,18 and 100 DMA indicating firm momentum.
- MACD cross over indicating firm momentum.
- RSI indicating firm buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	May	6200	6100	6406	7000	7100
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	May	BUY	6400-6450	6600	6900	6300

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: May

Exchange: NCDEX
Expiry: May 20, 2022

Guar Gum (May, Daily Chart)



Technical Commentary:

- As seen in the above chart, prices are moving in the channel, upper channel can be characterized as resistance and lower channel as support.
- During the month under review, Guar seed went up by 12.71%, market made low at 10,577 and a high at 12,440 and closed at 12,342.
- Currently trading above 9,18 and 100 DMA indicating firm momentum.
- MACD cross over indicating firm momentum.
- RSI indicating firm buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	May	12000	11800	12342	13200	13500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	May	BUY	12200	12500	13000	12100

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			31-Mar-22	28-Feb-22	
Rajasthan	Jodhpur	Jodhpur (Loose)	Closed	5850	-
		Jodhpur(Delivery)	Closed	6143	-
	Sri-Ganganagar	Sri-Ganganagar(Loose)	5850	5850	Unch
		Sri-Ganganagar (Delivery)	6000	6000	Unch
		Rawla (Loose)	-	5675	-
		Gharsana (Loose)	-	5575	-
		Raisinghnagar (Loose)	-	5450	-
	Bikaner	Bikaner (Loose)	Closed	5700	-
		Bikaner (Delivery)	Closed	5985	-
		Nokha(Loose)	Closed	5600	-
		Nokha (Delivery)	Closed	5880	-
		Khajuwala (Loose)	Closed	5700	-
		Khajuwala (Delivery)	Closed	5985	-
		Lunkaransar (Loose)	Closed	NR	-
	Hanumangarh	Hanumangarh (Loose)	5550	5650	-100
		Hanumangarh (Delivery)	5828	5933	-105
		Nohar (Loose)	5975	5700	275
		Pilibanga (Loose)	5850	5300	550
	Nagaur	Nagaur (Loose)	-	5500	-
	Churu	Churu (Delivery)	-	5650	-
	Alwar	Alwar (Loose)	-	5400	-
Haryana	Hisar	Adampur (Loose)	5900	5800	100
		Adampur (Delivery)	6195	6090	105
	Bhiwani	Bhiwani (Delivery)	-	5650	-
		Siwani (Loose)	6150	5675	475
	Sirsa	Sirsa (Loose)	6035	5500	535
		Dhabwali (Loose)	6035	5550	485
		Dhabwali (Delivery)	6337	5828	509
		Ellanabad (Loose)	5970	5200	770
	Fatehabad	Fatehabad (Loose)	5500	5150	350
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	Closed	-	-
	Rajkot	Rajkot (Loose)	Closed	-	-
	Jamnagar	Dhrol (Loose)	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-

Guar Gum					
Rajasthan	Jodhpur	Jodhpur	Closed	10700	-
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	-	10500	-
	Sirsa	Sirsa	12300	10800	1500
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	12100	10600	1500

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			31-Mar-22	28-Feb-22	
Rajasthan	Jodhpur	Jodhpur	Closed	100	-
	Sri-Ganganagar	Sri-Ganganagar	100	800	-700
		Rawla	-	50	-
		Gharsana	-	30	-
		Raisinghnagar	-	150	-
	Bikaner	Bikaner	Closed	500	-
		Nokha	Closed	200	-
		Khajuwala	Closed	150	-
		Lunkaransar	Closed	NR	-
	Hanumangarh	Hanumangarh	100	150	-50
		Nohar	500	250	250
		Pilibanga	60	100	-40
	Nagaur	Nagaur	Closed	100	-
	Churu	Churu	-	500	-
	Alwar	Alwar	-	20	-
Haryana	Hisar	Adampur	300	300	Unch
	Bhiwani	Bhiwani	-	100	-
		Siwani	-	250	-
	Sirsa	Sirsa	-	500	-
		Dhabwali	190	300	-110
		Ellanabad	125	10	115
	Fatehabad	Fatehabad	40	50	-10
Gujarat	Banaskantha	Deesa	-	-	-
	Patan	Patan	-	-	-
	Rajkot	Rajkot	-	-	-

	Jamnagar	Dhrol	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			2615	4610	-1995

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