

Guar Monthly Research Report

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Executive Summary

Guar seed delivery monthly average prices at Jodhpur prices went up by 7% to Rs.6629/Qtl on good export demand and firm crude oil prices during the month under review. Guar gum too went up by 12% to Rs.12,606/qtl.

In April'22 WTI Crude oil remained firm and went up by 4.40% to USD 104.69/barrels driven by supply concern.

As per data released by Baker Hughes, the number of oilrigs in USA went up by 21 to 552 in April'22 as compared to previous month at 531.

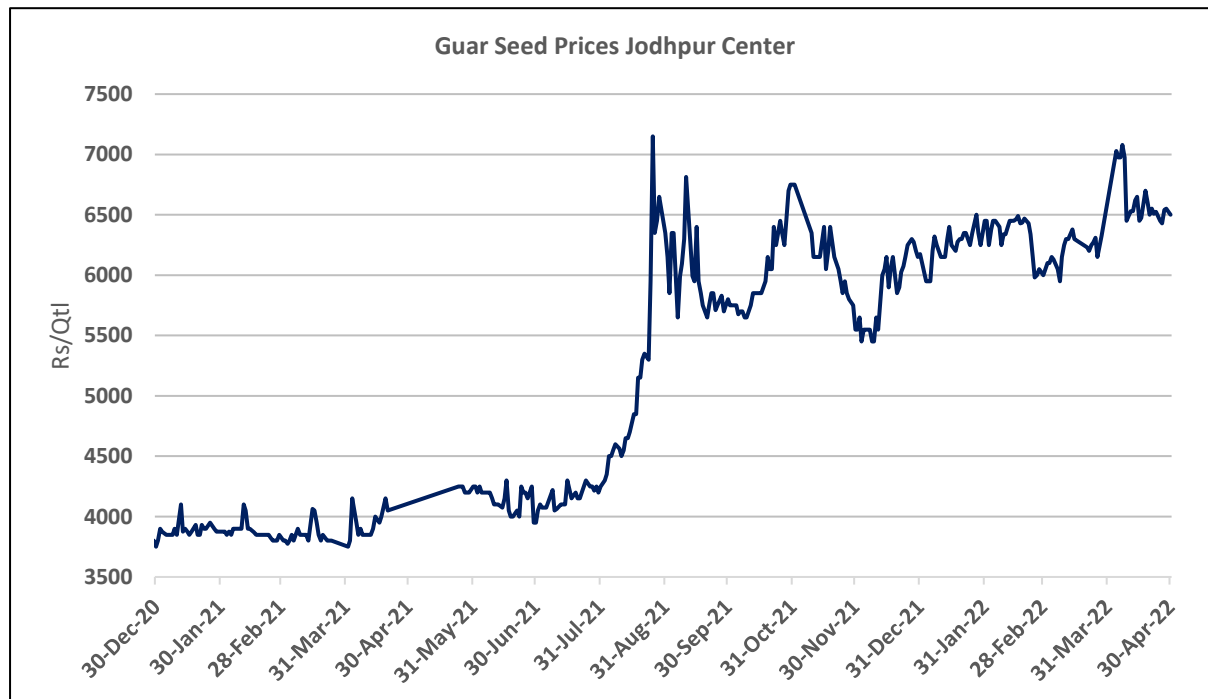
Squeeze in crush margin continued this month too, lower guar products like churi and korma kept crush margin lower.

Outlook – Guar seed (Spot, Jodhpur basis):

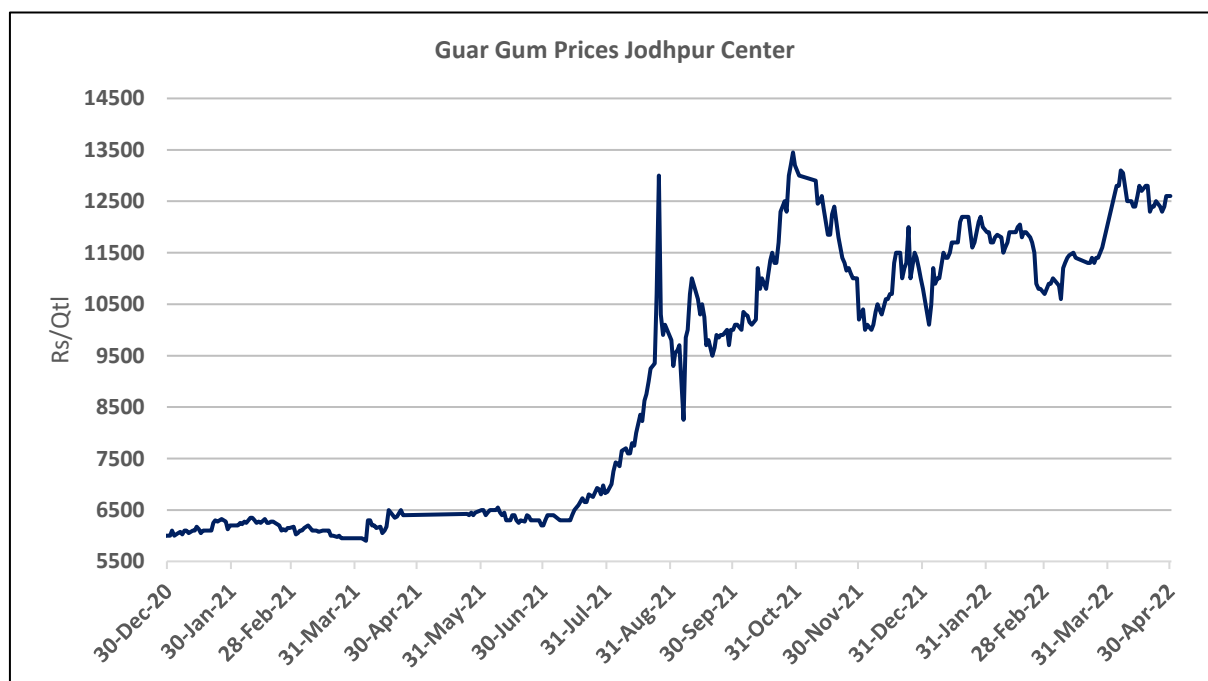
Guar seed delivery prices are expected to trade range bound with steady to weak bias on normal monsoon. However, good export demand, firm crude oil prices, increase in oil rig count and multiyear tight stocks may underpin prices. The seed prices are likely to trade in the range between 6,000 – 6,600/Qtl. in the short-run.

Domestic Market Fundamentals

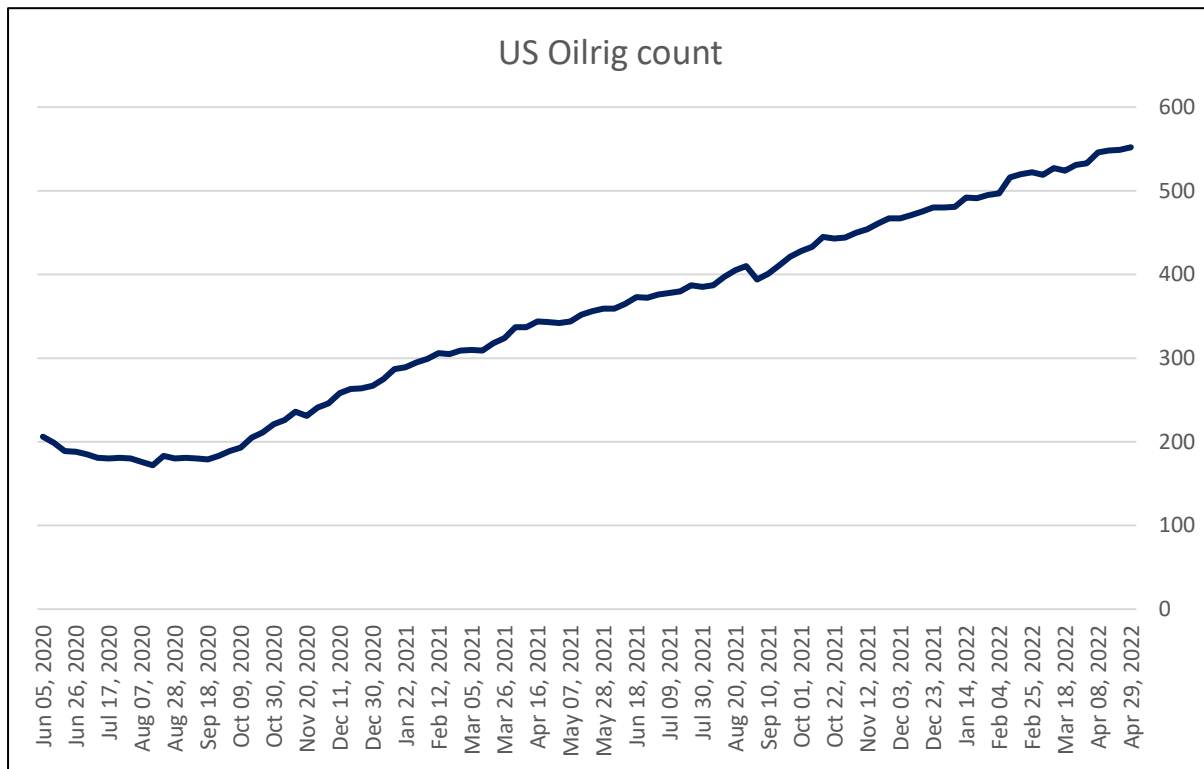
During the month under review, Monthly average prices of Guar seed went up by 7% to Rs. 6,629/qrtl on, increase in oil rig count and bullish crude oil prices and tight stocks.



During the month under review, guar gum prices went up by 12% to Rs. 12,606/qrtl on bullish crude oil prices and good export demand. Normal monsoon estimate may keep prices under control but firm export demand, shrinking arrivals and tight stocks will drive prices higher.

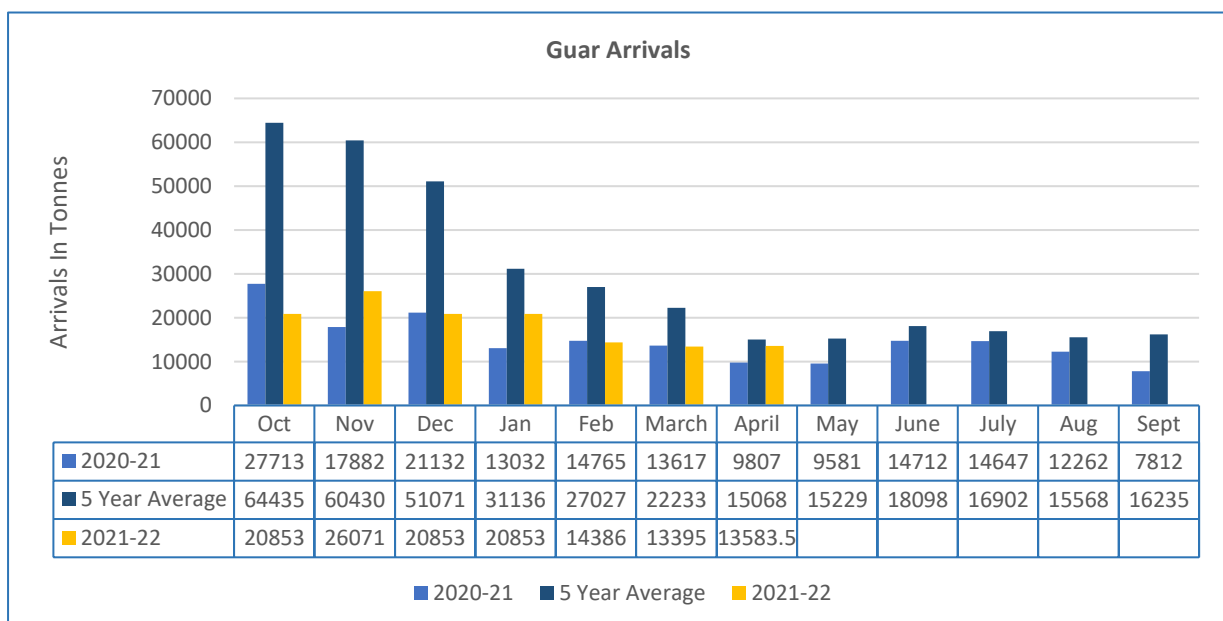


As per data released by Baker Hughes, the number of oilrigs in USA went up by 21 to 552 in April'22 as compared to previous month at 531.

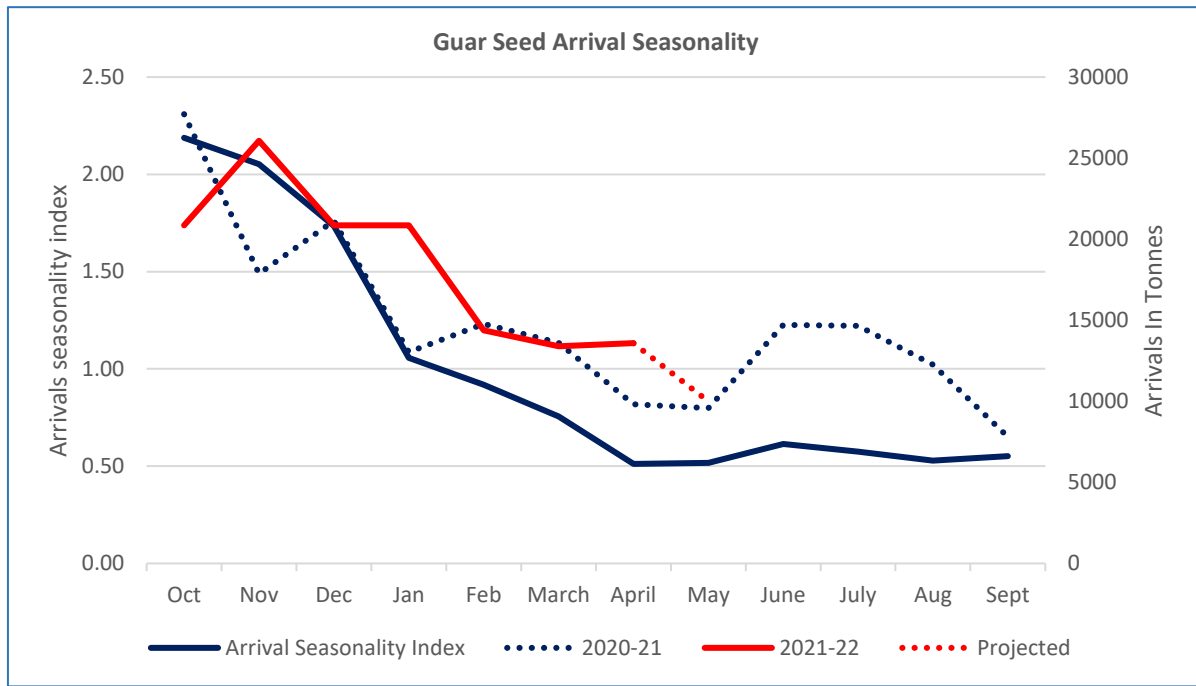


According to Agri watch estimates, 2021 Guar seed production is estimated at 4.5 lakh tonnes lower than previous year at 5.83 lakh tonnes.

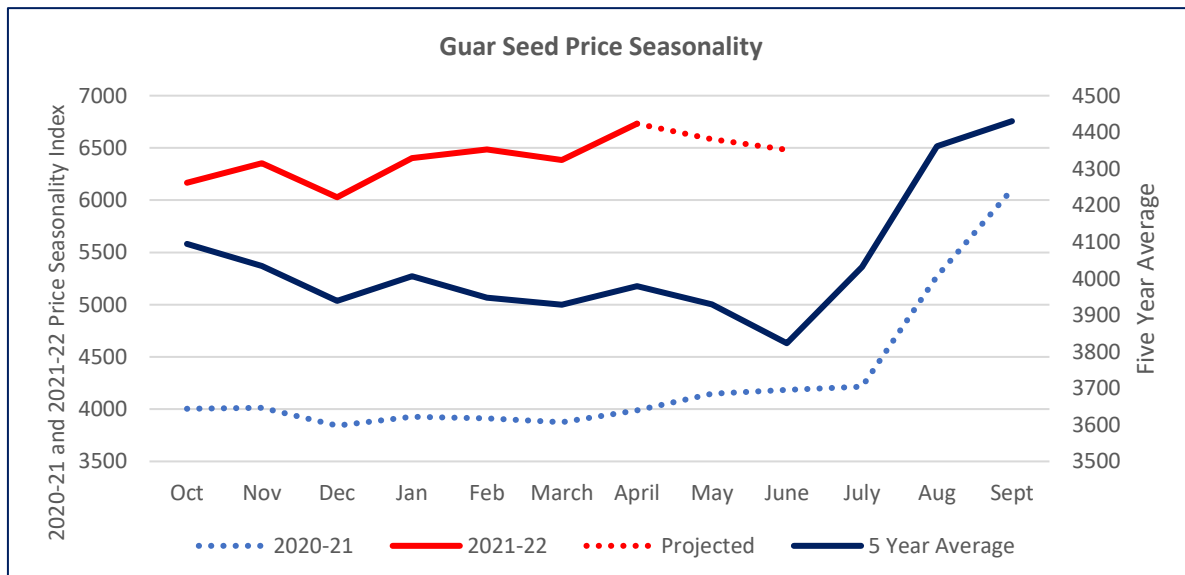
Arrivals

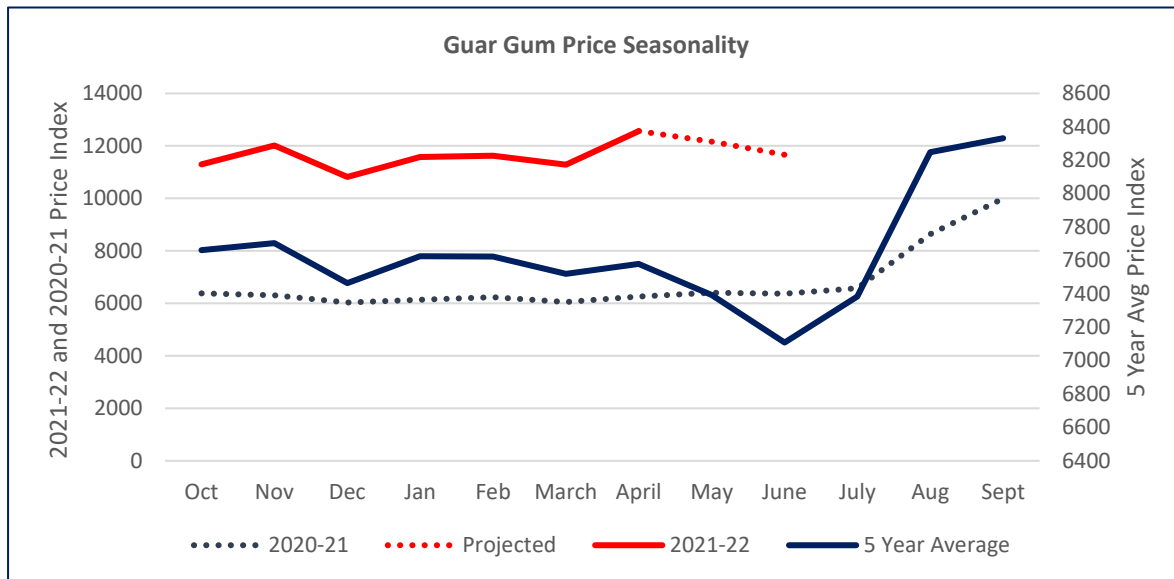
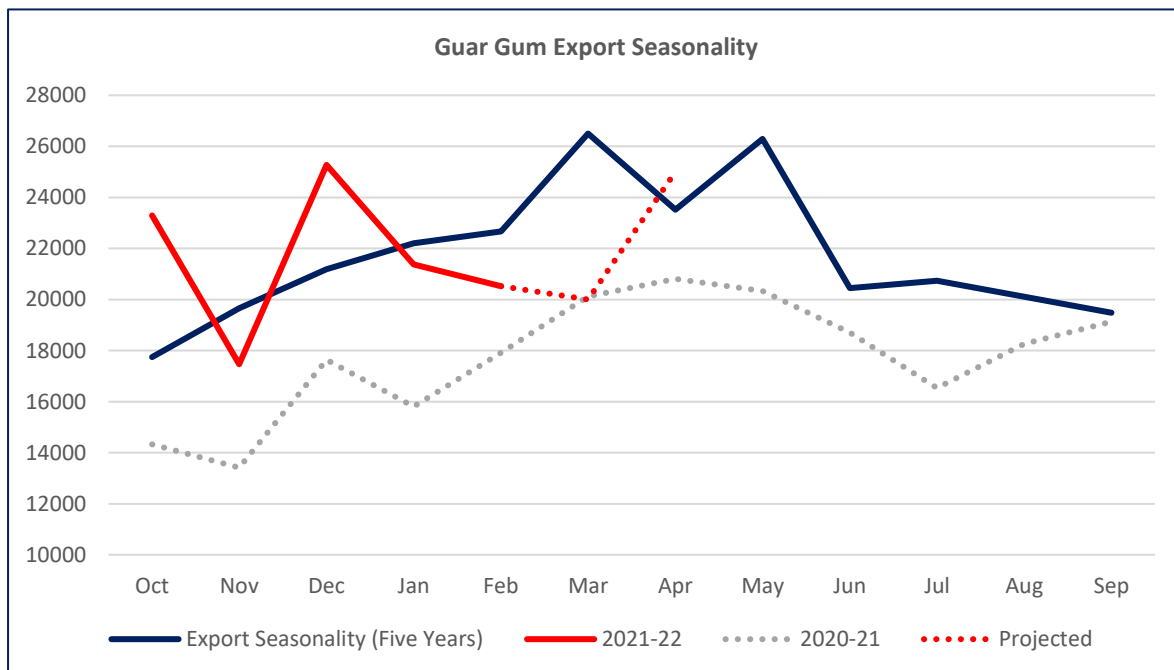


In Oct-April'22, Guar arrivals recorded low by 52% at 1.29 Lakh tonnes as compared to 2.71 Lakh tonnes five years average. Tight arrivals and good export demand supported prices gains. In April'22 arrivals went down by 10% to 13,583 tonnes as compare to 15068 tonnes five-year average.

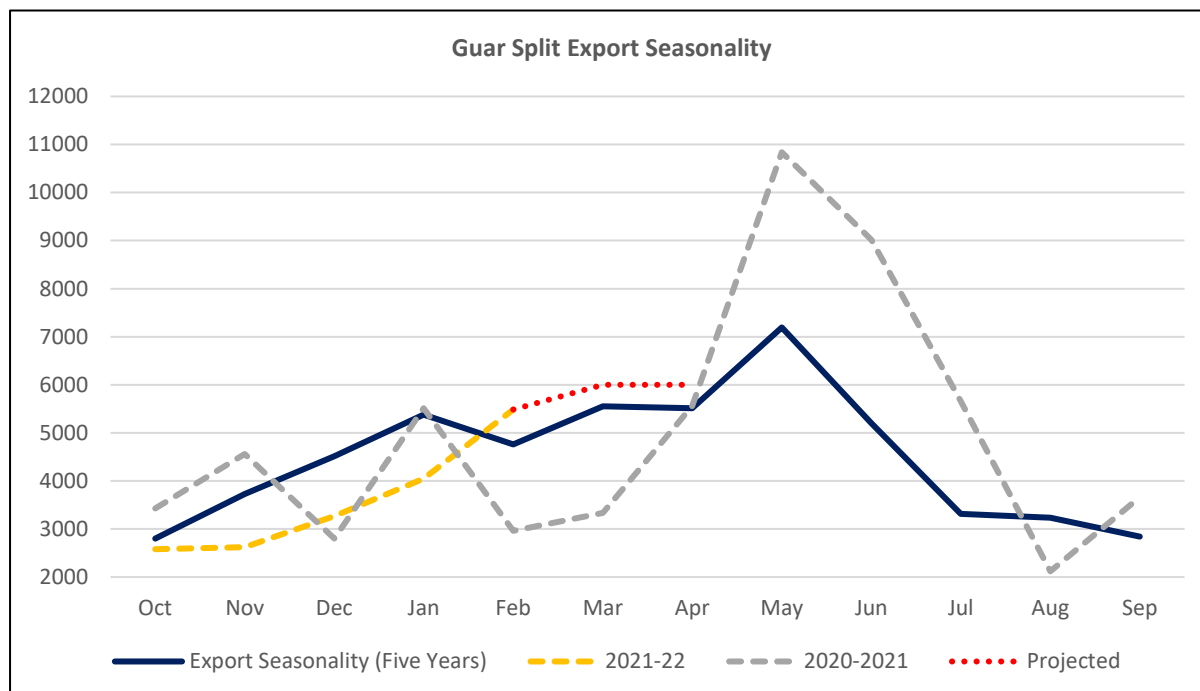


Guar Price Seasonality



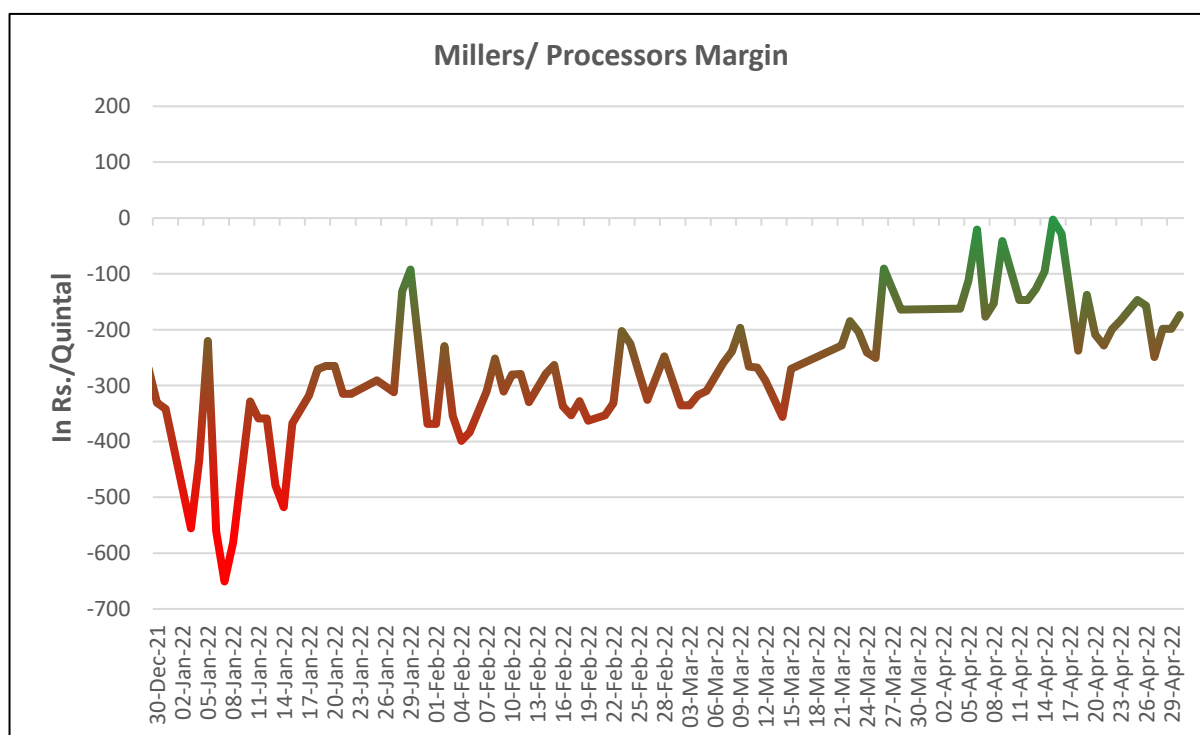
Guar Gum Price seasonality

Guar Gum Export seasonality


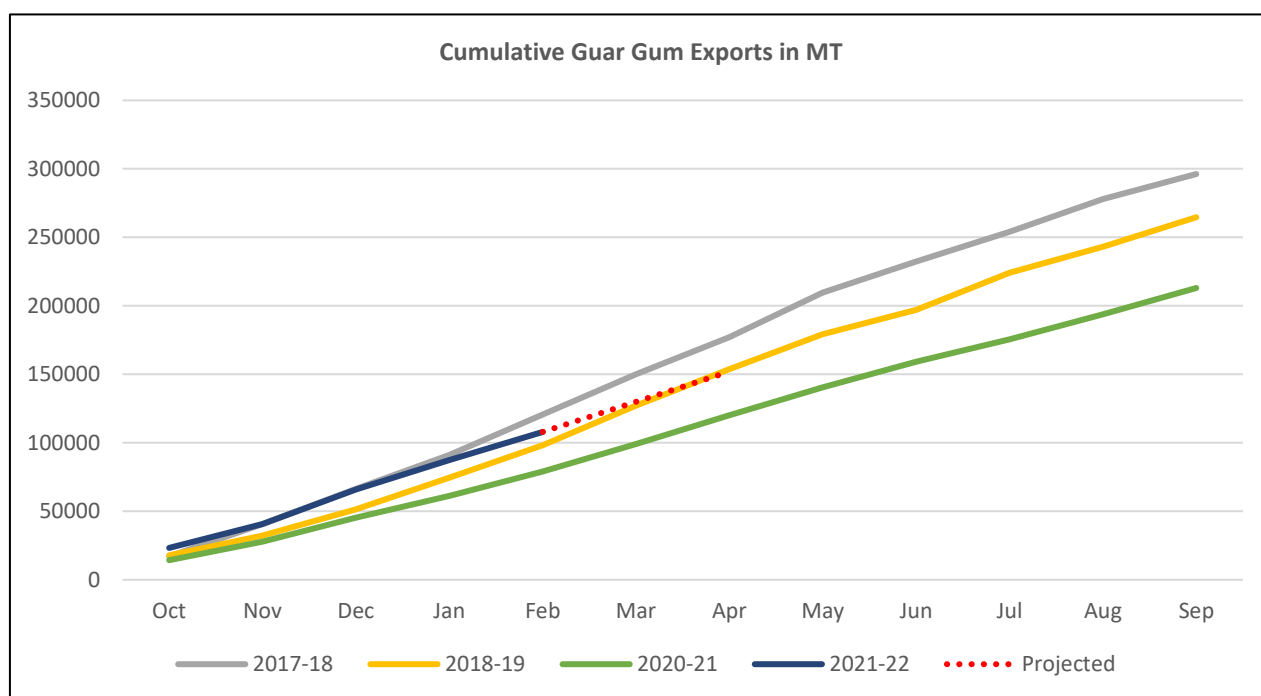
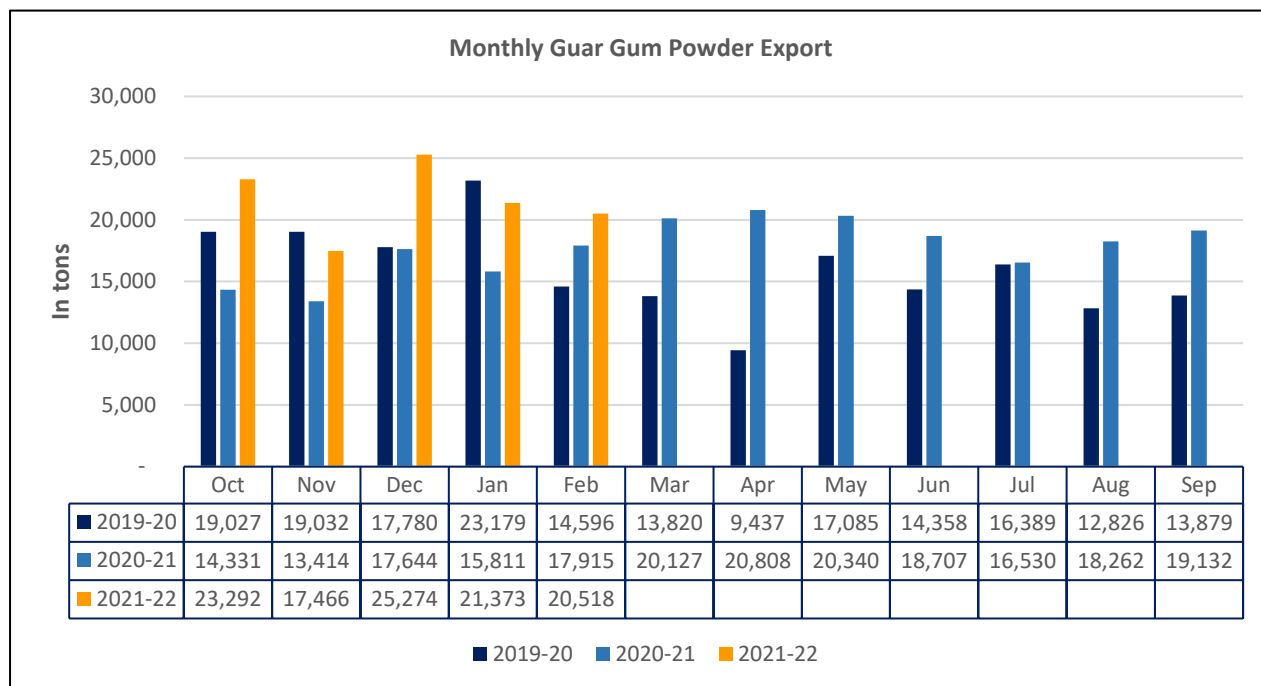
Guar Split export seasonality



Millers/Processors Margin

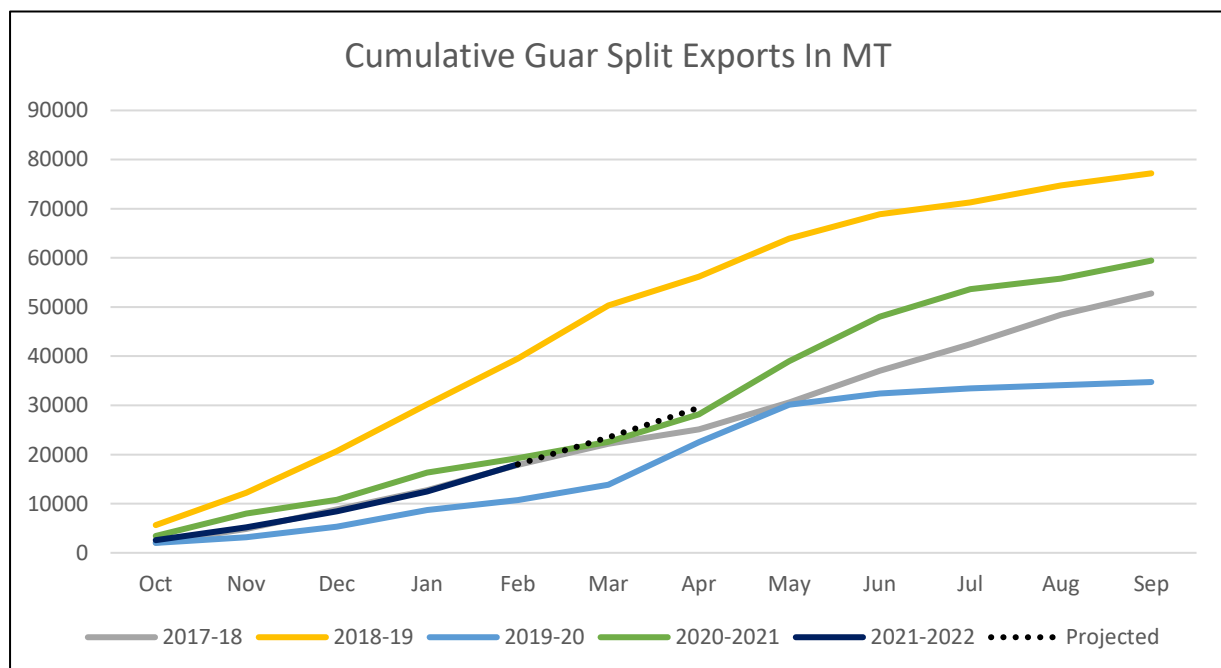
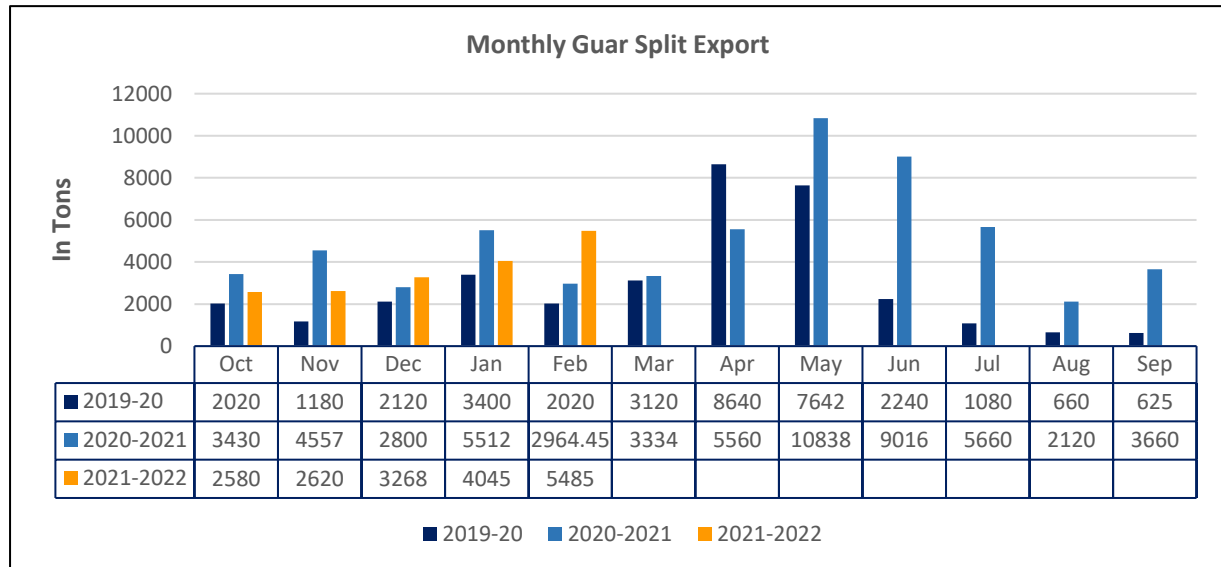
As seen in the chart, the average net crush margin of guar seed has increased in April'22 to -147/ Qtl as compared to -252/ Qtl in March'22, Lower guar product prices like churi and korma have kept processors' margin tight. We expect squeeze in crush margin on correction in Churi korma prices in upcoming days.



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. We expect Guar export in March'22 at 18,000-20,000 tonnes and in April at 20,000-22,000 tonnes.

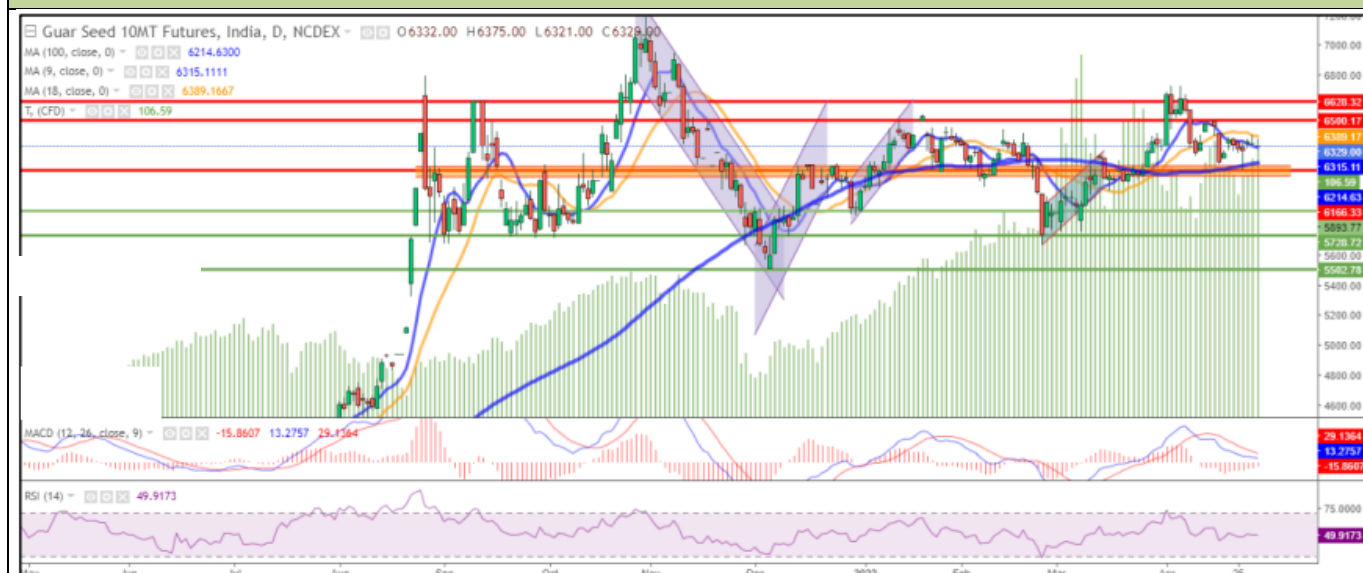


India's Guar split exports increased in the month of Feb'2022 by 35.60% to 5,485 MT as compared to 4,045 MT previous month at an average FoB of US \$ 1,815 per MT compared to US \$ 1,780 per MT last month. However, the guar split shipments went up by 85.03 % to 5,485 MT in Feb'22 compared to the same 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. We expect guar split export in March and April at 5,000-5,500 tonnes in each month.

Technical Analysis (Guar Seed)

Commodity: Guar Seed
Exchange: NCDEX

Expiry: June 20, 2022
Contract: June

Guar Seed (June, Daily Chart)

Technical Commentary:

- As seen in the above chart, prices are moving downwards, and market is making lower lows and lower highs, indicating weak momentum.
- During the month under review, Guar seed went down by 1.20%, market made low at 6250 and a high at 6800 and closed at 6403.
- Currently trading below 9 and 18 DMA indicating weak momentum, 50 and 100 DMA can be characterized as support.
- MACD oscillator momentum indicating weak sentiments.
- RSI indicating weak buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	June	5800	6000	6403	6600	6700
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	June	Sell	6400-6450	6100	6000	6500

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: June

Exchange: NCDEX
Expiry: June 20, 2022

Guar Gum (June, Daily Chart)



Violet histogram indicates WTI crude oil price movement without axis.

Technical Commentary:

- As seen in the above chart, prices have declined from top on profit booking, and making lower lows and lower highs, indicating weak sentiments.
- During the month under review, Guar seed went up by 1%, market made low at 12,210 and a high at 13,554 and closed at 12,643.
- Currently trading below 9 and 18 DMA indicating weak sentiments.
- MACD cross over indicating firm momentum.
- RSI indicating firm buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	June	12000	11800	12643	13000	13200
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	Sell	12600-12700	12300	12000	12800

Commodity	District	Centre	Today	Month Ago	Year Ago
Guar Seed			30-Apr-22	30-Mar-22	30-Apr-21
Rajasthan	Jodhpur	Jodhpur (Loose)	6350	Closed	Closed
		Jodhpur(Delivery)	6668	Closed	Closed
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	5750	-
		Sri-Ganganagar (Delivery)	-	5900	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	5900	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	6150	6125	Closed
		Bikaner (Delivery)	6458	6431	Closed
		Nokha(Loose)	6100	6125	3925
		Nokha (Delivery)	6405	6431	4121
		Khajuwala (Loose)	-	5900	NA
		Khajuwala (Delivery)	-	6195	NA
		Lunkaransar (Loose)	6100	Closed	3800
	Hanumangarh	Hanumangarh (Loose)	-	5500	-
		Hanumangarh (Delivery)	-	5775	-
		Nohar (Loose)	6130	6030	-
		Pilibanga (Loose)	5840	5725	-
	Nagaur	Nagaur (Loose)	5975	Closed	-
	Churu	Churu (Delivery)	6400	6300	-
	Alwar	Alwar (Loose)	6000	5900	-
Haryana	Hisar	Adampur (Loose)	6150	5800	3950
		Adampur (Delivery)	6458	6090	4148
	Bhiwani	Bhiwani (Delivery)	-	-	3900
		Siwani (Loose)	6250	6125	4030
	Sirsa	Sirsa (Loose)	6050	5990	NA
		Dhabwali (Loose)	NA	5865	-
		Dhabwali (Delivery)	NA	6158	-
		Ellanabad (Loose)	5950	5960	-
	Fatehabad	Fatehabad (Loose)	5850	5400	3900

Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	5600	Closed	-
	Rajkot	Rajkot (Loose)	5875	Closed	-
	Jamnagar	Dhrol (Loose)	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	12600	Closed	Closed
	Alwar	Alwar	12600	12000	-
	Hanumangarh	Nohar	NR	-	-
Haryana	Bhiwani	Bhiwani	-	-	6200
	Sirsa	Sirsa	12500	12000	6200
		Dhabwali	NR	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	12600	12000	6200

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