

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

Guar seed delivery monthly average prices at Jodhpur prices went down by 8% to Rs.6,070/Qtl on weak export demand during the month under review. Guar gum too went down by 6% to Rs.11,812/qtl.

In May'22 WTI Crude oil remained firm and went up by 9.53% to USD 114.67/barrels driven by supply concern.

As per data released by Baker Hughes, the number of oilrigs in USA went up by 22 to 574 in May'22 as compared to previous month at 552.

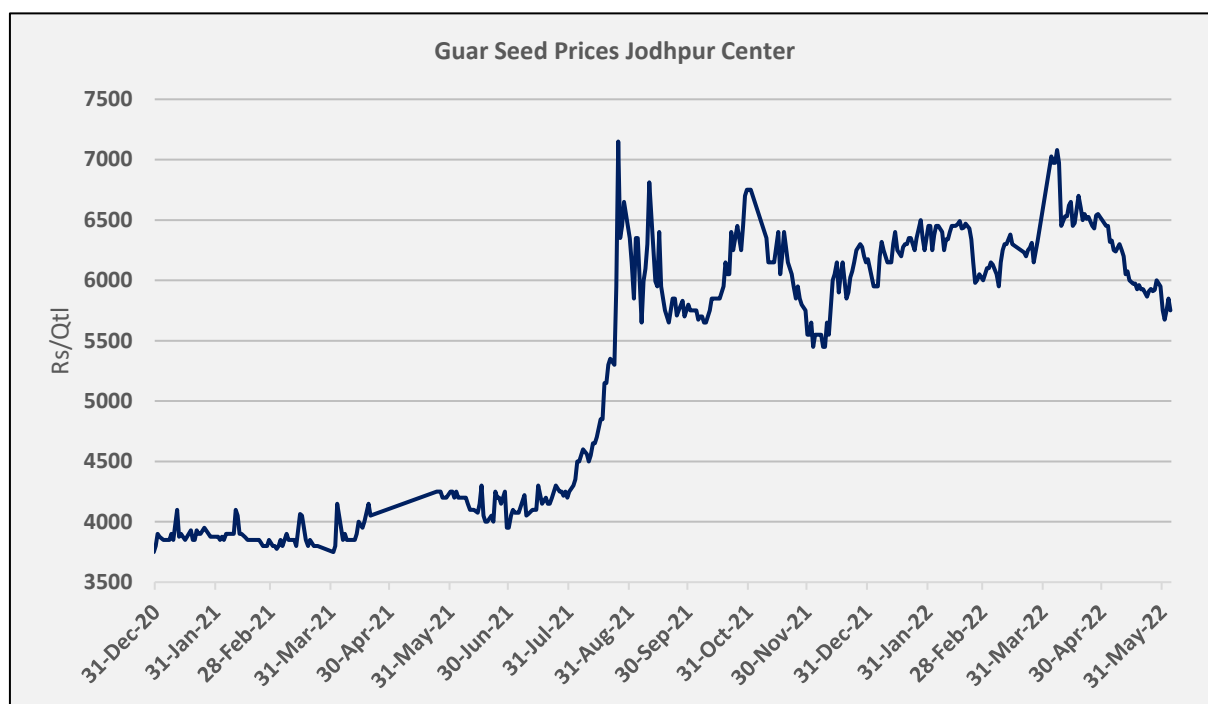
Squeeze in crush margin continued this month too, lower guar products like churi and korma kept crush margin lower.

Outlook – Guar seed (Spot, Jodhpur basis):

Guar seed delivery prices are expected to trade range bound with steady to weak bias amid weak export demand. However, 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 5,800 –6,500/Qtl. in the short-run.

Domestic Market Fundamentals

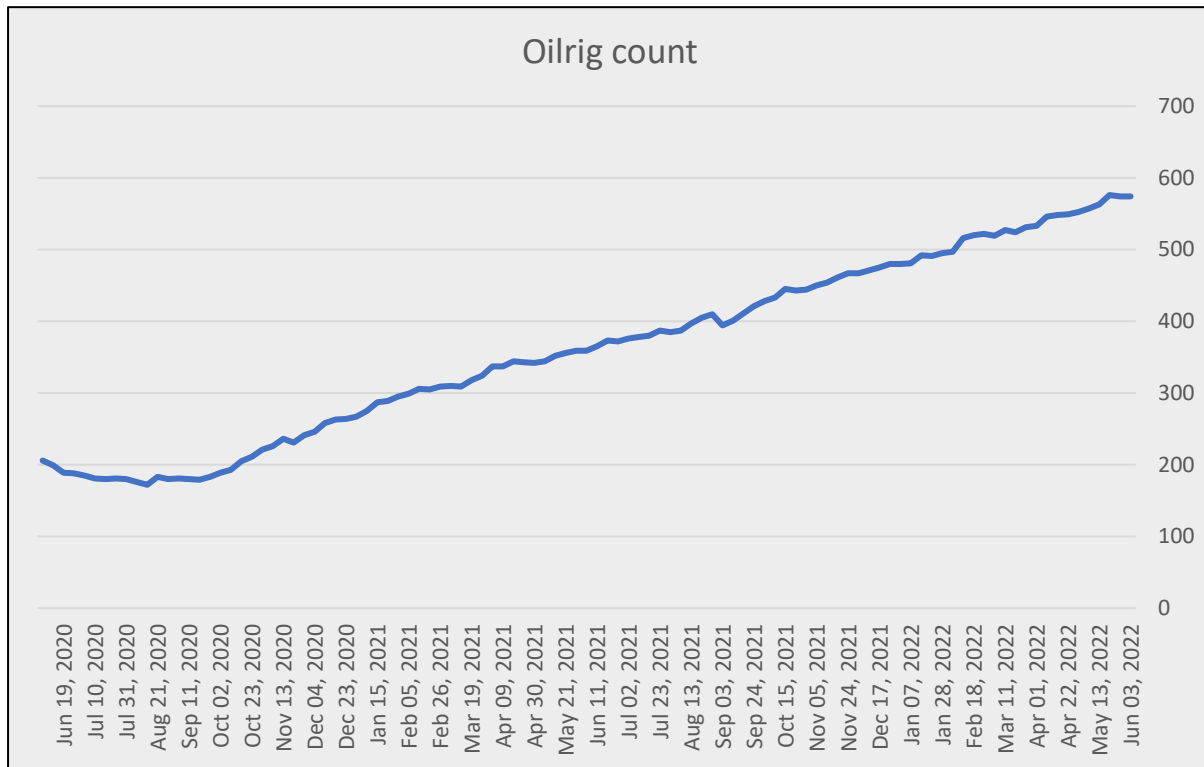
During the month under review, Monthly average prices of Guar seed went down by 8% to Rs. 6,070/qrtl as compared to previous month at Rs. 6,630/qrtl. amid weak exports in April ahead of monsoon.



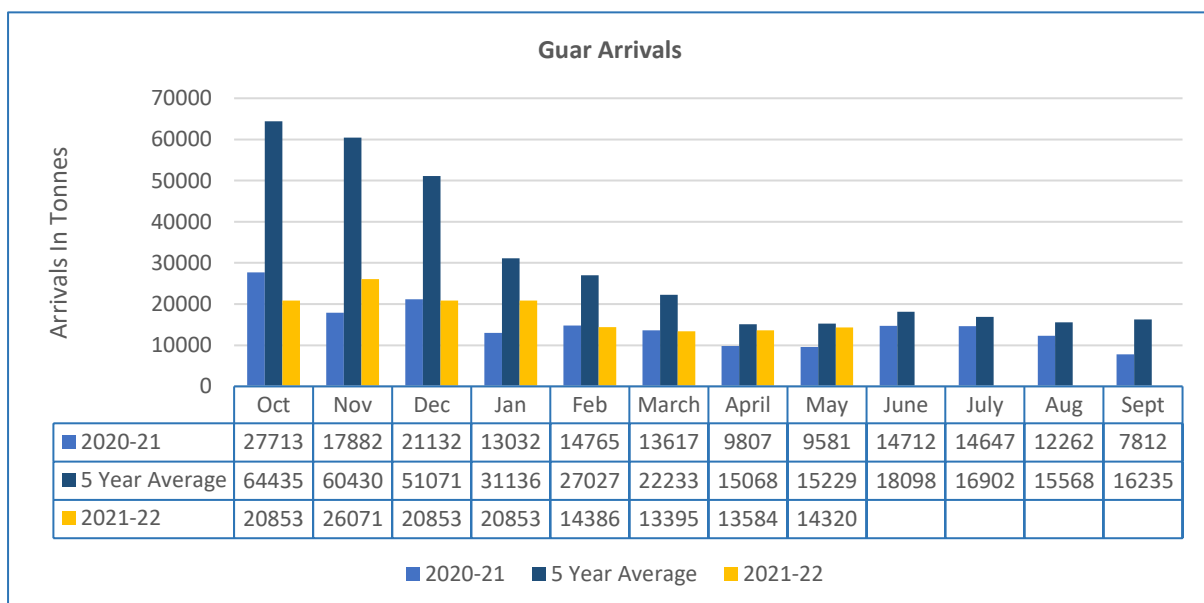
During the month under review, guar gum prices went down by 6% to Rs. 11,812/qrtl amid weak export demand.



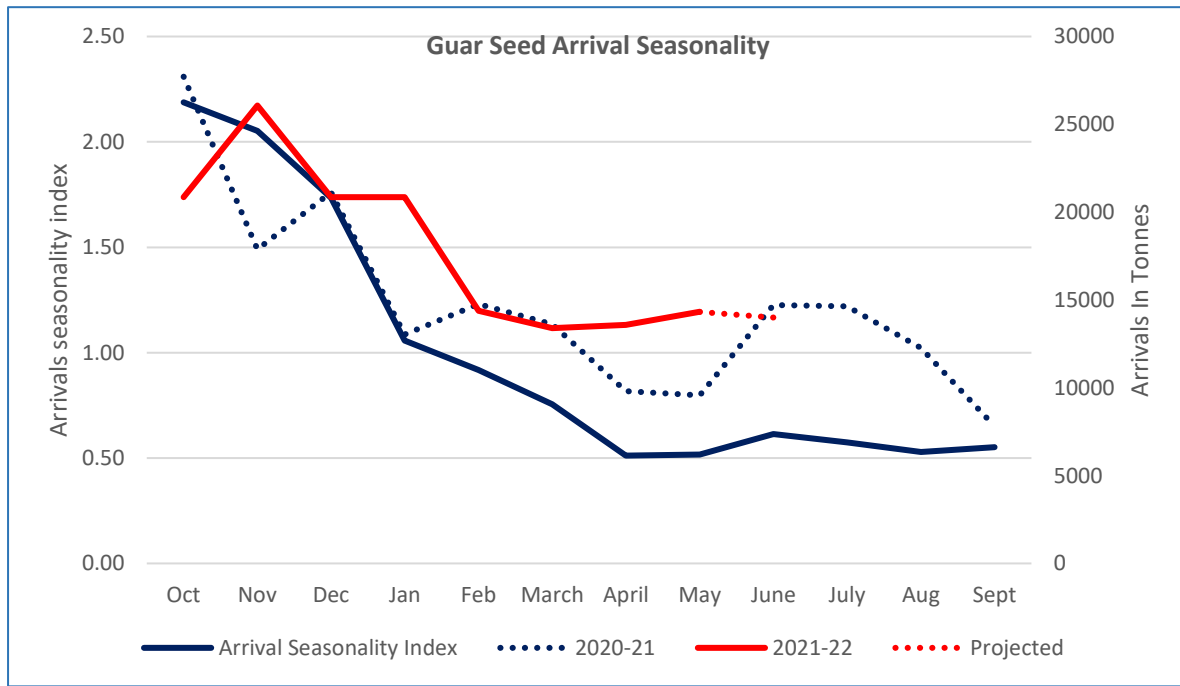
As per data released by Baker Hughes, the number of oilrigs in USA went up by 22 to 574 in May'22 as compared to previous month at 552. Increase in oil rig count were driven by firm crude oil prices.



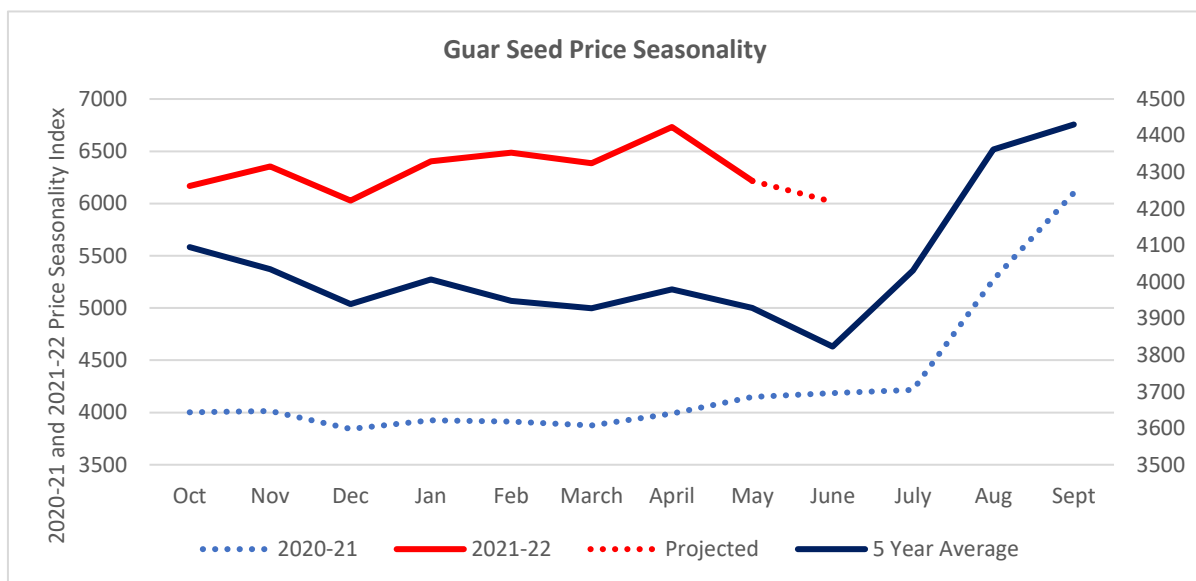
Arrivals



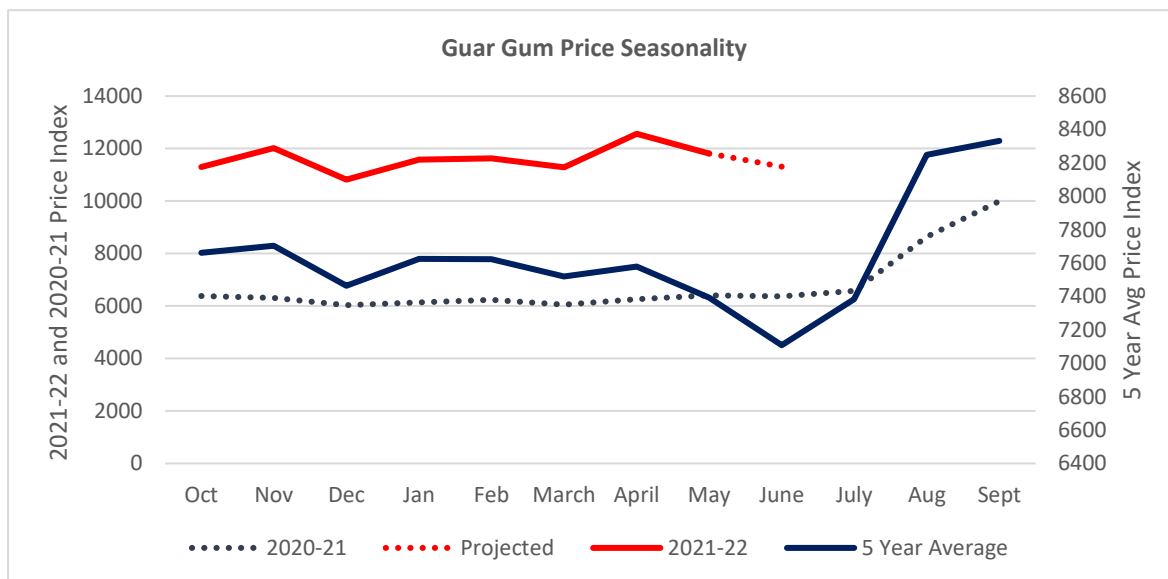
In Oct-May'22, Guar arrivals recorded low by 50% at 1.44 Lakh tonnes as compared to 2.86 Lakh tonnes five years average. Tight arrivals and good export demand kept prices high YoY by 40%. In May'22 arrivals went down by 6% to 14319 tonnes as compare to 15,229 tonnes five-year average.



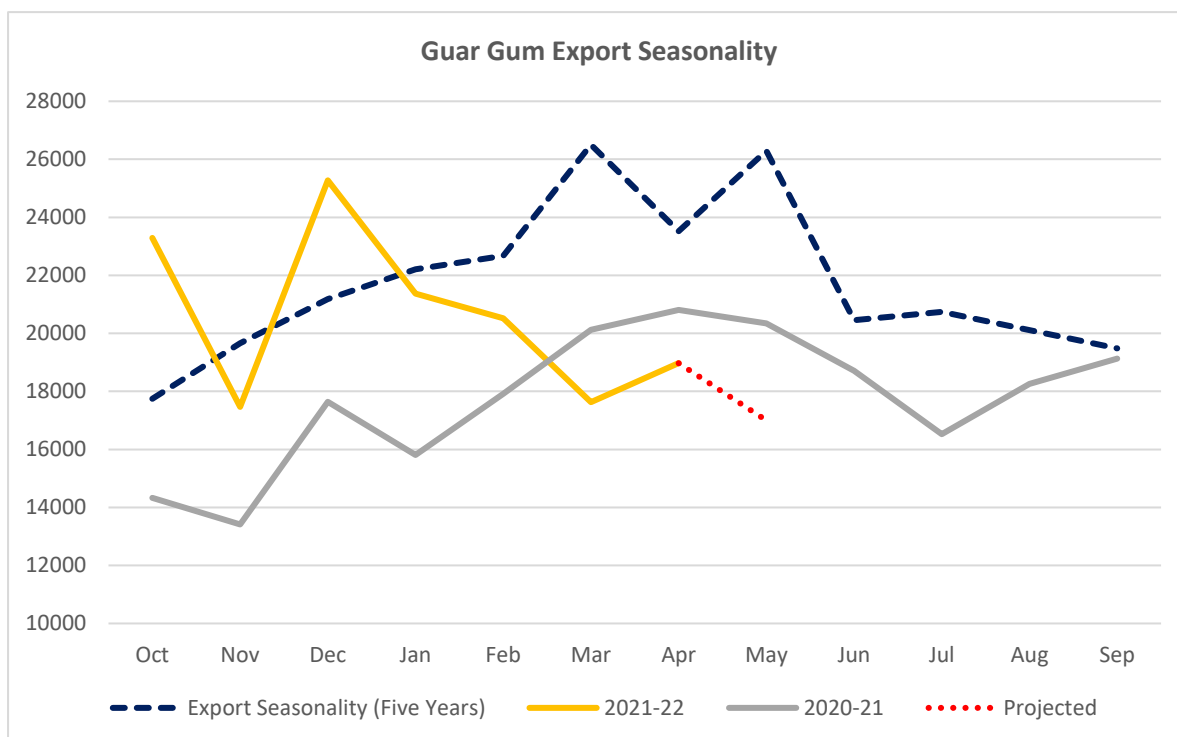
Guar Price Seasonality



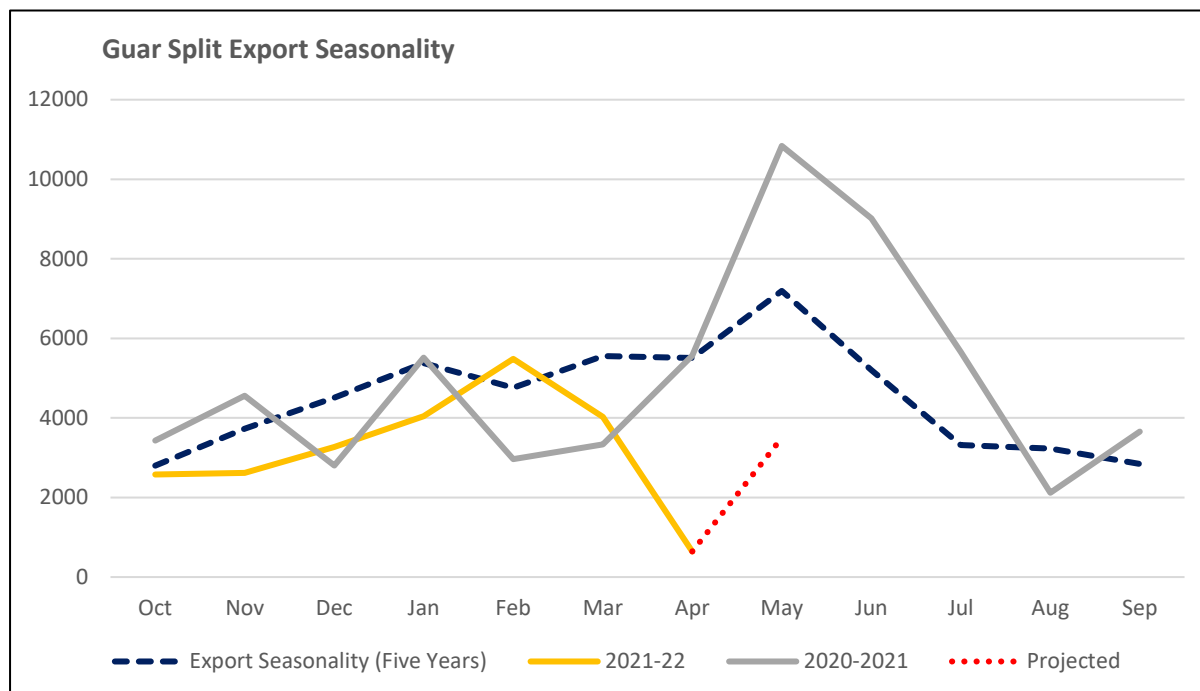
Guar Gum Price seasonality



Guar Gum Export seasonality

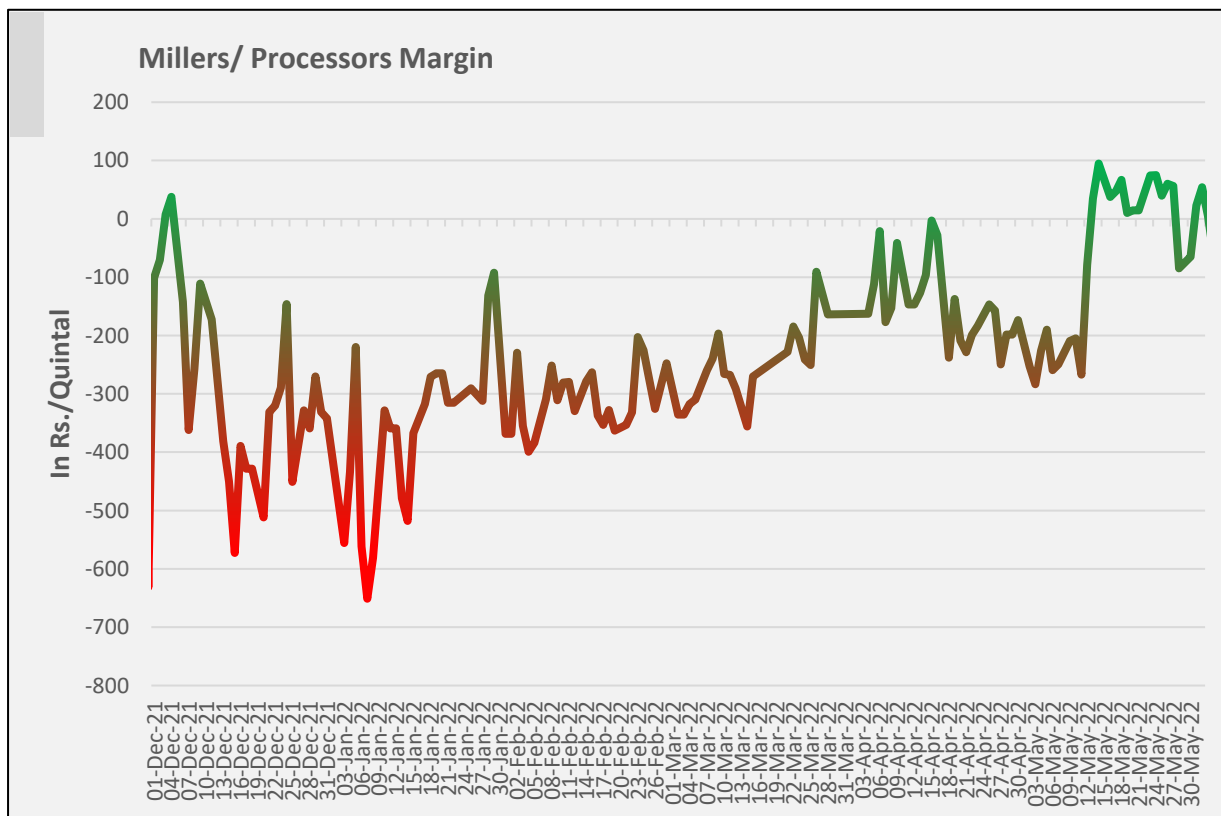


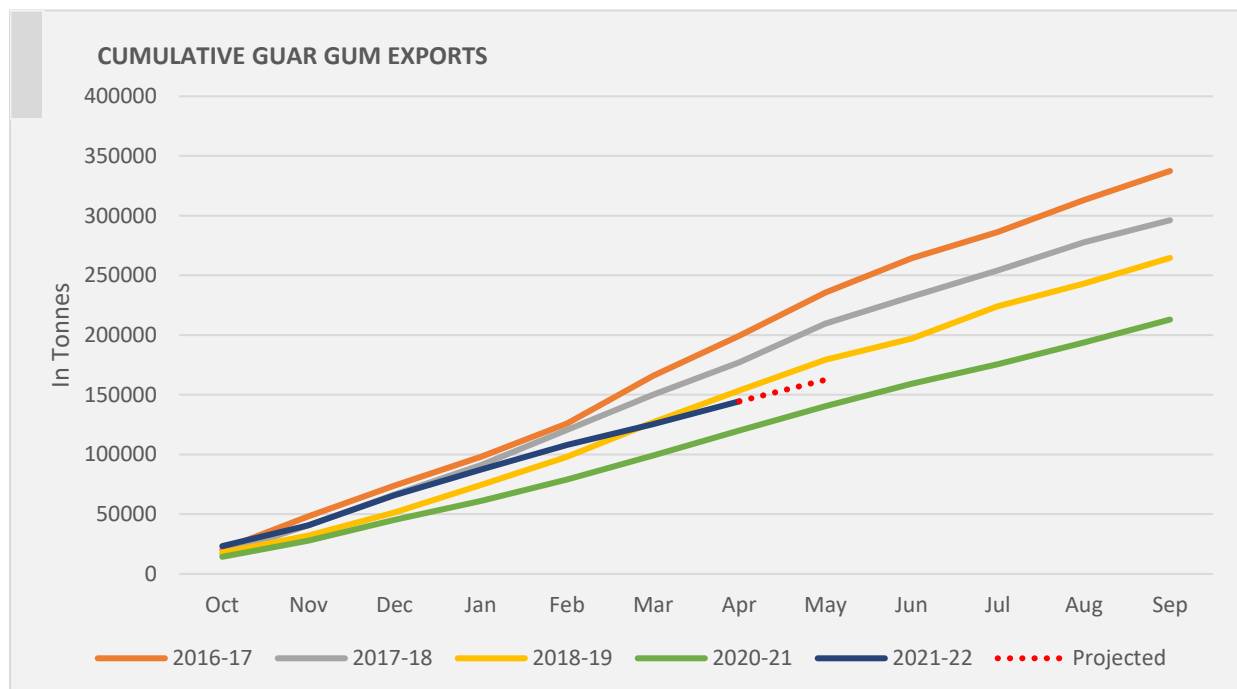
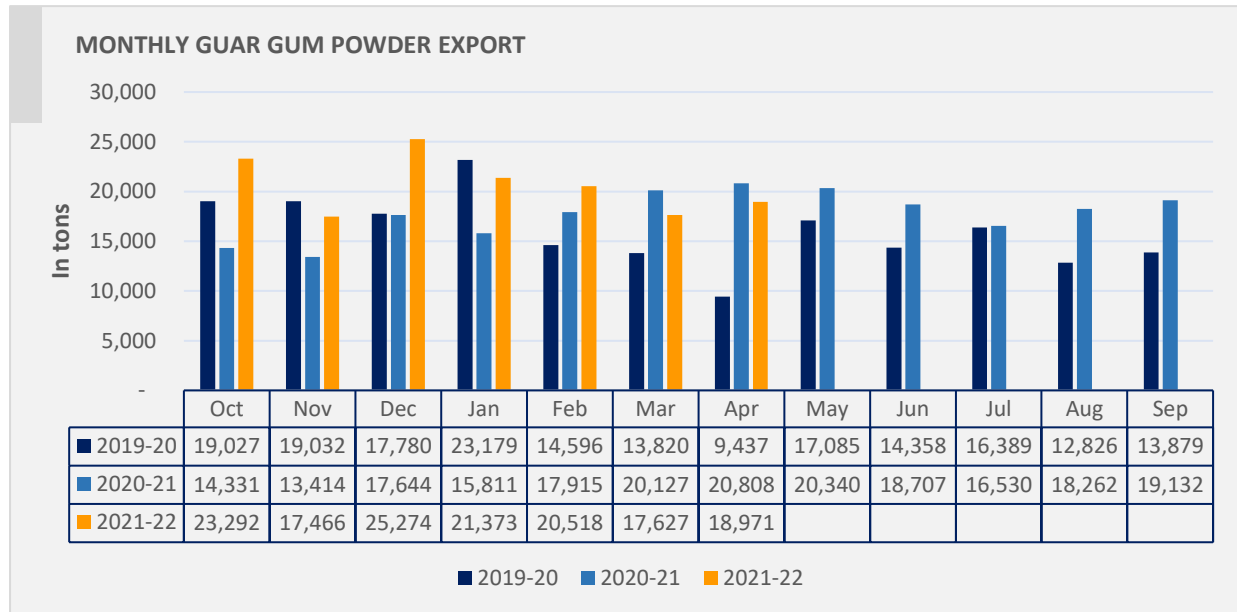
Guar Split export seasonality



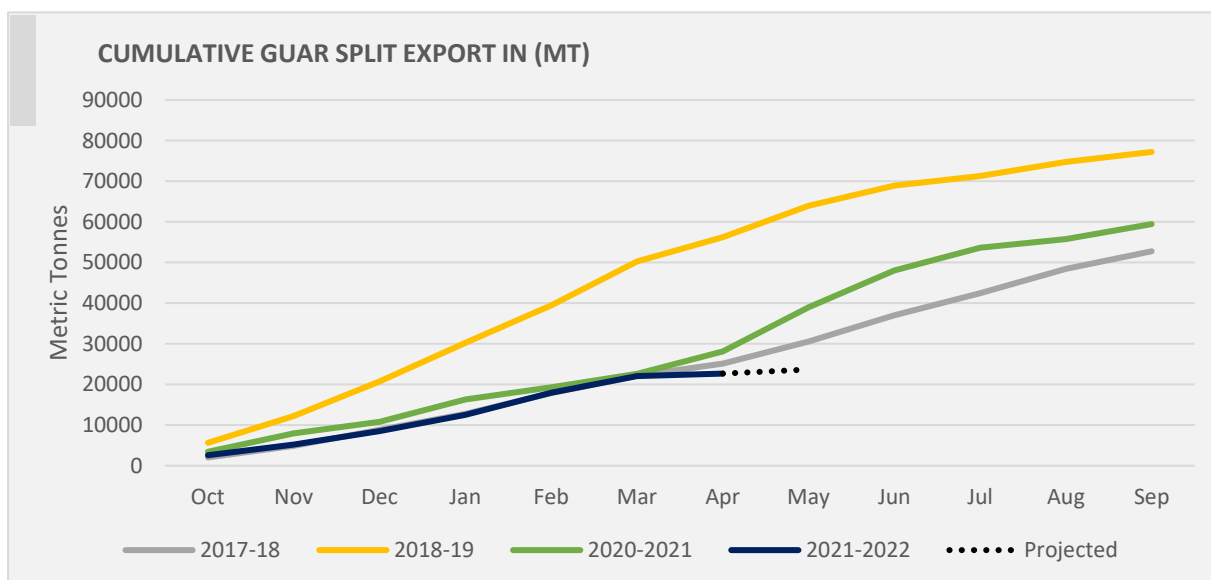
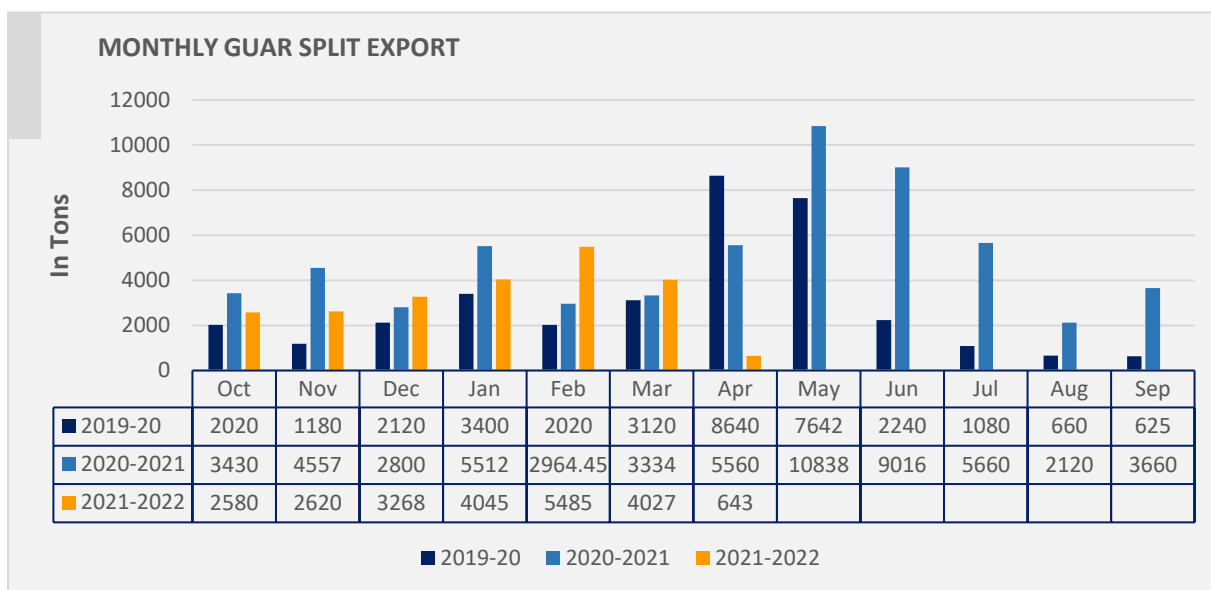
Millers/Processors Margin

As seen in the chart, the average net crush margin of guar seed has increased in May'22 to -66/ Qtl as compared to -147/ Qtl in April'22, Lower guar product prices like churi and korma have kept processors' margin tight. We expect tight crush margin on correction in Churi korma prices in upcoming days.

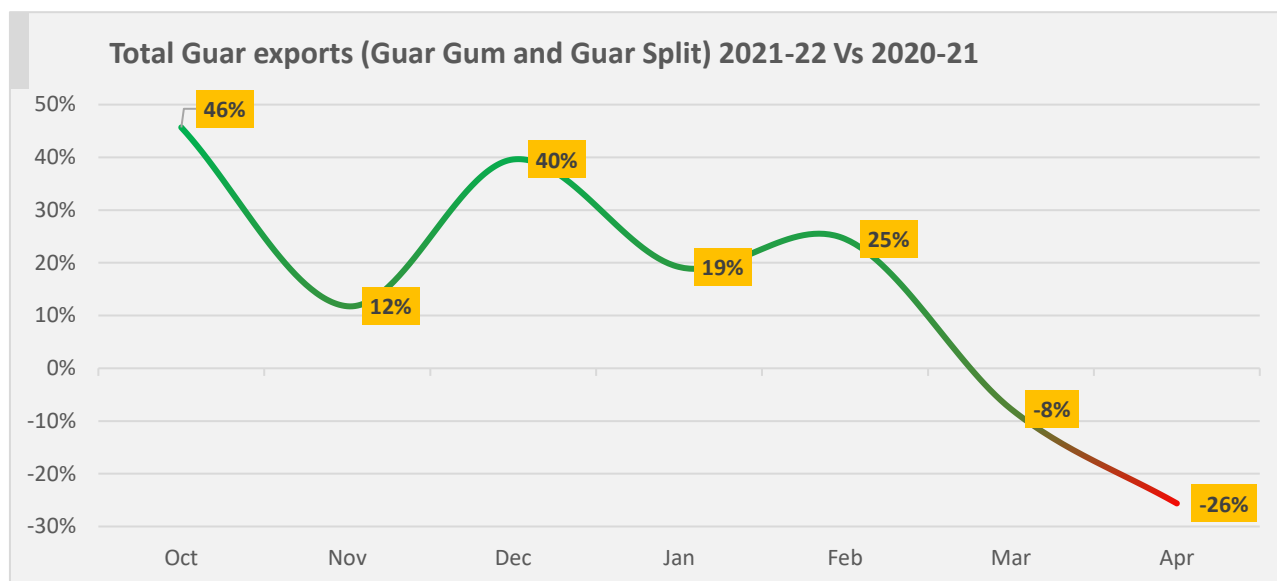


Export Scenario


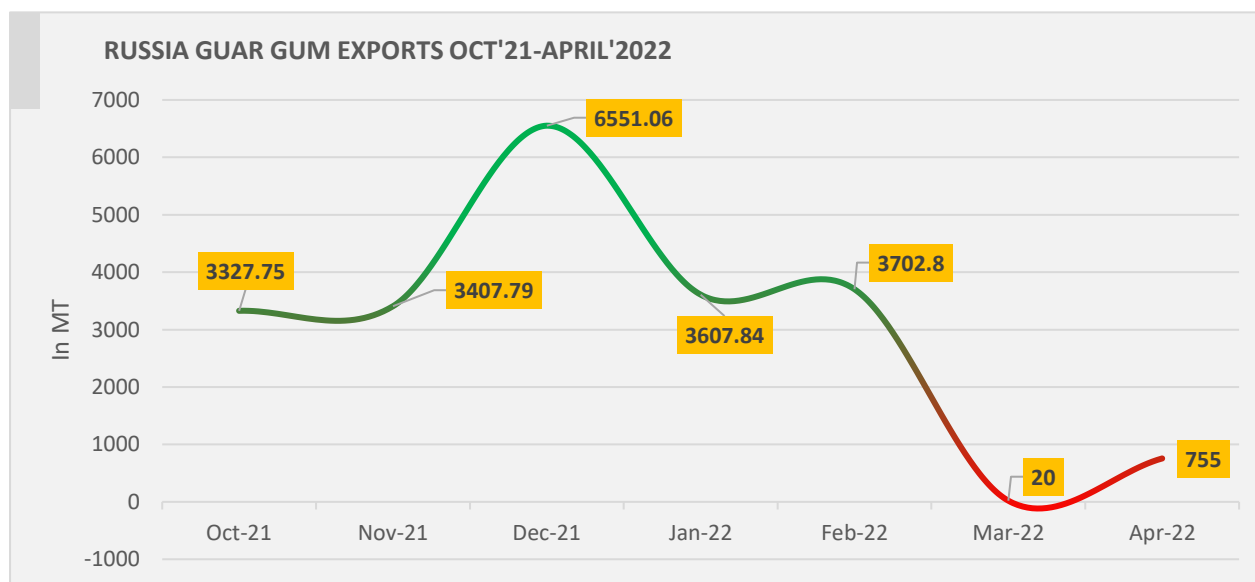
Overall, India's guar export in Oct'21-April'22 is up by 13% to 16,7189 as compared to previous year same period at 14,8208. India's guar gum exports decreased in the month of April'2022 by 8.83% to 18,971 MT compared to 17,627 MT during previous month. However, the gum shipments were up by 7.62% in April'2022 compared to the same period last year. Out of the total exported quantity, around 5,511 MT (29%) bought by US, Russia bought 7,55 MT (3.98%), Germany 3,392 MT (17.88%), China 2,427 MT (12.80%), and Canada 491 MT (2.59%) respectively. We expect Guar export in May'22 at 17,000-18,000 tonnes.



India's Guar split exports decreased in the month of April'2022 by 88.44% to 643 MT as compared to 4,027 MT previous month. The guar split shipments went down by 84.03 % MT in April'22 compared to the same period last year at 5,560 MT. Out of the total exports, around 541 MT (84%) bought by China, US 101 MT (15.70%), We expect guar split export in May at 1,000-1,500 tonnes in each month.

Total Guar Exports: YoY Comparison 2021-22 Vs 2020-21


Total guar exports in April'22 went down by 26% to 19,614 MT as compared to 26,368 MT previous year same period on weak demand by China and USA. However, cumulative exports till April'22 still up by 13% to 16,7189 as compared to previous year same period at 14,8208.

Russia Guar Gum exports Oct'21-April'22


Guar Gum exports declined after feb'22 amid Russia Ukraine war and kept prices under pressure.

Technical Analysis (Guar Seed)

Commodity: Guar Seed
Exchange: NCDEX

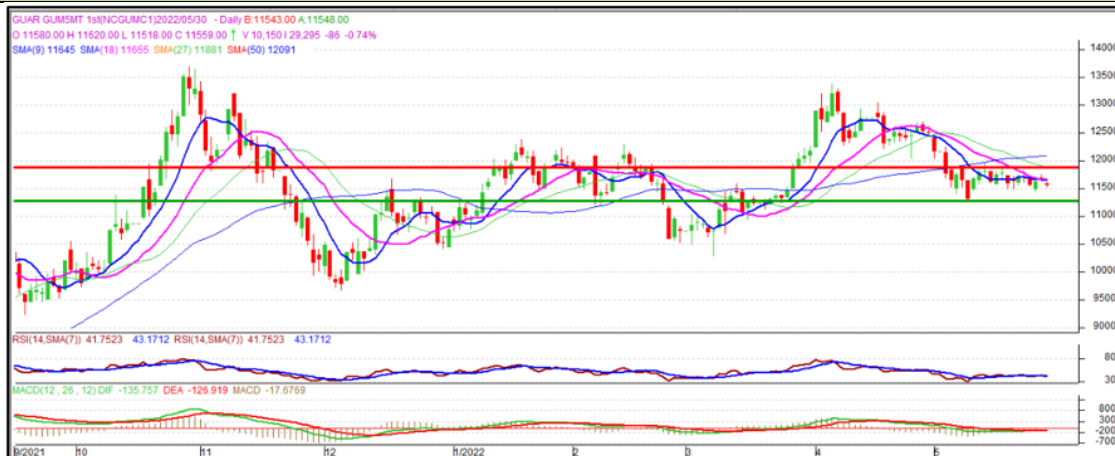
Expiry: July 20, 2022
Contract: July

Guar Seed (July, Daily Chart)

Technical Commentary:

- As seen in the above chart, prices are moving downwards, and trading above support level of 5900,
- During the month under review, Guar seed went down by 7.82%, market made low at 5807 and a high at 6321 and closed at 5836.
- Currently trading below 9,18, 50 and 100 DMA indicating weak momentum.
- MACD oscillator momentum indicating weak sentiments.
- RSI indicating weak buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	July	5500	5600	5836	6300	6500
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	July	Sell	6000	5800	5700	6100

Technical Analysis (Guar Gum)
Commodity: Guar Gum
Contract: July
Exchange: NCDEX
Expiry: July 20, 2022
Guar Gum (July, Daily Chart)

Technical Commentary:

- As seen in the above chart, market has taken support of 11200 levels, currently trading below 9 and 18,50 and 100 DMA indicating weak sentiments.
- During the month under review, Guar gum went up by 9.86%, market made low at 11,200 and a high at 12,420 and closed at 11,262.
- MACD cross over indicating weak momentum.
- RSI indicating weak buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	July	11000	11800	11262	11700	12000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	Sell	11400	11200	11000	11500

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			31-May-22	30-Apr-22	
Rajasthan	Jodhpur	Jodhpur (Loose)	5600	6350	-750
		Jodhpur(Delivery)	5880	6668	-788
	Sri-Ganganagar	Sri-Ganganagar(Loose)	5800	-	-
		Sri-Ganganagar (Delivery)	5950	-	-
		Rawla (Loose)	-	-	Unch
		Gharsana (Loose)	5650	5900	-250
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	5600	6150	-550
		Bikaner (Delivery)	5880	6458	-578
		Nokha(Loose)	5650	6100	-450
		Nokha (Delivery)	5933	6405	-473
		Khajuwala (Loose)	5500	-	-
		Khajuwala (Delivery)	5775	-	-
		Lunkaransar (Loose)	5750	6100	-350
	Hanumangarh	Hanumangarh (Loose)	5350	-	-
		Hanumangarh (Delivery)	5618	-	-
		Nohar (Loose)	5826	6130	-304
		Pilibanga (Loose)	5300	5840	-540
	Nagaur	Nagaur (Loose)	-	5975	-
	Churu	Churu (Delivery)	5800	6400	-600
	Alwar	Alwar (Loose)	5300	6000	-700
Haryana	Hisar	Adampur (Loose)	5650	6150	-500
		Adampur (Delivery)	5933	6458	-525
	Bhiwani	Bhiwani (Delivery)	-	-	-
		Siwani (Loose)	5750	6250	-500
	Sirsa	Sirsa (Loose)	5400	6050	-650
		Dhabwali (Loose)	5600	-	-
		Dhabwali (Delivery)	5880	-	-
		Ellanabad (Loose)	5100	5950	-850
	Fatehabad	Fatehabad (Loose)	5450	5850	-400
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	-	5600	-
	Rajkot	Rajkot (Loose)	5675	5875	-200
	Jamnagar	Dhrol (Loose)	5460	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-

Guar Gum					
Rajasthan	Jodhpur	Jodhpur	11400	12600	-1200
	Alwar	Alwar	11600	12600	-1000
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	-	-	-
	Sirsa	Sirsa	11300	12500	-1200
		Dhabwali	11550	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	11700	12600	-900

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			31-May-22	30-Apr-22	
Rajasthan	Jodhpur	Jodhpur	-	-	-
	Sri-Ganganagar	Sri-Ganganagar	20	-	20
		Rawla	-	-	-
		Gharsana	40	80	-40
		Raisinghnagar	-	-	-
	Bikaner	Bikaner	300	250	50
		Nokha	200	300	-100
		Khajuwala	50	-	-
		Lunkaransar	700	300	400
	Hanumangarh	Hanumangarh	20	-	-
		Nohar	175	650	-475
		Pilibanga	50	50	Unch
	Nagaur	Nagaur	-	100	-100
	Churu	Churu	NA	-	-
	Alwar	Alwar	NA	-	-
Haryana	Hisar	Adampur	800	200	600
	Bhiwani	Bhiwani	-	-	-
		Siwani	300	200	100
	Sirsa	Sirsa	350	1000	-650
		Dhabwali	86	NA	-
		Ellanabad	131	70	61
	Fatehabad	Fatehabad	-	NA	-
Gujarat	Banaskantha	Deesa	-	-	-
	Patan	Patan	-	8	-8
	Rajkot	Rajkot	450	100	350

	Jamnagar	Dhrol	996	-	996
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			4668	3308	1360

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.asp> © 2022 Indian Agribusiness Systems Limited