

# Guar Monthly Research Report

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**Executive Summary**

Guar seed delivery monthly average prices at Jodhpur prices went down by 9% to Rs.5,104 /Qtl amid higher acreage. Guar gum too went down by 10% to Rs.9,650/qtl.

In July'22 WTI Crude oil remained weak and went down by 7.15% to USD 98.62/barrels.

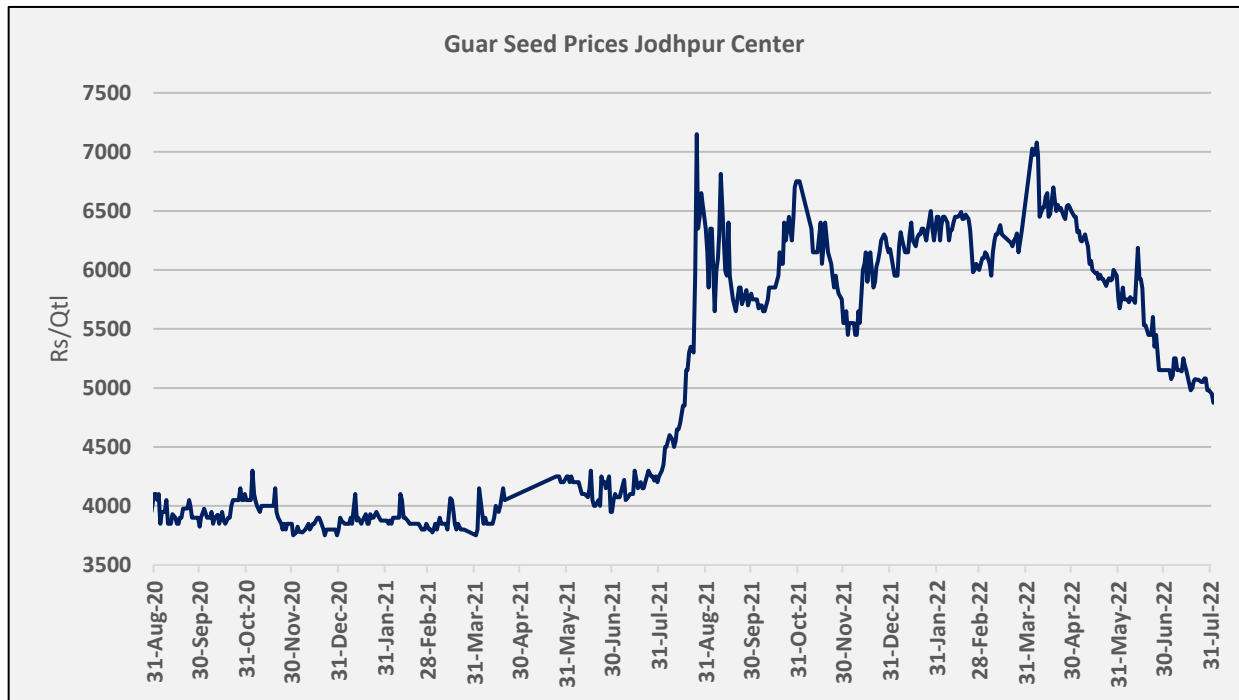
As per data released by Baker Hughes, the number of oilrigs in USA went up by 4 to 599 in July'22 as compared to previous month at 595.

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

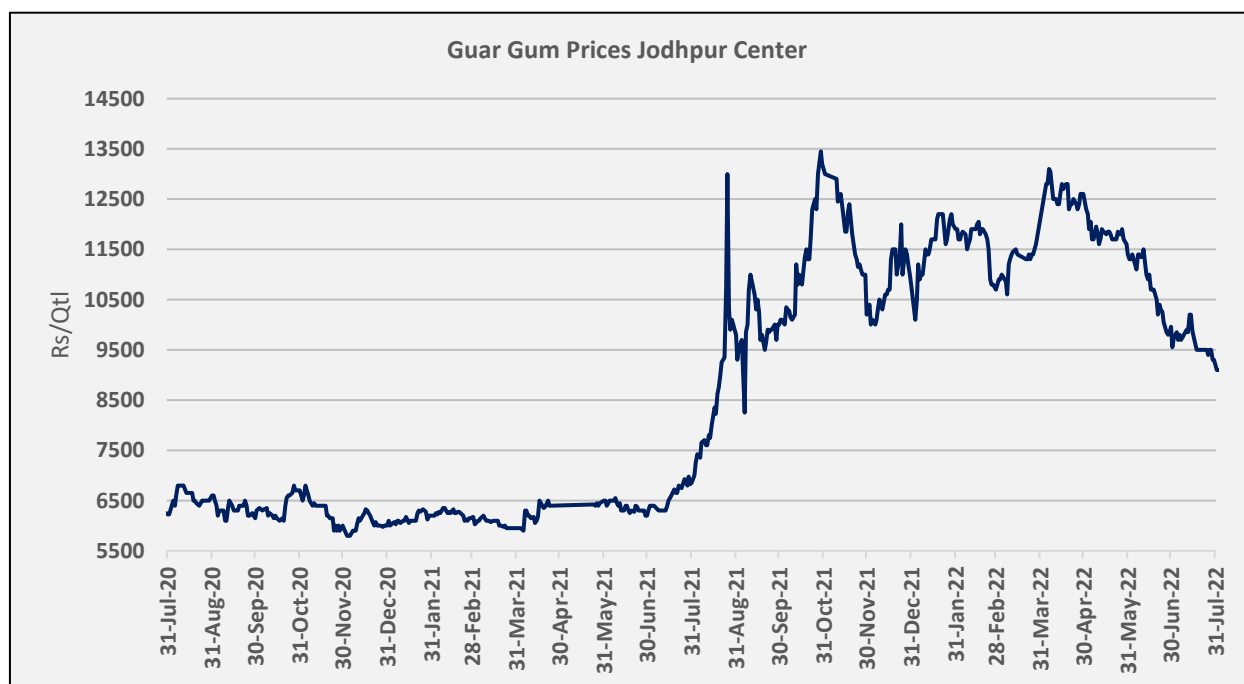
Guar seed delivery prices are expected to trade range bound with steady to weak bias amid higher acreage and correction in crude oil prices. The seed prices are likely to trade in the range between 4,800–5,500/Qtl. in the short-run.

### Domestic Market Fundamentals

During the month under review, monthly average prices of Guar seed extended previous month loss and went down by 9% to Rs. 5,104/qtl as compared to previous month at Rs. 5,604/qtl. amid higher acreage and good rainfall in western Rajasthan coupled with decline in crude oil prices and squeeze in crush margin.



During the month under review, guar gum prices too extended previous month loss and went down by 10% to Rs. 9,650/qtl in tandem with correction in Guar seed prices and crude oil prices.



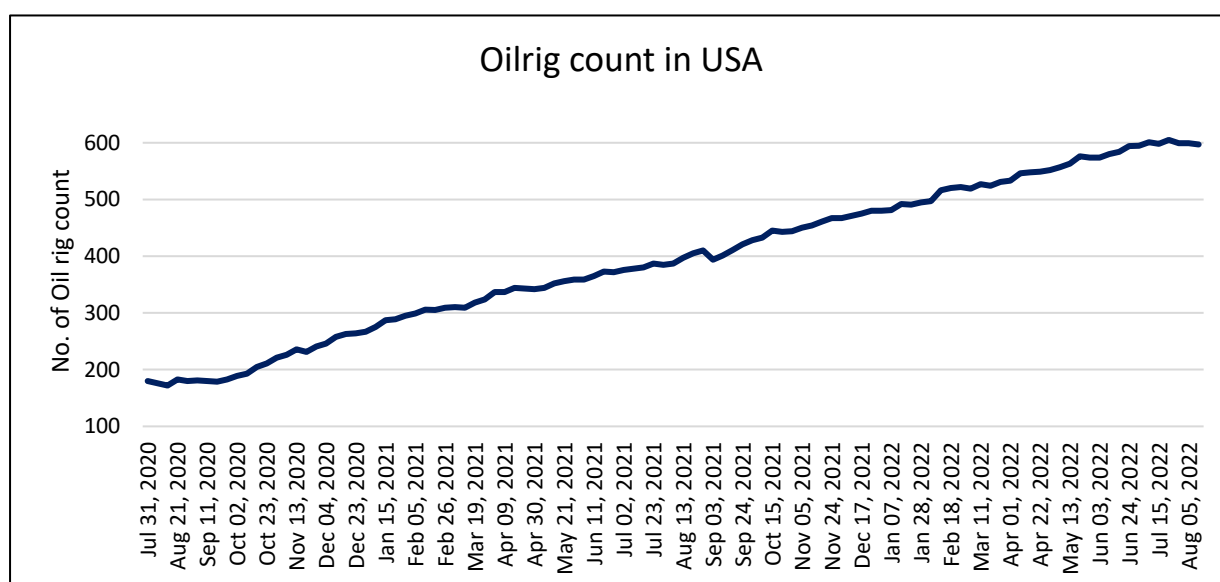
### Weather and Guar sowing Updates

As of 08th Aug'22, According to the Department of Agriculture, Rajasthan, Guar sowing is up by 73% at 29.71 Lakh hectare as compared to 17.13 Lakh hectare previous year same period. This season sowing area is high due to early rains and better returns.

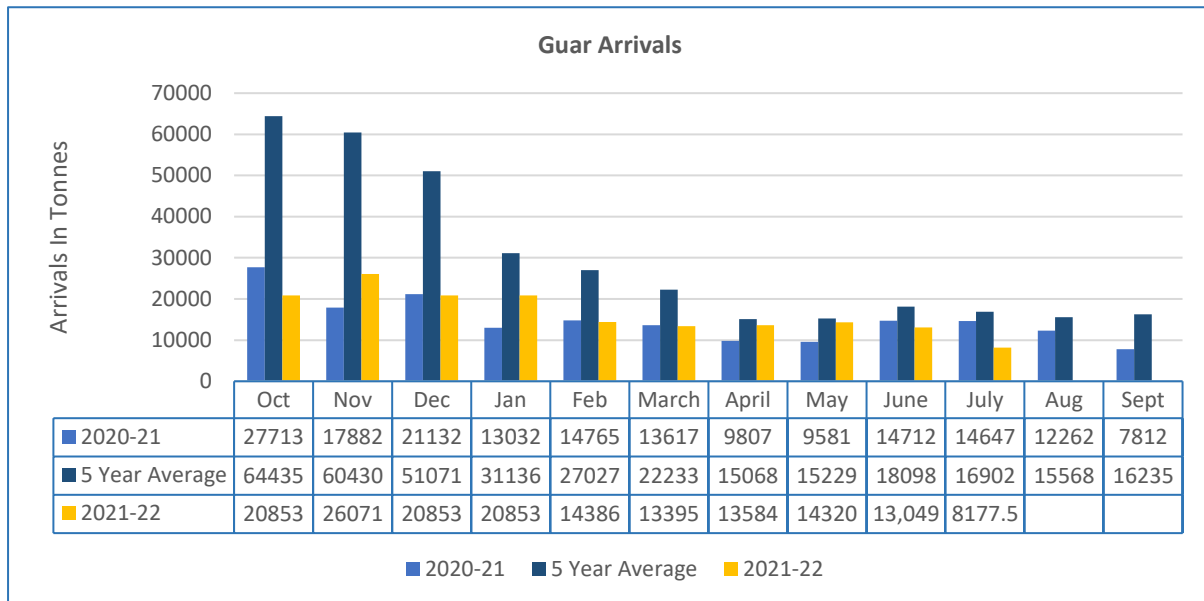
In western Rajasthan, from 1<sup>st</sup> June to 08<sup>th</sup> Aug'2022 Cumulative rainfall is at 72%. Higher acreage amid good rainfall kept Guar seed and gum prices under pressure. The prices have corrected by more than 20% since April due to forecast of normal rains and improved area under Guar seed.

Western Rajasthan Districts	Cumulative Rainfall Departure (%) 1st June to 08th Aug'22 In Western Rajasthan Districts
Ganganagar	173%
Bikaner	132%
Jaisalmer	108%
Churu	93%
Jodhpur	85%
Hanumangarh	73%
Nagaur	73%
Barmer	15%
Jalor	15%
Pali	8%
West Rajasthan	72%
Rajasthan	40%

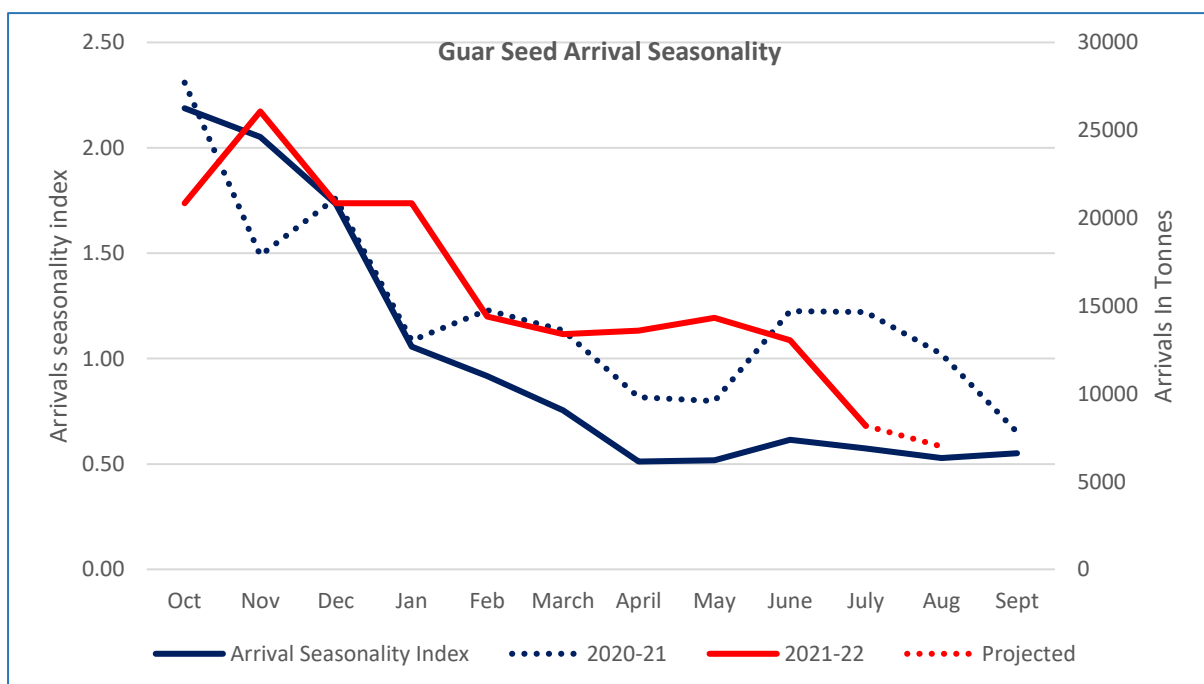
As per data released by Baker Hughes, the number of oilrigs in USA went up by 4 to 599 in July'22 as compared to previous month at 595. Increase in oil rig count were driven by firm crude oil prices amid Russia Ukraine war.

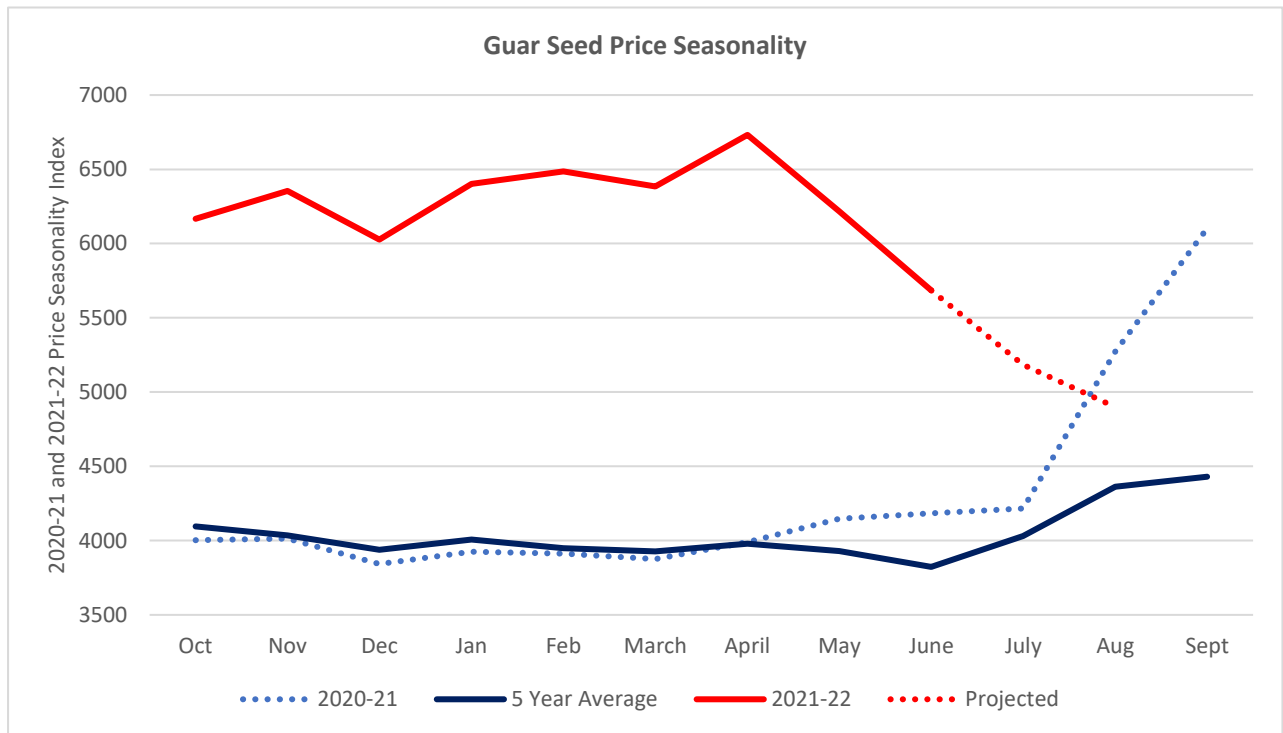
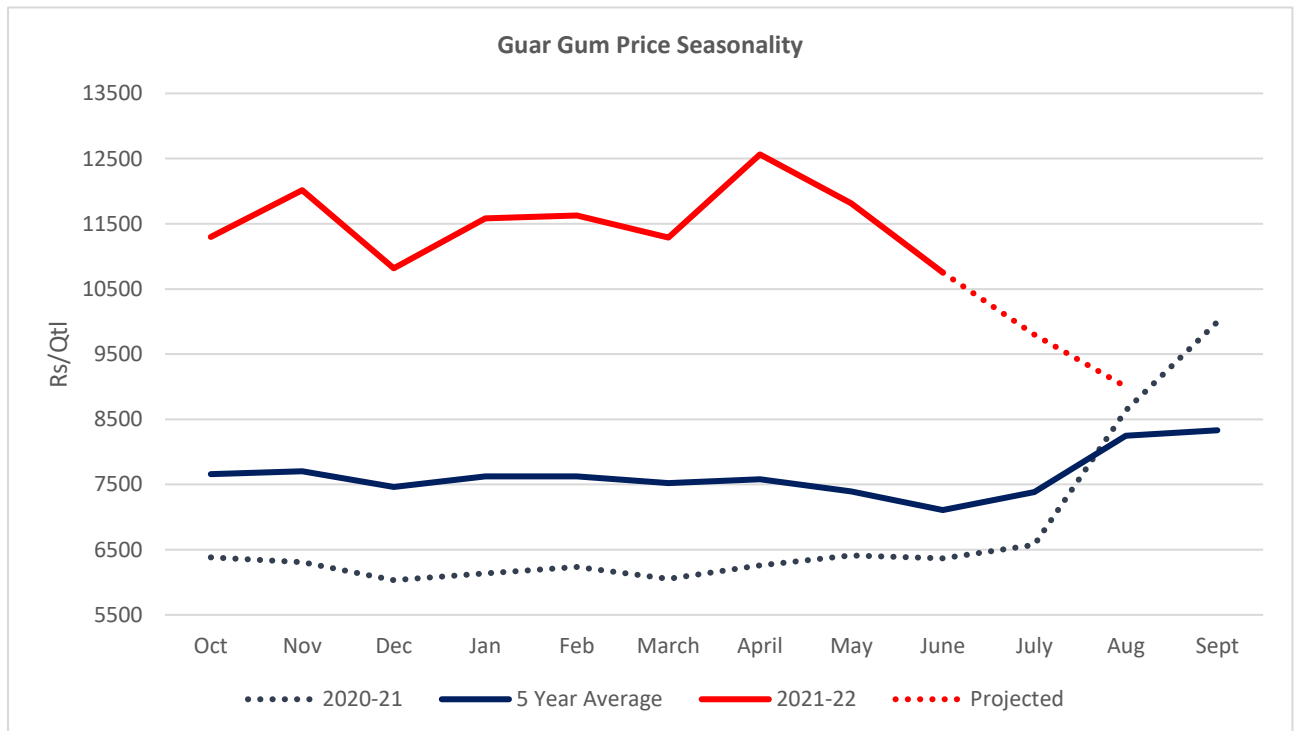


## Arrivals

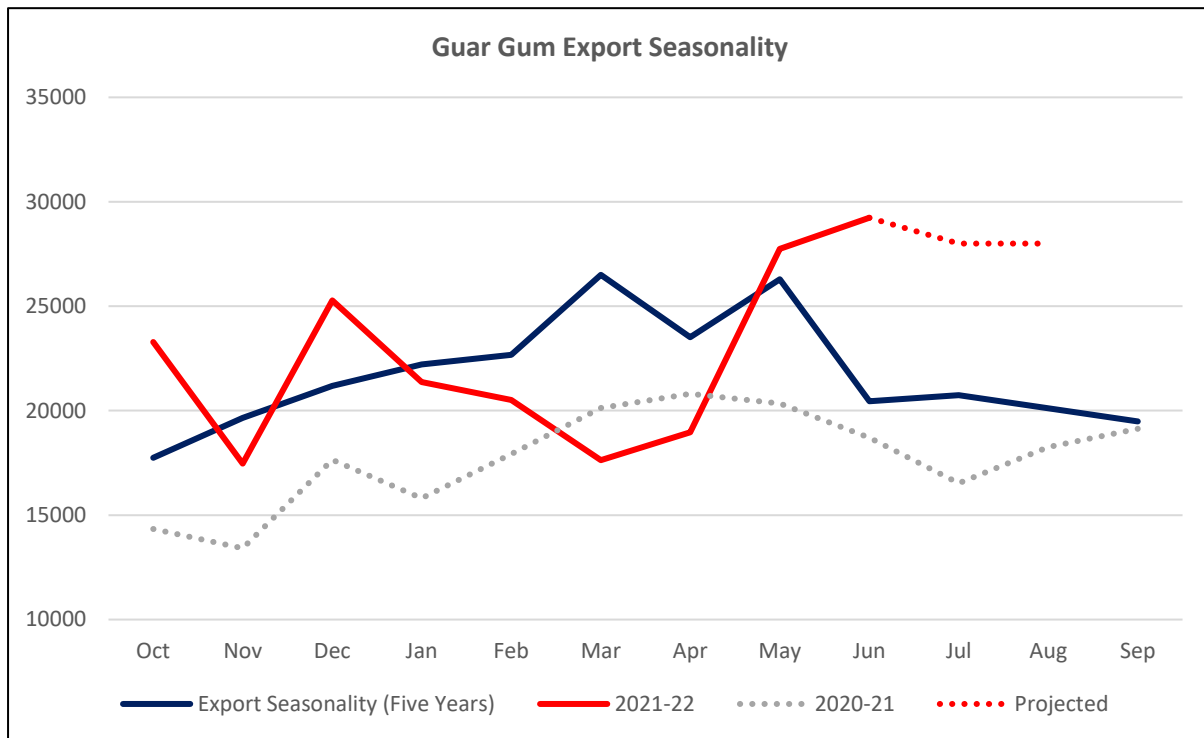


In Oct-July'22, Guar arrivals recorded low by 49% at 1.65 Lakh tonnes as compared to 3.21 Lakh tonnes five years average. In July'22 arrivals went down by 52% to 8,177 tonnes as compare to 16,902 tonnes five-year average.

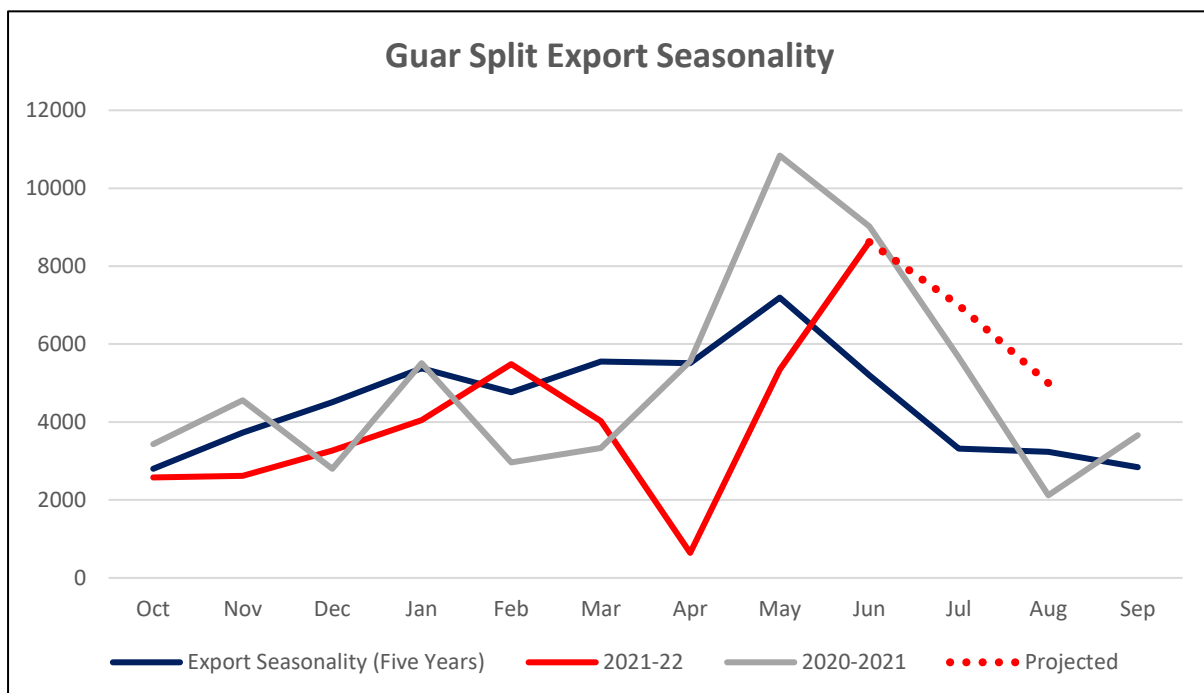


**Guar Price Seasonality**

**Guar Gum Price seasonality**


### Guar Gum Export seasonality



### Guar Split export seasonality

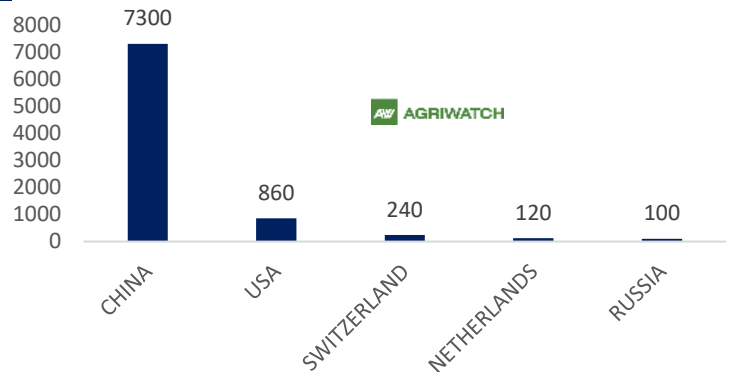


## Export Scenario

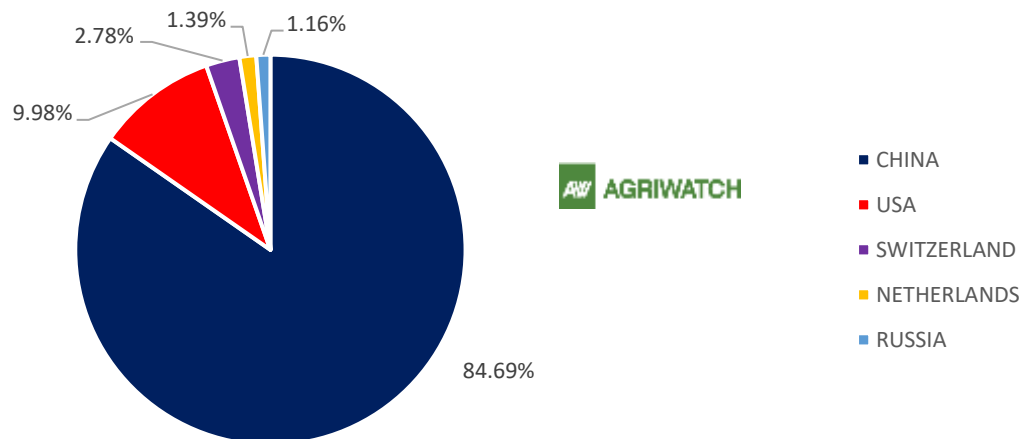
### Guar Split Exports

India's Guar split exports increased in the month of June'2022 by 61% to 8,620 MT as compared to 5,347 MT previous month. However, the Guar split shipments down by 4.39% in June'22 compared to the same period last year. Out of the total exports, around 7,300 MT (84.69%) bought by China, US 860 MT (9.98%).

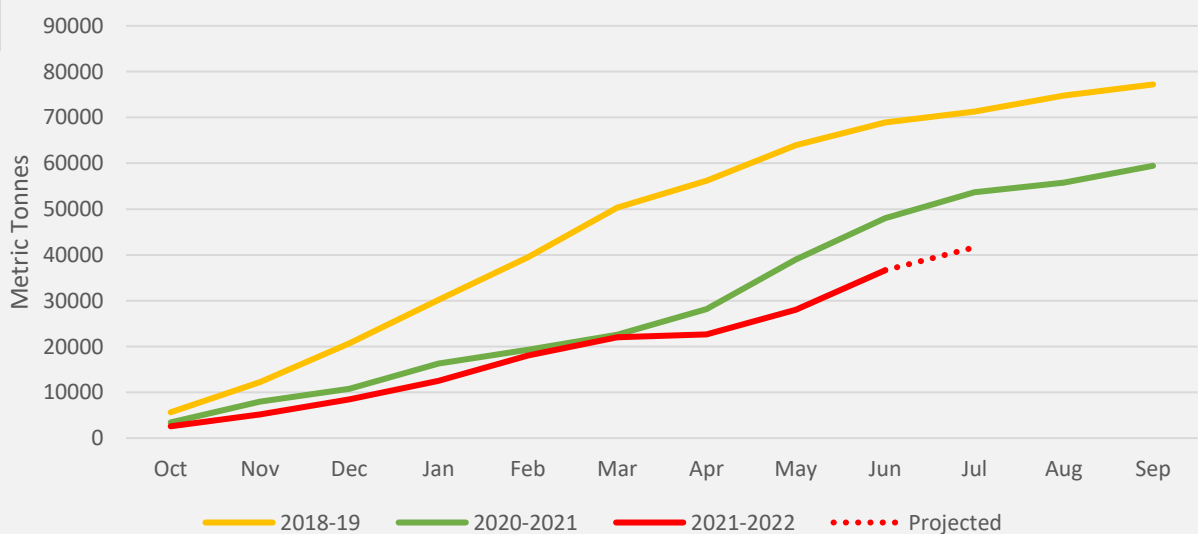
**Country wise Guar Split exports June'22**



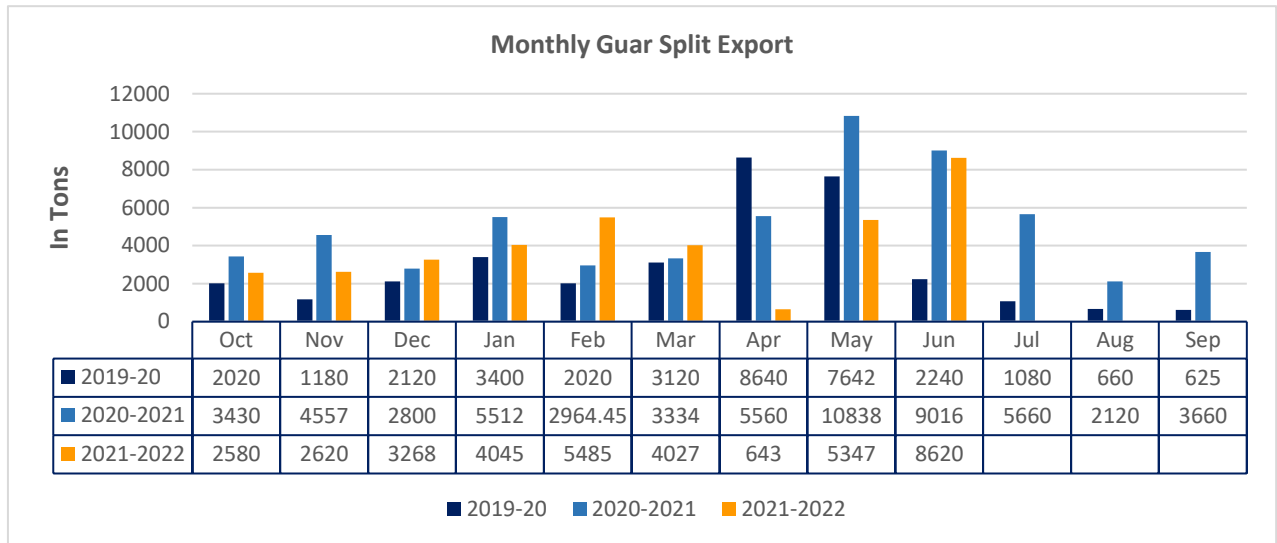
**Country wise % Share of Guar split exports in June'22**



**CUMULATIVE GUAR SPLIT EXPORT IN (MT)**

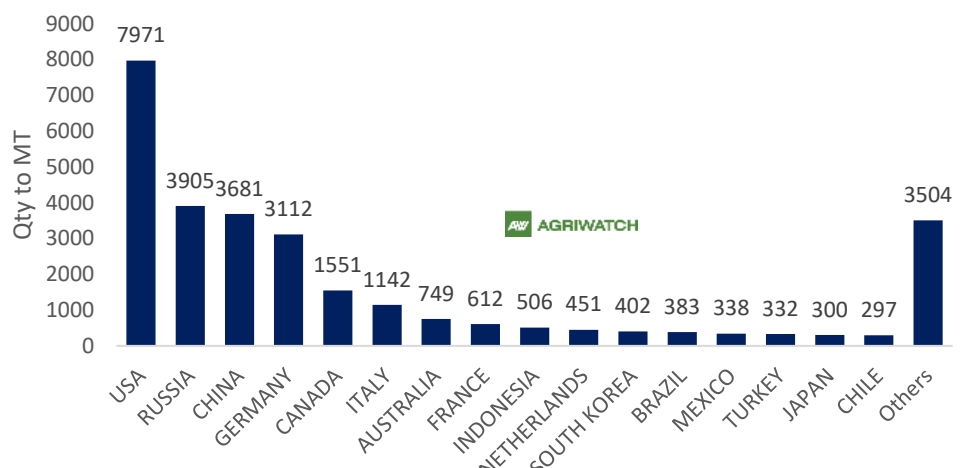




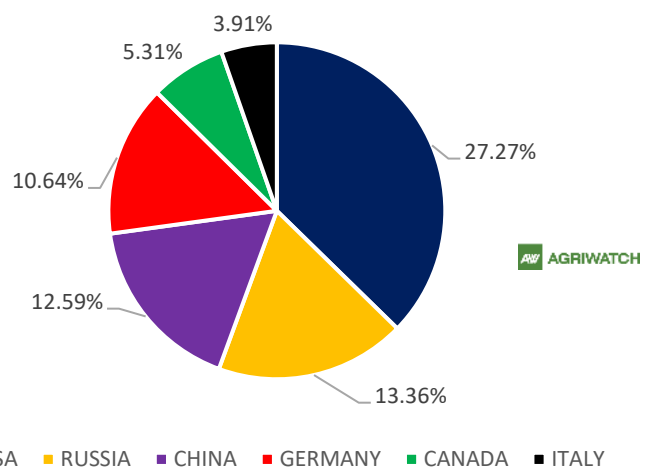


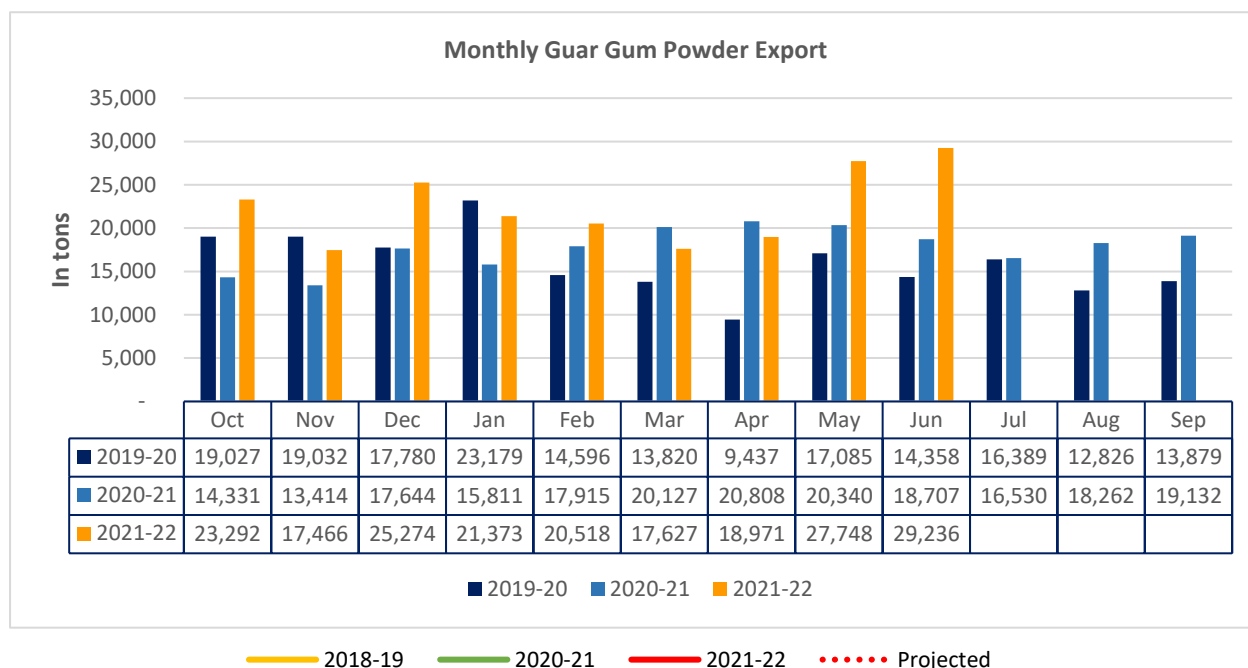
**Guar Gum Exports:** India's Guar gum exports increased in the month of June'2022 by 5.36% to 29,236 MT compared to 27,748 MT during previous month. However, the gum shipments were up by 56.28% in June'2022 compared to the same period last year. Out of the total exported quantity, around 7971 MT (27.27%) bought by US, Russia bought 3,905 MT (13.36%), China 3,681 MT (12.59%), Germany 3,112 MT (10.64%). Export demand was driven by bullish crude oil prices. We expect Guar export in July'22 at 25,000-28,000 tonnes.

### Country wise Guar Gum export June'22

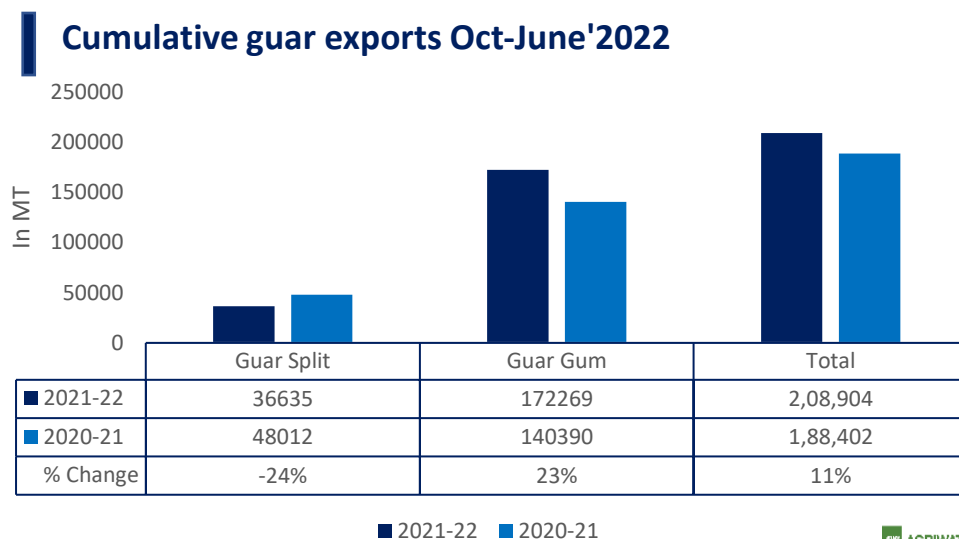


### Country wise % Share of Guar gum export June'2022



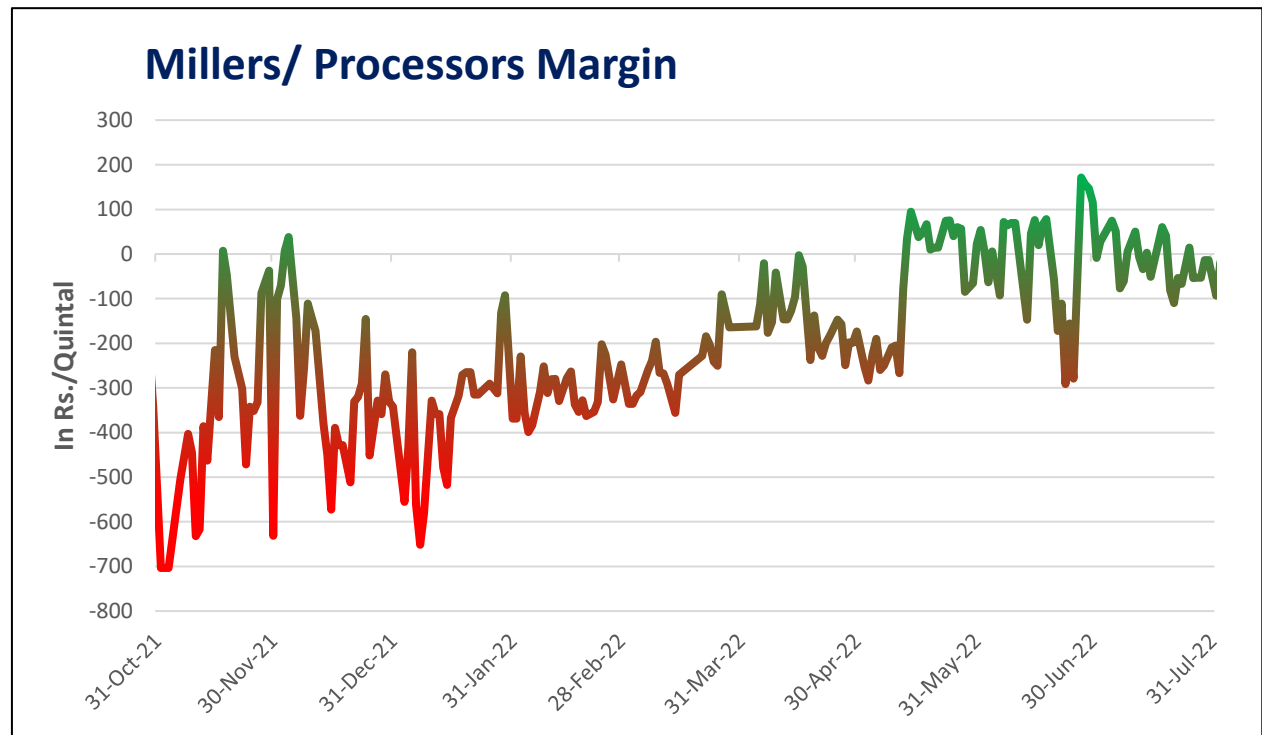


**Total Cumulative Guar exports** Oct-June'22 recorded up by 11% to 2.08 Lakh tonnes as compared to 1.88 Lakh tonnes previous year same period amid bullish crude oil prices and increase in oil rig count.



### Millers/Processors Margin

As seen in the chart, the average net crush margin of guar seed has remained negative in July'22 to -13.9/ Qtl as compared to -6/ Qtl in June'22, Lower guar product prices like churi and korma have kept processors' margin tight. We expect net crush margin to remain tight in August as well.



**Technical Analysis (Guar Seed)**

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

**Expiry:** Sept 20, 2022  
**Contract:** Sept

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


Violet histogram indicating WTI crude oil price movement.

**Technical Commentary:**

- As seen in the above chart, prices are moving downwards, and making lower lows. Currently trading below 9,18, 50 and 100 DMA indicating bearish sentiments.
- During the month under review, Guar seed went down by 4.38%, during the month, market made low at 4921 and a high at 5424 and closed at 4980.
- MACD oscillator momentum indicating weak sentiments.
- RSI is at 37, indicating weak buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Sept	4600	4500	4980	5500	5700
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Sept	Sell	5200	4900	4800	5300

**Technical Analysis (Guar Gum)**

**Commodity:** Guar Gum  
**Contract:** Sept

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

**Guar Gum (Sept, Daily Chart)**


Violet histogram indicating WTI crude oil price movement.

**Technical Commentary:**

- As seen in the above chart, market is in down trend and making lower lows, currently trading below 9 and 18,50 and 100 DMA indicating weak sentiments.
- During the month under review, Guar gum went down by 7.24%, market made low at 8860 and a high at 10,274 and closed at 9035.
- MACD indicating weak momentum.
- RSI is near 30 indicating weak buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Sept	8500	8200	9035	9500	10000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Sept	<b>Sell</b>	9100	8600	8500	9300

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			30-Jul-22	30-Jun-22	
Rajasthan	Jodhpur	Jodhpur (Loose)	4830	5000	-170
		Jodhpur(Delivery)	5072	5250	-179
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	Closed	-
		Sri-Ganganagar (Delivery)	-	Closed	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	4960	4850	110
		Raisinghnagar (Loose)	-	4925	-
	Bikaner	Bikaner (Loose)	4850	4900	-50
		Bikaner (Delivery)	5093	5145	-53
		Nokha(Loose)	4700	4950	-250
		Nokha (Delivery)	4935	5198	-263
		Khajuwala (Loose)	-	5000	-
		Khajuwala (Delivery)	-	5250	-
		Lunkaransar (Loose)	4750	4950	-200
	Hanumangarh	Hanumangarh (Loose)	-	4620	-
		Hanumangarh (Delivery)	-	4851	-
		Nohar (Loose)	4250	5029	-779
		Pilibanga (Loose)	4250	NA	-
	Nagaur	Nagaur (Loose)	5000	-	-
	Churu	Churu (Delivery)	5000	5200	-200
	Alwar	Alwar (Loose)	4600	4800	-200
Haryana	Hisar	Adampur (Loose)	-	4950	-
		Adampur (Delivery)	-	5198	-
	Bhiwani	Bhiwani (Delivery)	-	5100	-
		Siwani (Loose)	4950	5150	-200
	Sirsa	Sirsa (Loose)	4800	4850	-50
		Dhabwali (Loose)	-	NA	-
		Dhabwali (Delivery)	-	NA	-
		Ellanabad (Loose)	4710	4800	-90
	Fatehabad	Fatehabad (Loose)	4900	5000	-100
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	4680	5115	-435
	Rajkot	Rajkot (Loose)	4925	4975	-50
	Jamnagar	Dhrol (Loose)	-	5000	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-

Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9300	9960	-660
	Alwar	Alwar	9100	9900	-800
	Hanumangarh	Nohar	-	9950	-
Haryana	Bhiwani	Bhiwani	-	10000	-
	Sirsa	Sirsa	9300	9800	-500
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	9200	9950	-750

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			30-Jul-22	30-Jun-22	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	0	Closed	-
		Rawla	0	0	Unch
		Gharsana	9	100	-91
		Raisinghnagar	0	20	-20
	Bikaner	Bikaner	100	150	-50
		Nokha	50	50	Unch
		Khajuwala	0	40	-40
		Lunkaransar	500	500	Unch
	Hanumangarh	Hanumangarh	0	40	-40
		Nohar	15	109	-94
		Pilibanga	25	NA	-
	Nagaur	Nagaur	22	0	22
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	0	700	-700
	Bhiwani	Bhiwani	0	0	Unch
		Siwani	200	200	Unch
	Sirsa	Sirsa	0	250	-250
		Dhabwali	0	NA	-
		Ellanabad	13	29	-16
	Fatehabad	Fatehabad	0	0	Unch
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	6	41	-35
	Rajkot	Rajkot	20	500	-480

	Jamnagar	Dhrol	0	31	<b>-31</b>
Madhya Pradesh	Gwalior	Dabra	0	0	<b>Unch</b>
<b>Total Arrivals/Above Markets</b>			<b>960</b>	<b>2760</b>	<b>-1800</b>

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