

Guar Monthly Research Report

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Executive Summary

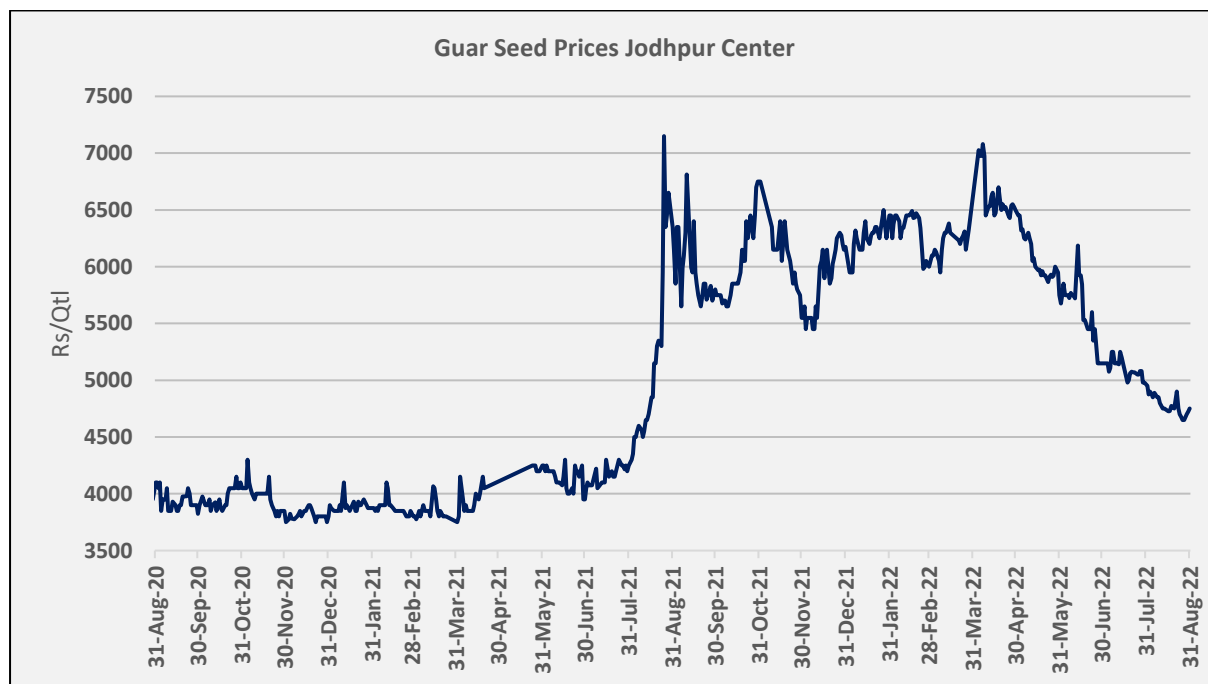
Guar seed delivery monthly average prices at Jodhpur prices extended previous day loss and went down by 6% to Rs.4,784 /Qtl amid higher acreage and good rainfall in western Rajasthan along with decline in crude oil prices, squeeze in crush margin and weak export demand. Guar gum too went down by 9% to Rs.8,781/qtl.

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 –5,300/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 6% to Rs. 4,784/qtl as compared to previous month at Rs. 5,104/qtl. amid higher acreage and good rainfall in western Rajasthan along with decline in crude oil prices, squeeze in crush margin and weak export demand.



During the month under review, guar gum prices too extended previous month loss and went down by 9% to Rs. 8,781/qtl in tandem with correction in Guar seed prices and crude oil prices.



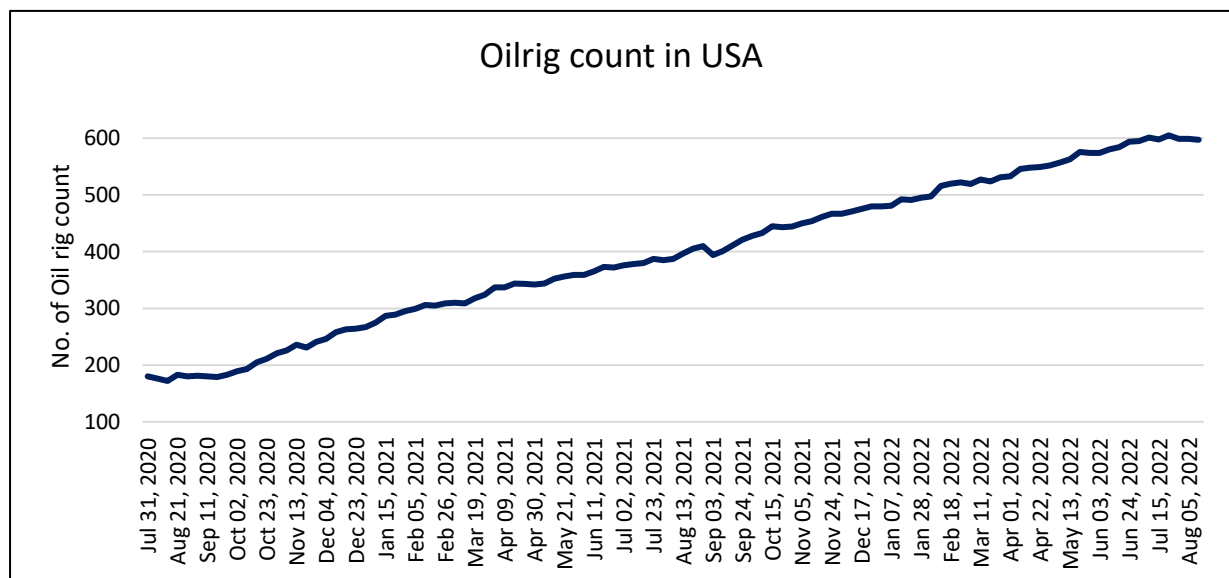
Weather and Guar sowing Updates

As of 24th Aug'22, According to the Department of Agriculture, Rajasthan, Guar sowing is up by 50% at 30.79 Lakh hectare as compared to 20.48 Lakh hectare previous year same period. This season sowing area is high due to early rains and better returns.

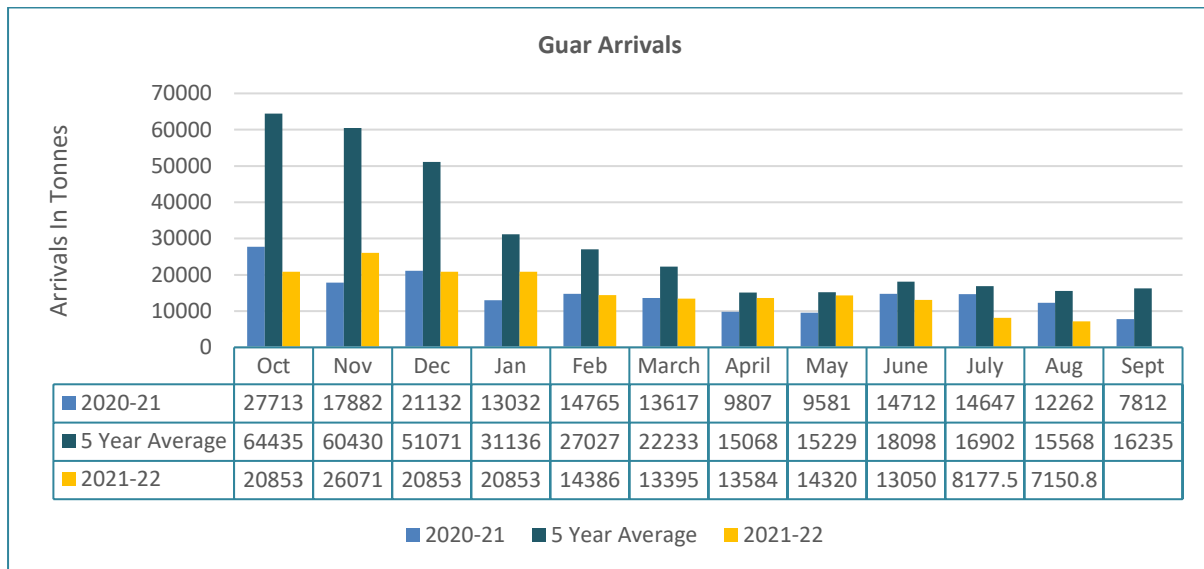
In western Rajasthan, from 1st June to 31st Aug'2022 Cumulative rainfall is at 76%. Higher acreage amid good rainfall kept Guar seed and gum prices under pressure. The prices have corrected by more than 20% since April due to forecast of normal rains and improved area under Guar seed.

Western Rajasthan Districts	Cumulative Rainfall Departure (%) 1st June to 31st Aug'22 In Western Rajasthan Districts
Ganganagar	123%
Bikaner	100%
Jaisalmer	130%
Barmer	90%
Jodhpur	79%
Churu	57%
Nagaur	52%
Jalor	75%
Hanumangarh	38%
Pali	17%
West Rajasthan	76%
Rajasthan	45%

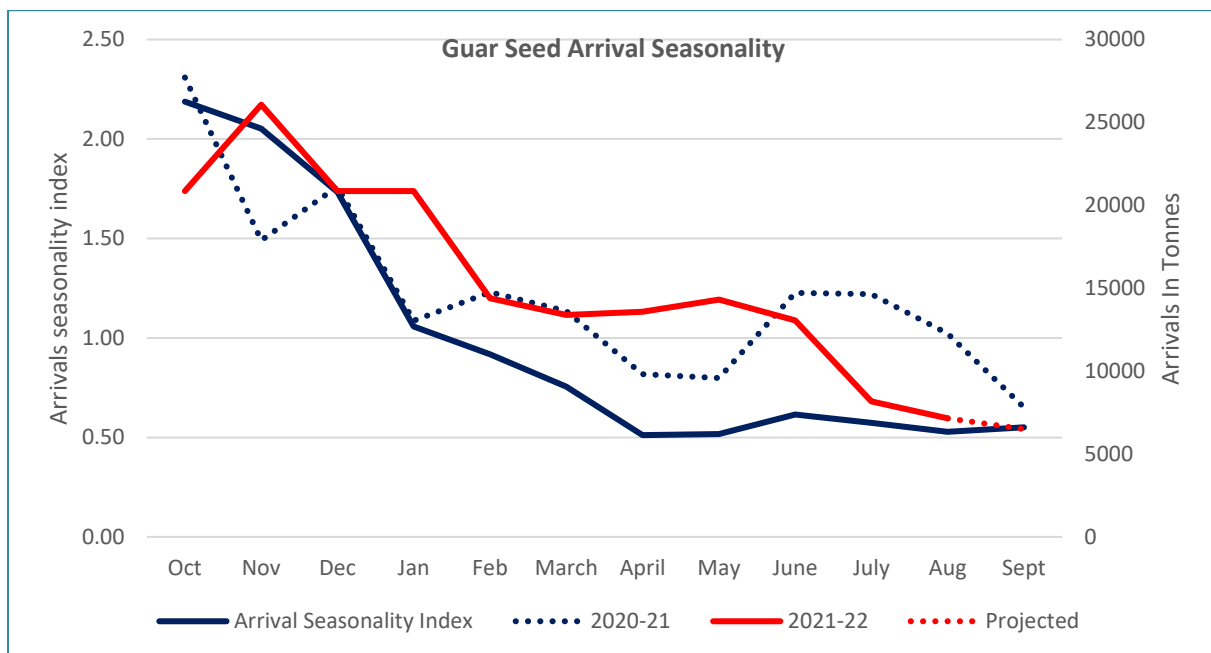
As per data released by Baker Hughes, the number of oilrigs in USA went up by 4 to 599 in Aug'22 as compared to previous month at 595. Increase in oil rig count were driven by firm crude oil prices amid Russia Ukraine war.

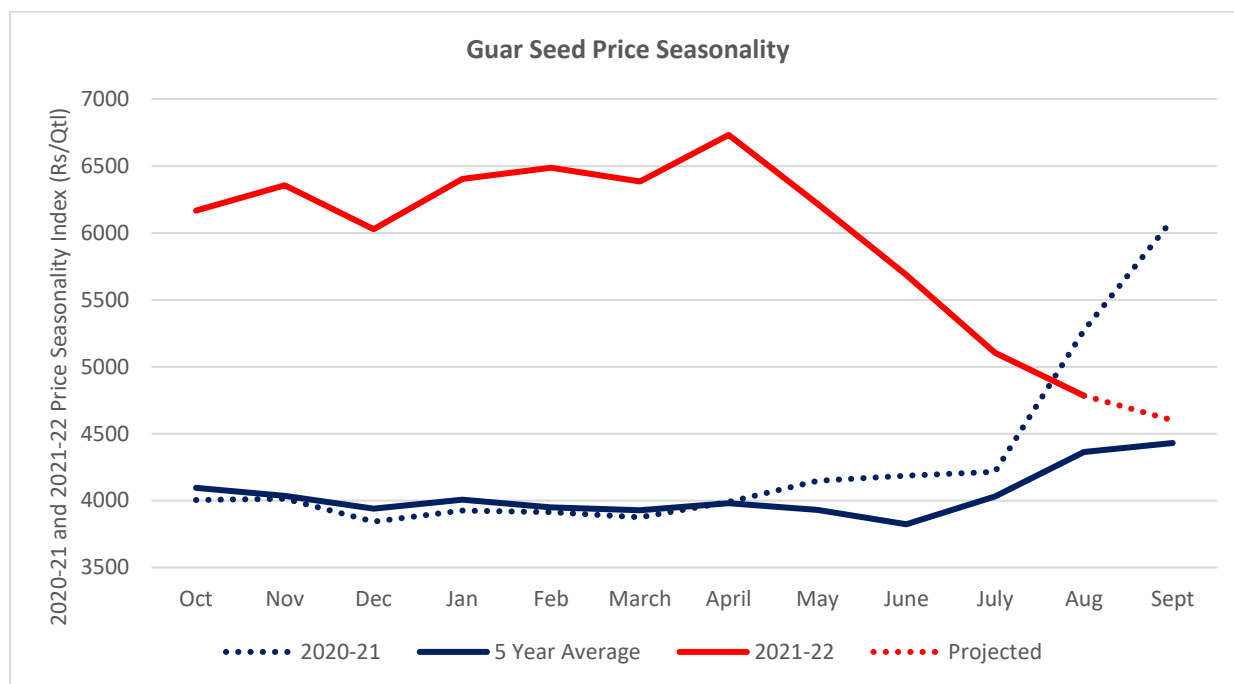
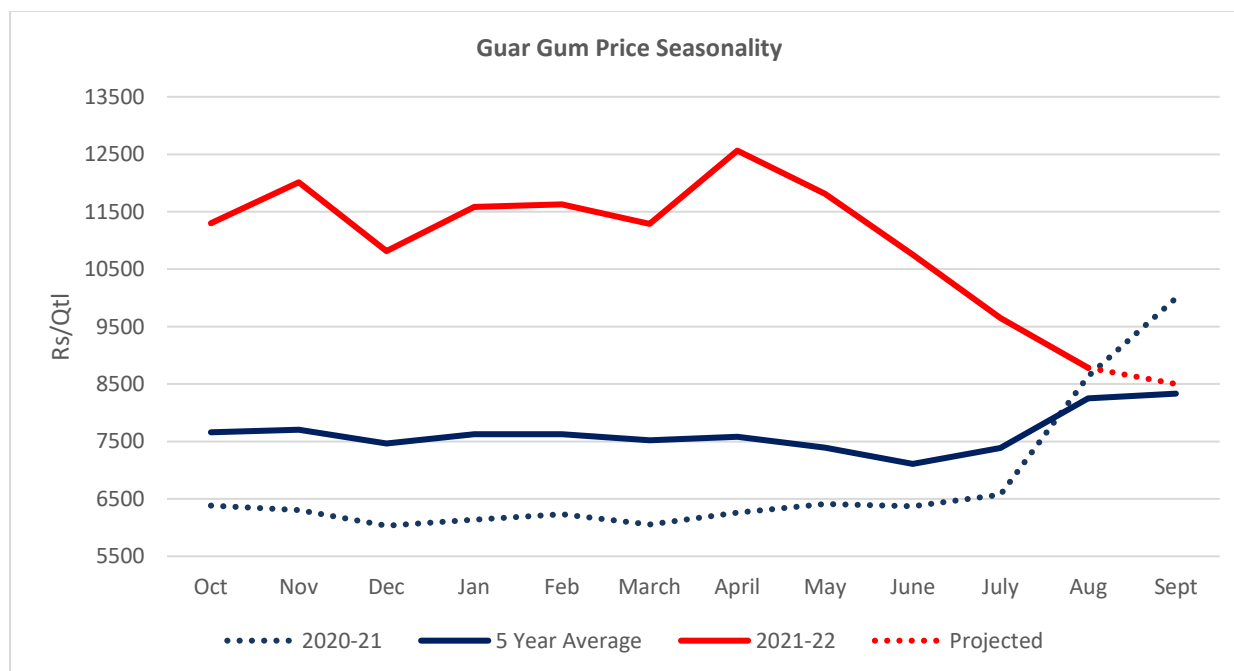


Arrivals

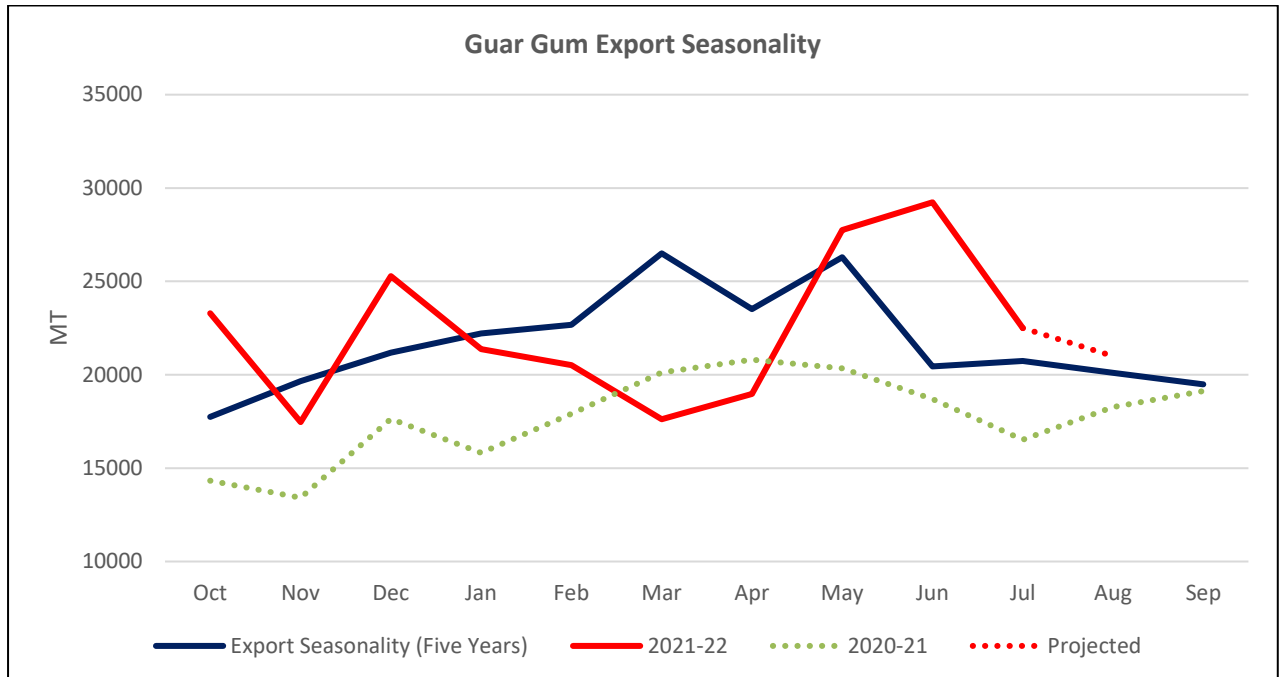


In Oct-Aug'22, Guar arrivals recorded low by 49% at 172,691 tonnes as compared to 337,198 tonnes five years average. In Aug'22 arrivals went down by 54% to 7,150 tonnes as compared to 15,568 tonnes five-year average.

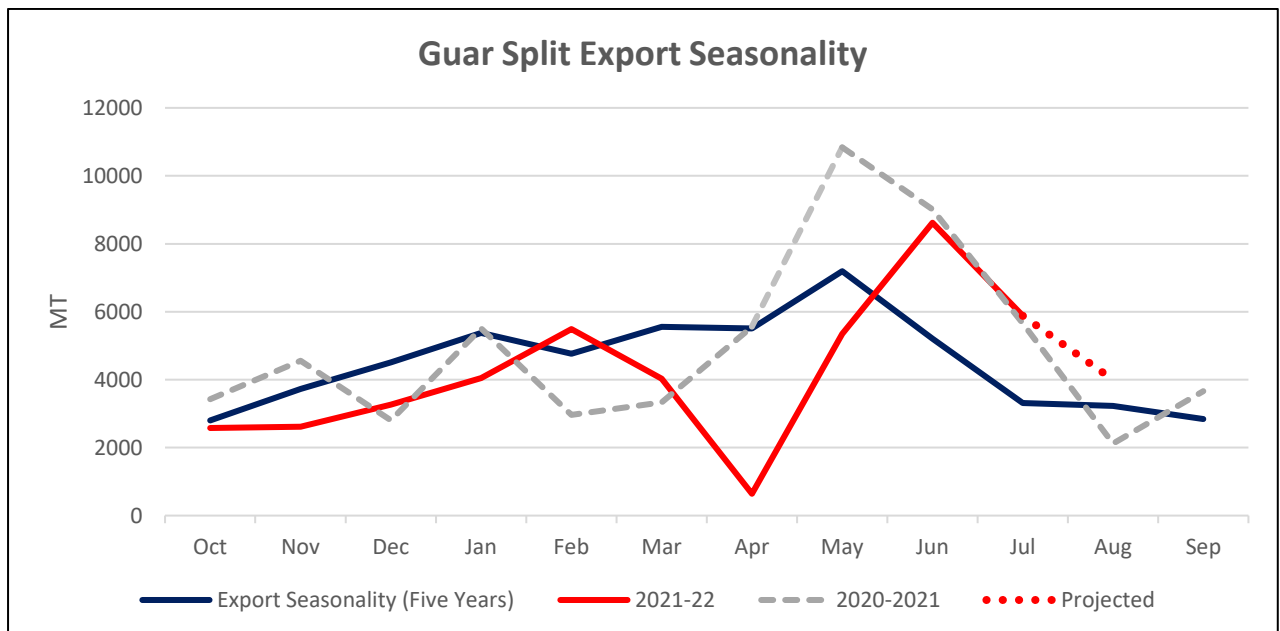


Guar Seed Price Seasonality

Guar Gum Price seasonality


Guar Gum Export seasonality



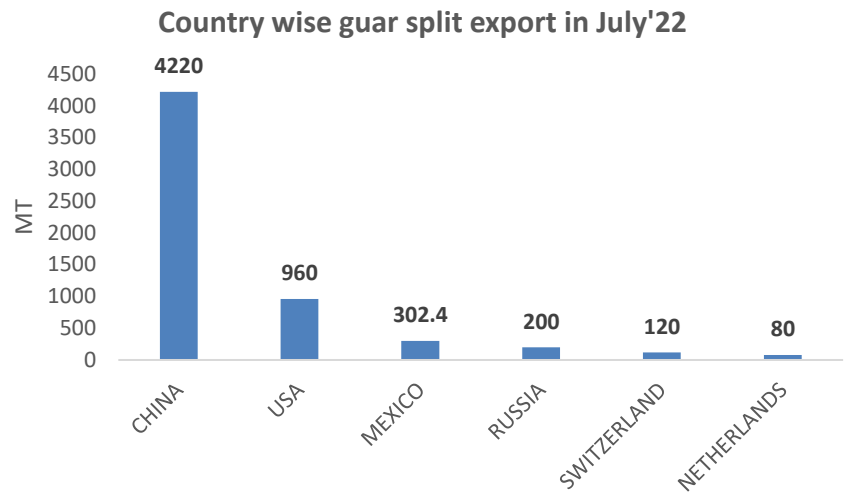
Guar Split export seasonality



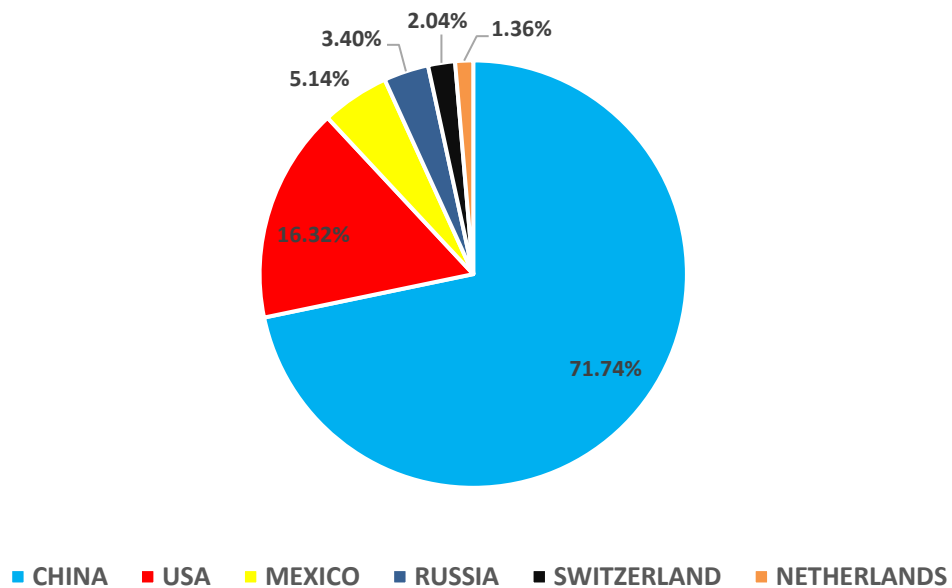
Export Scenario

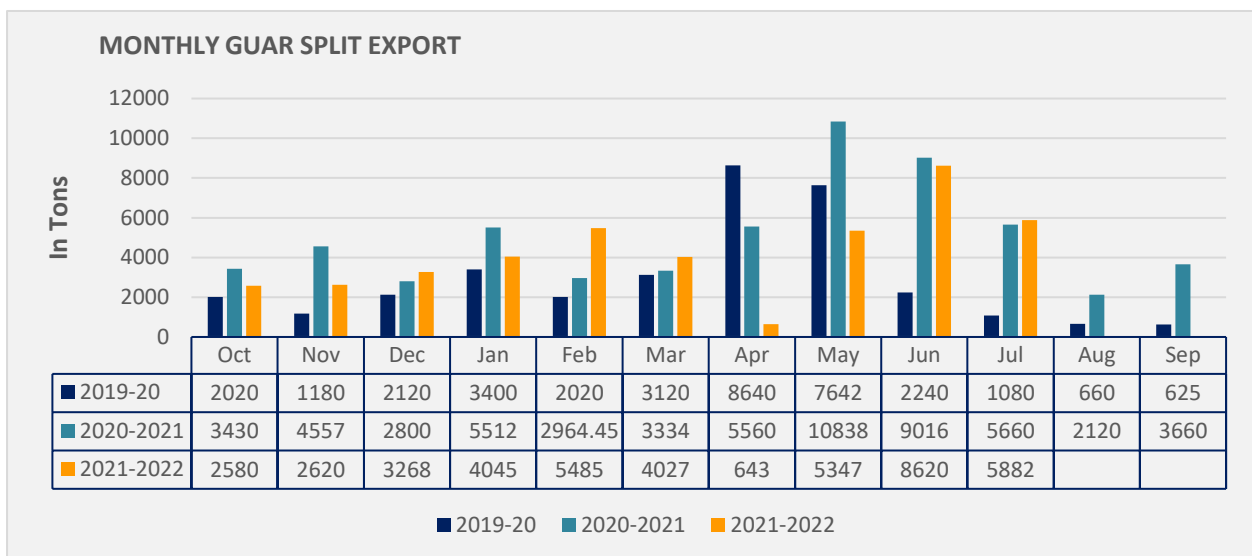
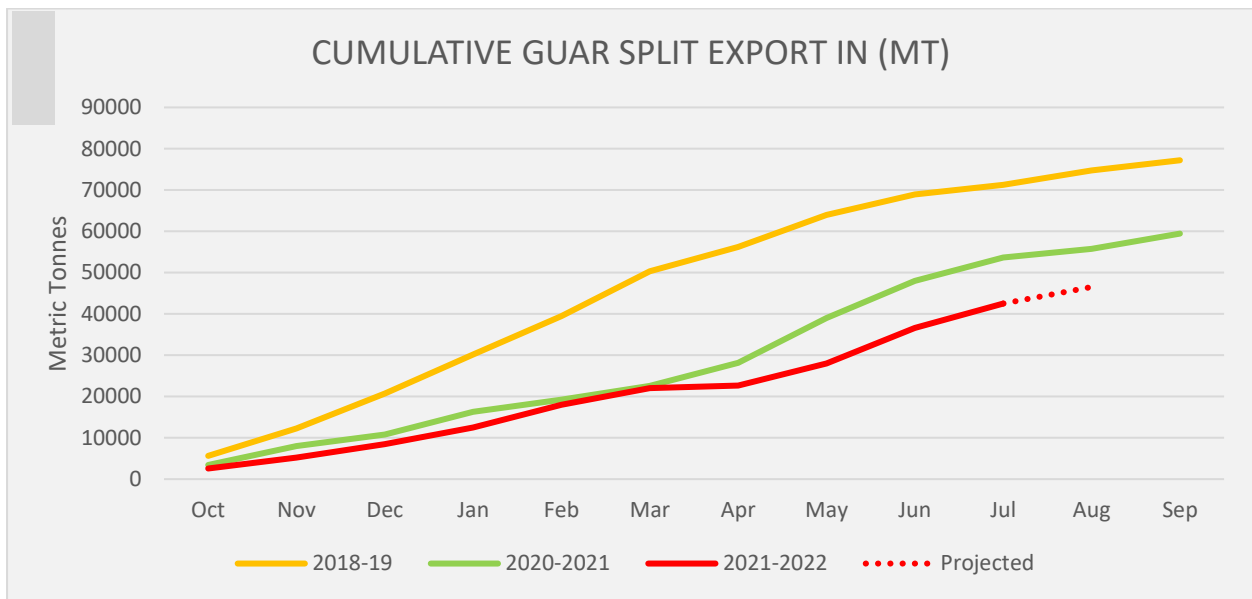
Guar Split Exports

India's Guar split exports decreased in the month of July'2022 by 31% to 5,882 MT as compared to 8,620 MT previous month. However, the Guar split shipments down by 3.92% in July'22 compared to the same period last year. Out of the total exports, around 4,220 MT (71.74%) bought by China, 302 MT (9.98%) bought by US.

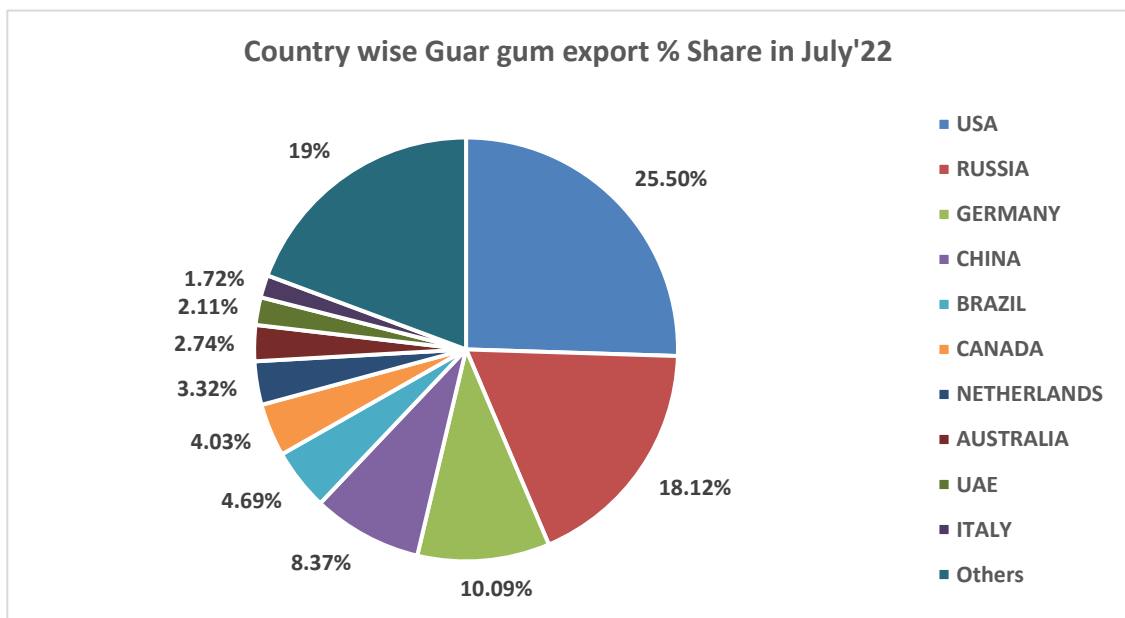
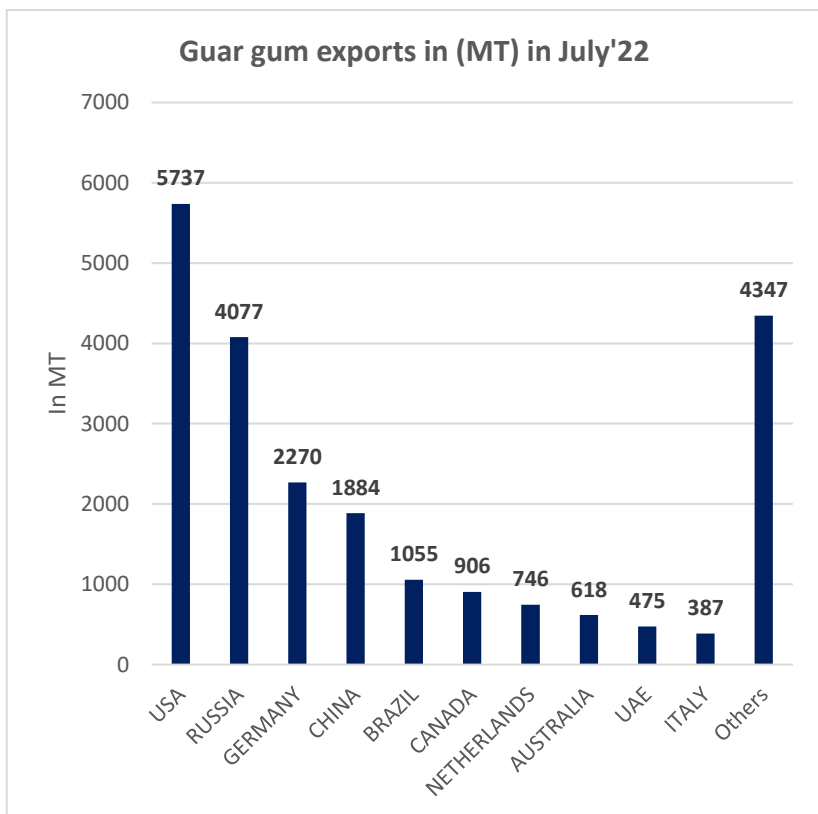


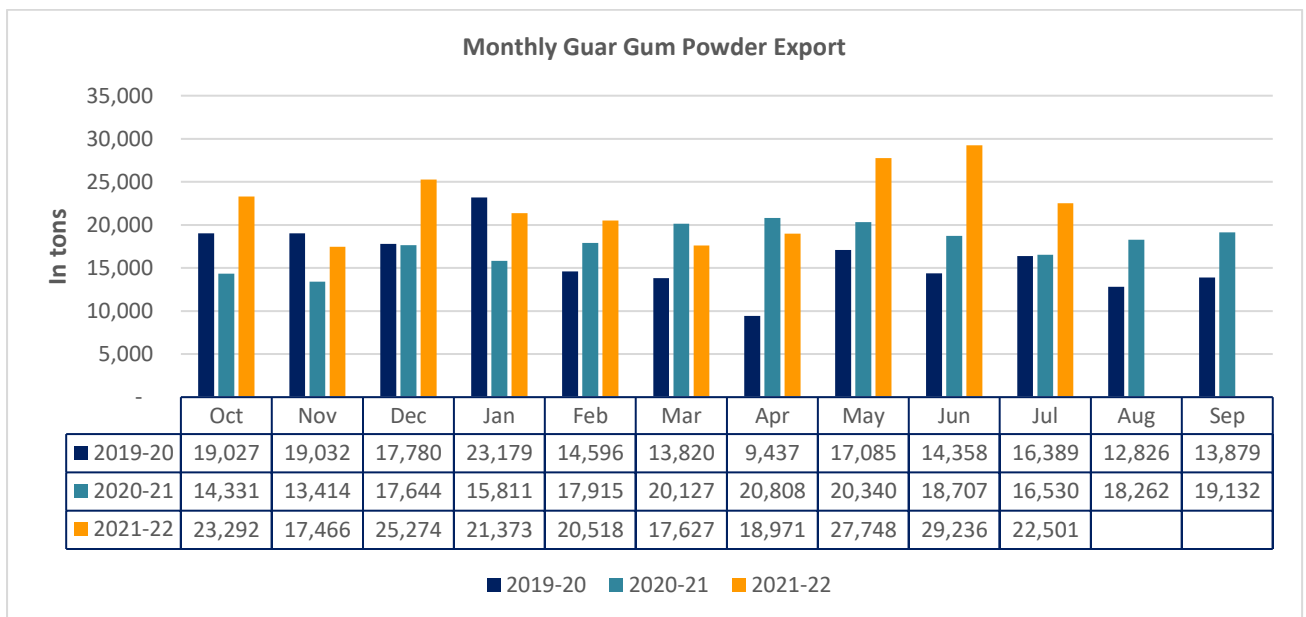
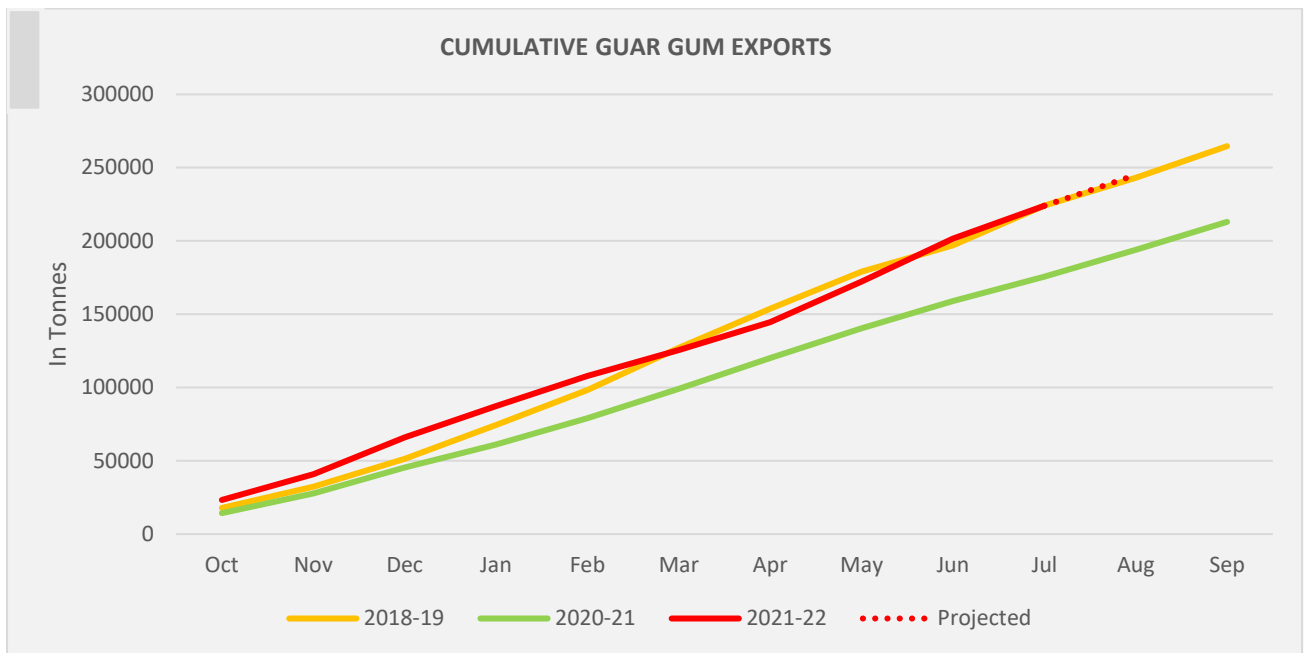
Country wise guar split export % Share in July'22





Guar Gum Exports: India's Guar gum exports decreased in the month of July 2022 by 23% to 22,501 MT compared to 29,236 MT during previous month. However, the gum shipments were up by 36.12% in July 2022 compared to the same period last year. Out of the total exported quantity, around 5737 MT (25.50%) was bought by the US, Russia bought 4077 MT (18.12%), China 1,884 MT (8.37%), Germany 2,270 MT (10.09%). Export demand declined amid correction in crude oil prices. We expect Guar gum export in Aug'22 around 22,000-25,000 tonnes, as WTI crude oil corrected by 9.72% in Aug'22.

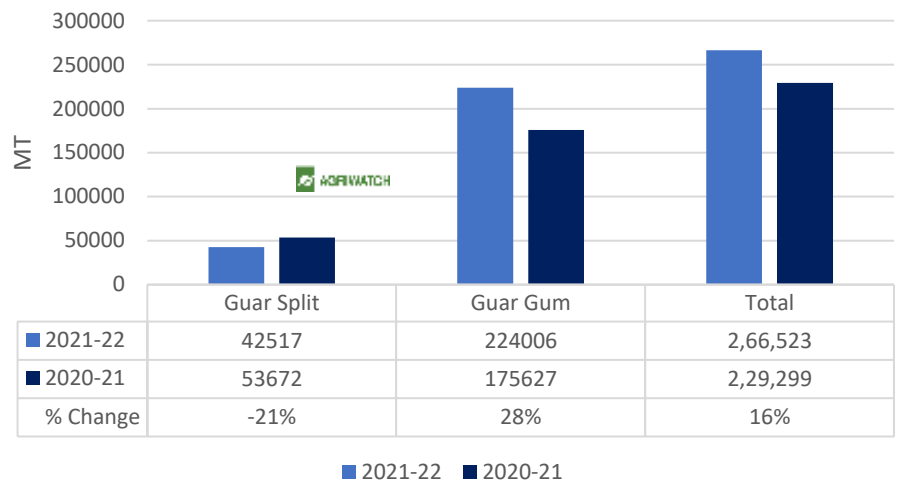




Total Cumulative Guar exports

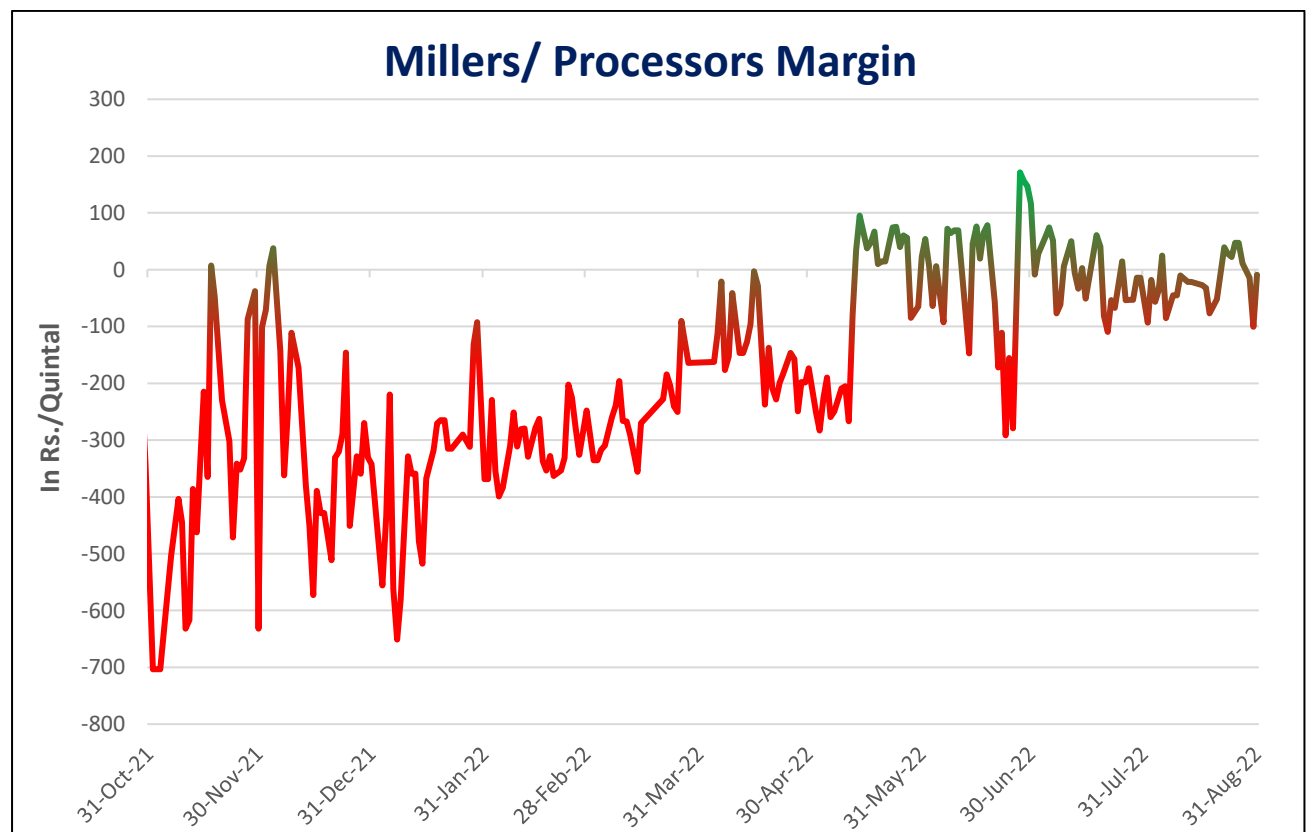
Oct-July'22 recorded up by 16% to 2.66 Lakh tonnes as compared to 2.29 Lakh tonnes previous year same period amid bullish crude oil prices and increase in oil rig count.

Cumulative guar exports 2020-21 Vs 2021-22 (Oct-July)



Millers/Processors Margin

As seen in the chart, the average net crush margin of guar seed has remained negative in August'22 to -21.8/ Qtl as compared to -13.9/ Qtl in July'22, Lower guar product prices like churi and korma have kept processors' margin tight. We expect net crush margin to remain tight in September as well.



Technical Analysis (Guar Seed)

Commodity: Guar Seed
Exchange: NCDEX

Expiry: Oct 20, 2022
Contract: Oct

Guar Seed (Oct, Monthly 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 DMA indicating bearish sentiments, However, currently taking support from 50 and 100 DMA.
- During the month under review, Guar seed went down by 4.06%, during the month, market made low at 4562 and a high at 5006 and closed at 4778.
- MACD oscillator momentum indicating weak sentiments.
- RSI is at 46, indicating weak buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Oct	4600	4500	4778	5500	5700
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Oct	Sell	5000	4800	4600	5300

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: Oct

Exchange: NCDEX
Expiry: Oct 20, 2022

Guar Gum (Oct, Monthly 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 DMA indicating weak sentiments, 100 DMA can be characterized as support.
- During the month under review, Guar gum went down by 0.42%, market made low at 8280 and a high at 9,628 and closed at 8997.
- MACD indicating weak momentum.
- RSI is near 46 indicating weak buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Oct	8500	8200	8997	9500	10000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Oct	Sell	9200	9000	8700	9300

Guar Seed Prices at Key Spot Markets:

Commodity	District	Centre	Prices (Rs/Qtl)		Change
			31-Aug-22	30-Jul-22	
Guar Seed					
Rajasthan	Jodhpur	Jodhpur (Loose)	4600	4830	-230
		Jodhpur (Delivery)	4830	5072	-242
	Sri-Ganganagar	Sri-Ganganagar (Loose)	Closed	-	-
		Sri-Ganganagar (Delivery)	Closed	-	-
		Rawla (Loose)	NA	-	-
		Gharsana (Loose)	NA	4960	-
		Raisinghnagar (Loose)	NA	-	-
	Bikaner	Bikaner (Loose)	Closed	4850	-
		Bikaner (Delivery)	Closed	5093	-
		Nokha (Loose)	4525	4700	-175
		Nokha (Delivery)	4751	4935	-184
		Khajuwala (Loose)	Closed	-	-
		Khajuwala (Delivery)	Closed	-	-
		Lunkaransar (Loose)	Closed	4750	-
	Hanumangarh	Hanumangarh (Loose)	4350	-	-
		Hanumangarh (Delivery)	4568	-	-
		Nohar (Loose)	NA	4250	-
		Pilibanga (Loose)	NA	4250	-
	Nagaur	Nagaur (Loose)	NA	5000	-
	Churu	Churu (Delivery)	NA	5000	-
	Alwar	Alwar (Loose)	NA	4600	-
Haryana	Hisar	Adampur (Loose)	4600	-	-
		Adampur (Delivery)	4830	-	-
	Bhiwani	Bhiwani (Delivery)	NA	-	-
		Siwani (Loose)	4725	4950	-225
	Sirsa	Sirsa (Loose)	4400	4800	-400
		Dhabwali (Loose)	NA	-	-
		Dhabwali (Delivery)	NA	-	-
		Ellanabad (Loose)	NA	4710	-
	Fatehabad	Fatehabad (Loose)	NA	4900	-
Gujarat	Banaskantha	Deesa (Loose)	NA	-	-
	Patan	Patan (Loose)	NA	4680	-
	Rajkot	Rajkot (Loose)	4455	4925	-470
	Jamnagar	Dhrol (Loose)	NA	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	-	-

Guar Gum					
Rajasthan	Jodhpur	Jodhpur	9000	9300	-300
	Alwar	Alwar	NA	9100	-
	Hanumangarh	Nohar	NA	-	-
Haryana	Bhiwani	Bhiwani	NA	-	-
	Sirsa	Sirsa	9000	9300	-300
		Dhabwali	NA	-	-
		Ellanabad	NA	-	-
	Fatehabad	Fatehabad	NA	9200	-

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			31-Aug-22	30-Jul-22	
Rajasthan	Jodhpur	Jodhpur	NA	0	-
	Sri-Ganganagar	Sri-Ganganagar	Closed	0	-
		Rawla	NA	0	-
		Gharsana	NA	9	-
		Raisinghnagar	NA	0	-
	Bikaner	Bikaner	Closed	100	-
		Nokha	75	50	25
		Khajuwala	Closed	0	-
		Lunkaransar	Closed	500	-
	Hanumangarh	Hanumangarh	35	0	35
		Nohar	NA	15	-
		Pilibanga	NA	25	-
	Nagaur	Nagaur	NA	22	-
	Churu	Churu	NA	0	-
	Alwar	Alwar	NA	0	-
Haryana	Hisar	Adampur	400	0	400
	Bhiwani	Bhiwani	NA	0	-
		Siwani	300	200	100
	Sirsa	Sirsa	200	0	200
		Dhabwali	NA	0	-
		Ellanabad	NA	13	-
	Fatehabad	Fatehabad	NA	0	-
Gujarat	Banaskantha	Deesa	NA	0	-
	Patan	Patan	NA	6	-
	Rajkot	Rajkot	17	20	-3

	Jamnagar	Dhrol	NA	0	-
Madhya Pradesh	Gwalior	Dabra	NA	0	-
Total Arrivals/Above Markets			1027	960	67

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