

Guar Monthly Research Report

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Executive Summary

Guar seed delivery monthly average prices at Jodhpur rebounded from previous month loss and went up by 4% to Rs.5,075 /Qtl as compared to the last month at Rs. 4,886/Qtl amid crop loss in key growing districts. On the other hand, Guar gum too went up by 12% to Rs.9,853/qtl as compared to the last month at Rs. 8,781/Qtl.

In Sept '22 WTI Crude oil remained weak and went down by 11.23% to USD 79.49/barrels amid production cut by OPEC+.

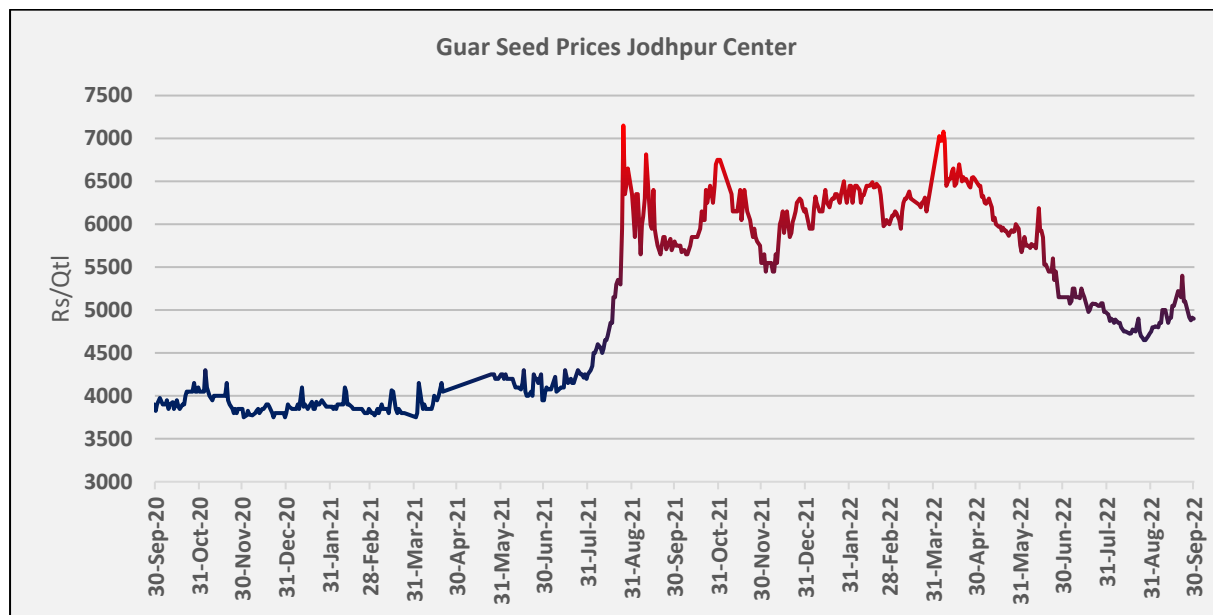
As per latest data released by Baker Hughes, the number of oilrigs in USA went down by 3 to 598 in Sept '22 as compared to previous month at 601.

Outlook – Guar seed (Spot, Jodhpur basis):

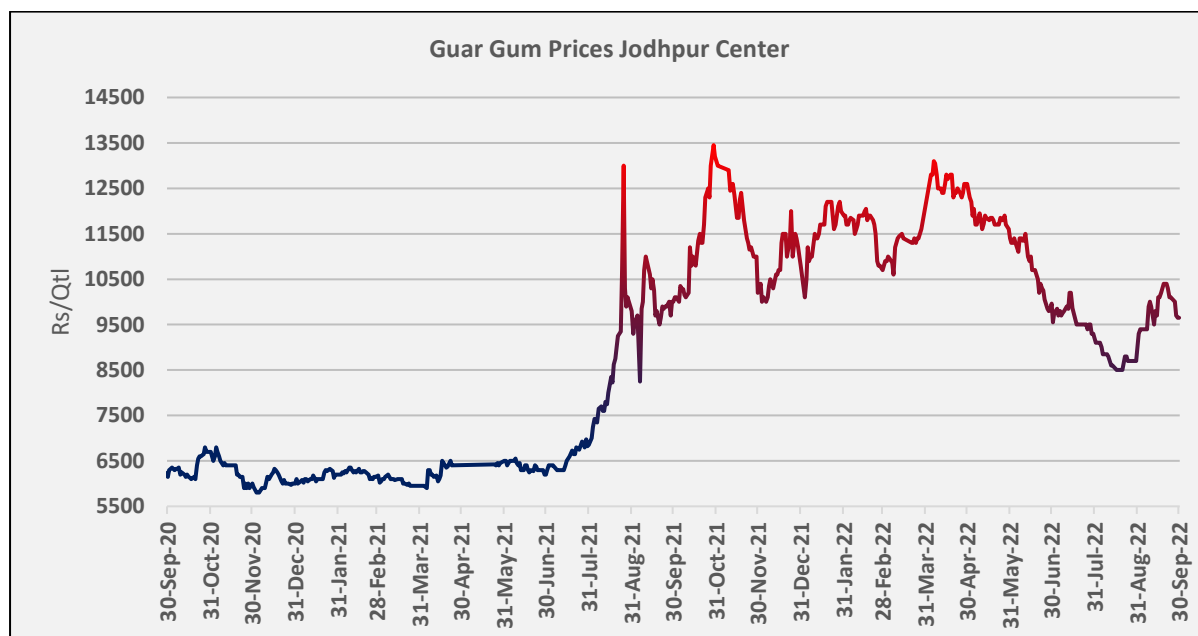
Guar seed delivery prices are expected to trade range bound with steady to weak bias amid higher acreage and correction in crude oil prices. The seed prices are likely to trade in the range between 4,600 –5,200/Qtl. in the short-run.

Domestic Market Fundamentals

During the month under review, monthly average prices of Guar seed rebounded and went up by 4% to Rs. 5,075/qtl as compared to previous month at Rs. 4,866/qtl. amid crop loss in key growing districts.



During the month under review, guar gum prices too rebounded and went up by 12% to Rs. 9,853/qtl as compared to previous month at Rs. 8,781/qtl in tandem with improved guar seed prices.

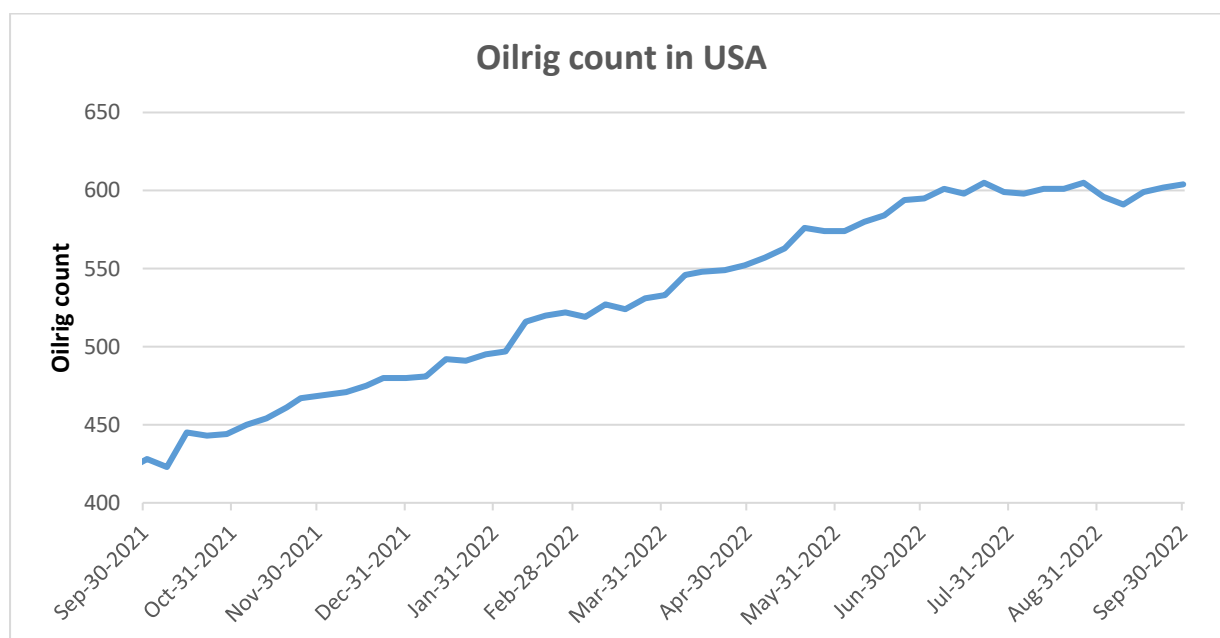


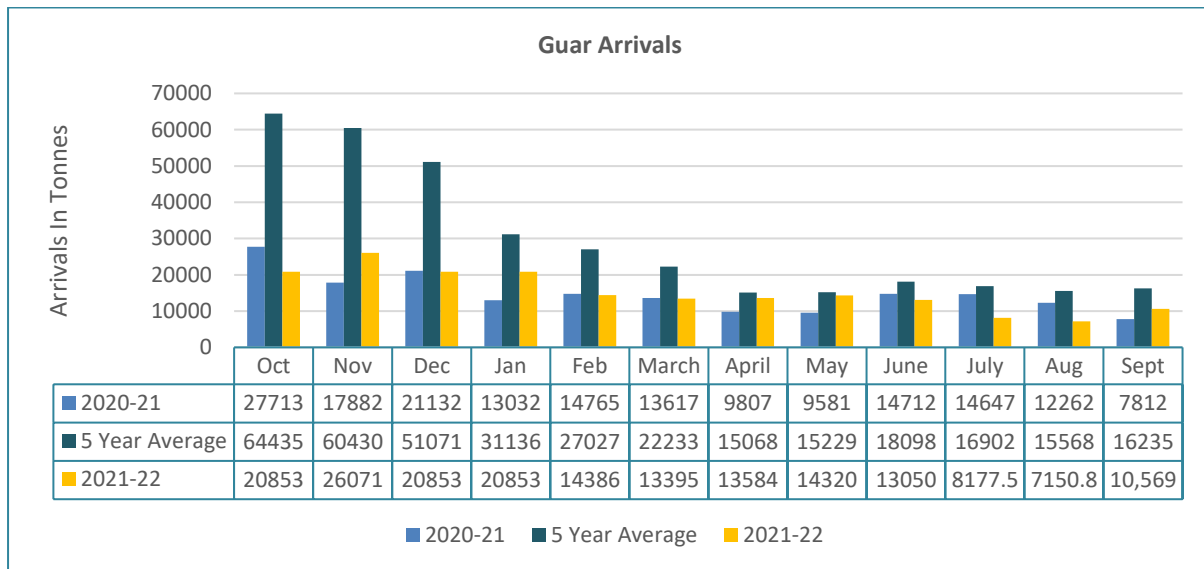
Guar sowing Updates

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.

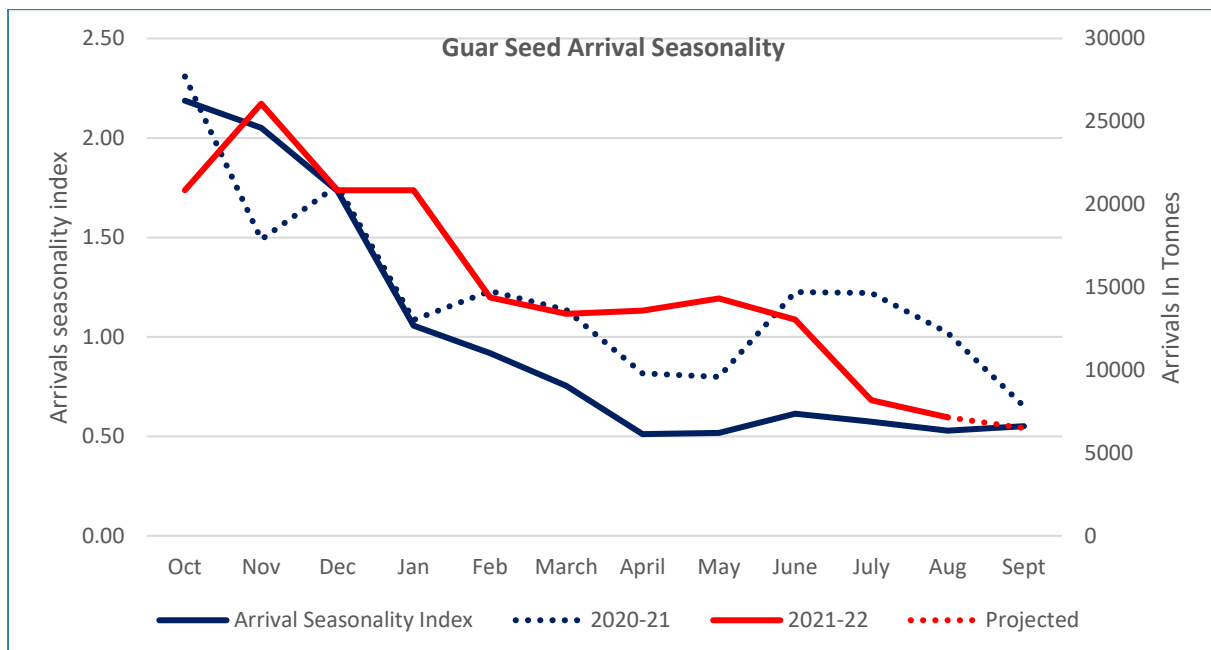
| Guar seed sowing progress 2022-23 | | | |
|-----------------------------------|---|---------------------------------|-----------------------------|
| State | Area of Kharif-2021 During Corresponding Period | Progressive Area of Kharif 2022 | % change over previous year |
| Rajasthan (As on 24 Aug '22) | 20.48 | 30.79 | 50% |
| Gujarat (As on 26 Sep '22) | 1.13 | 1.04 | -8% |
| Source: State government | | Area in Lakh Ha | |

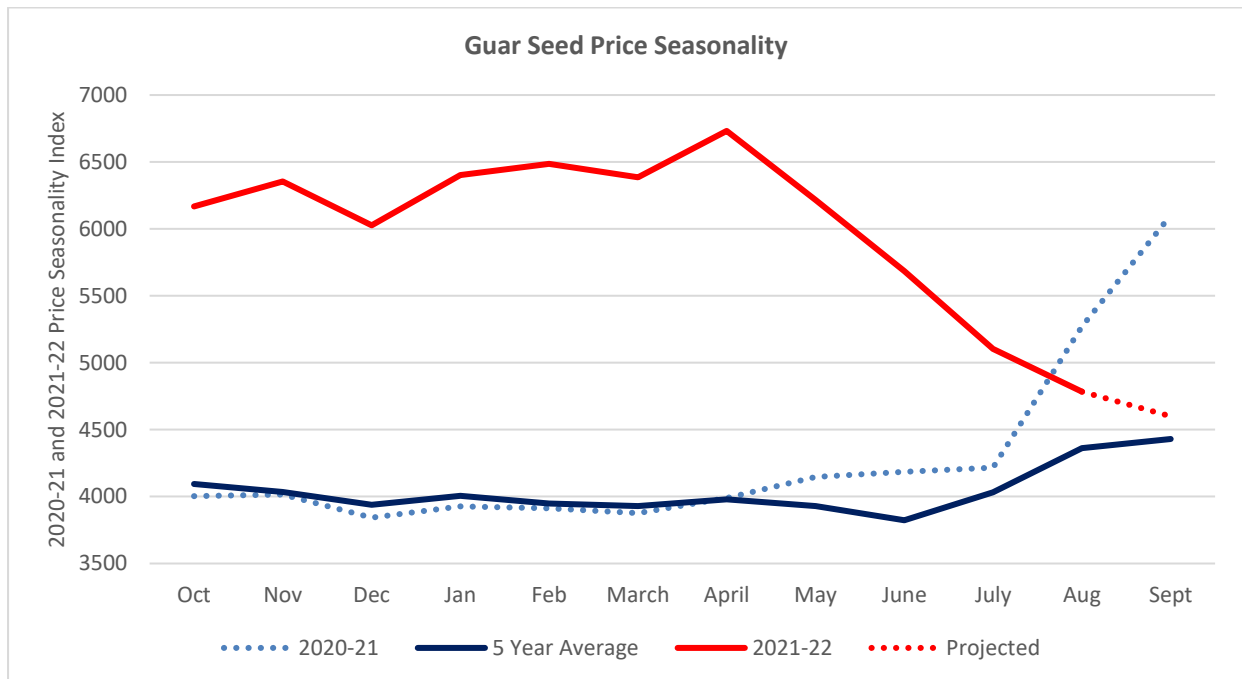
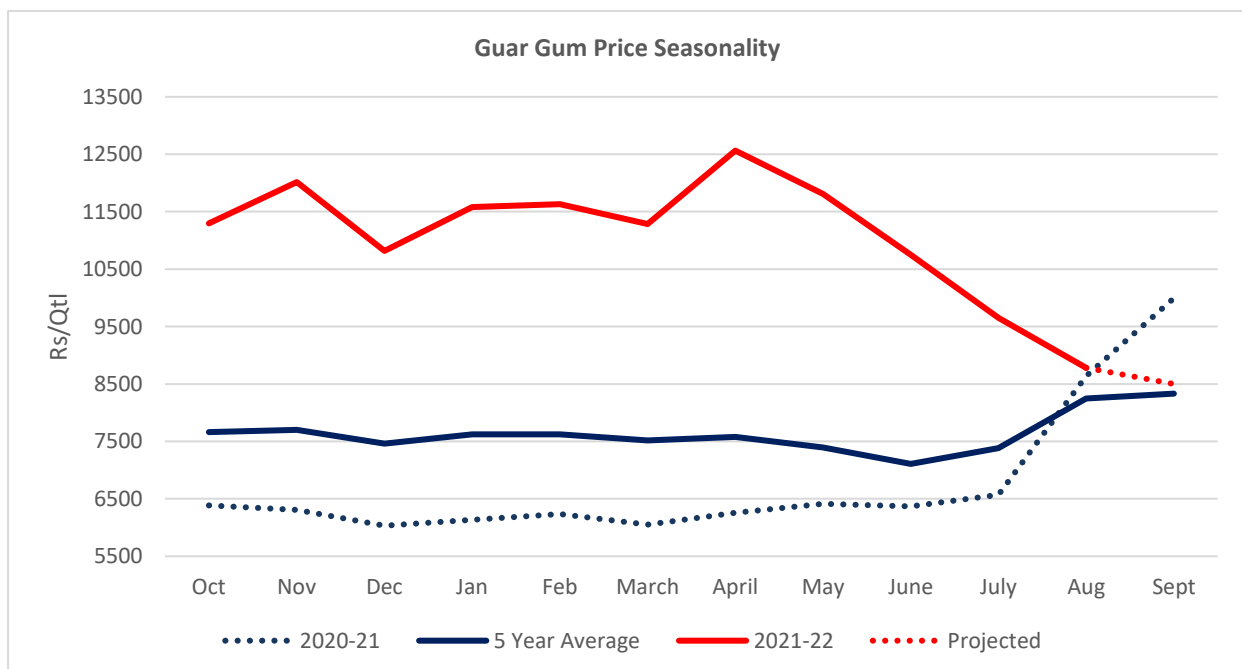
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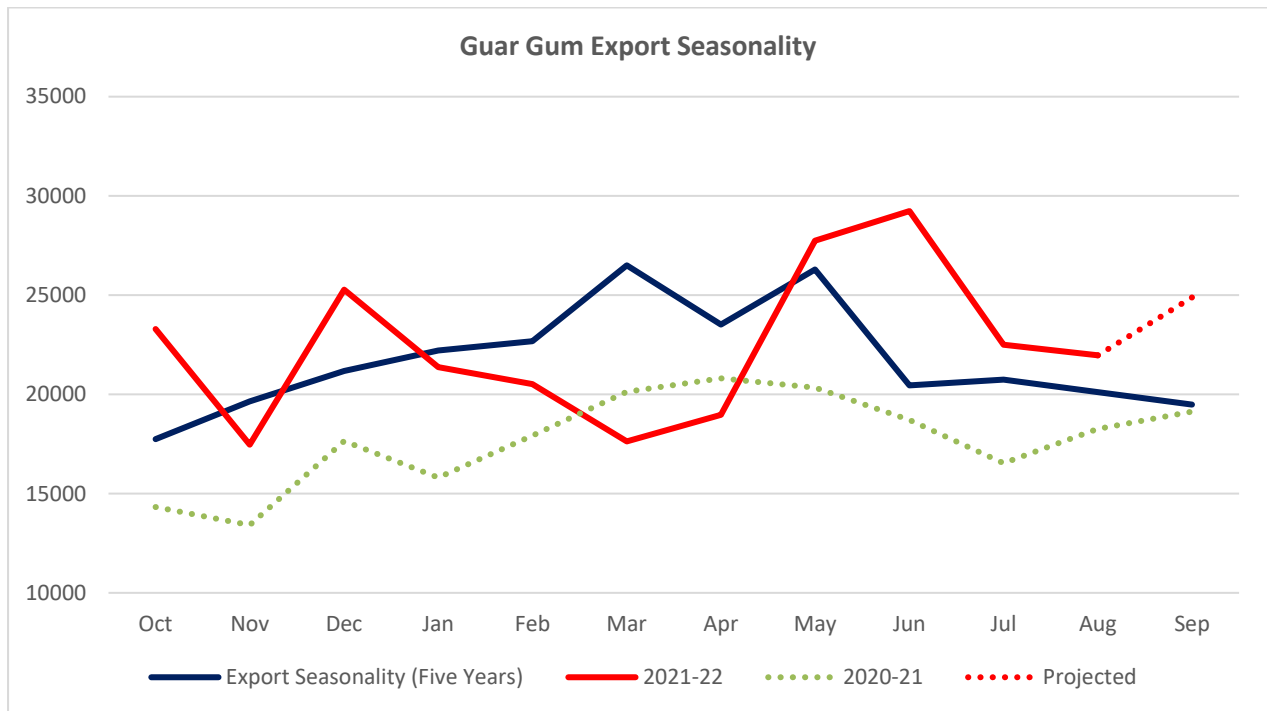
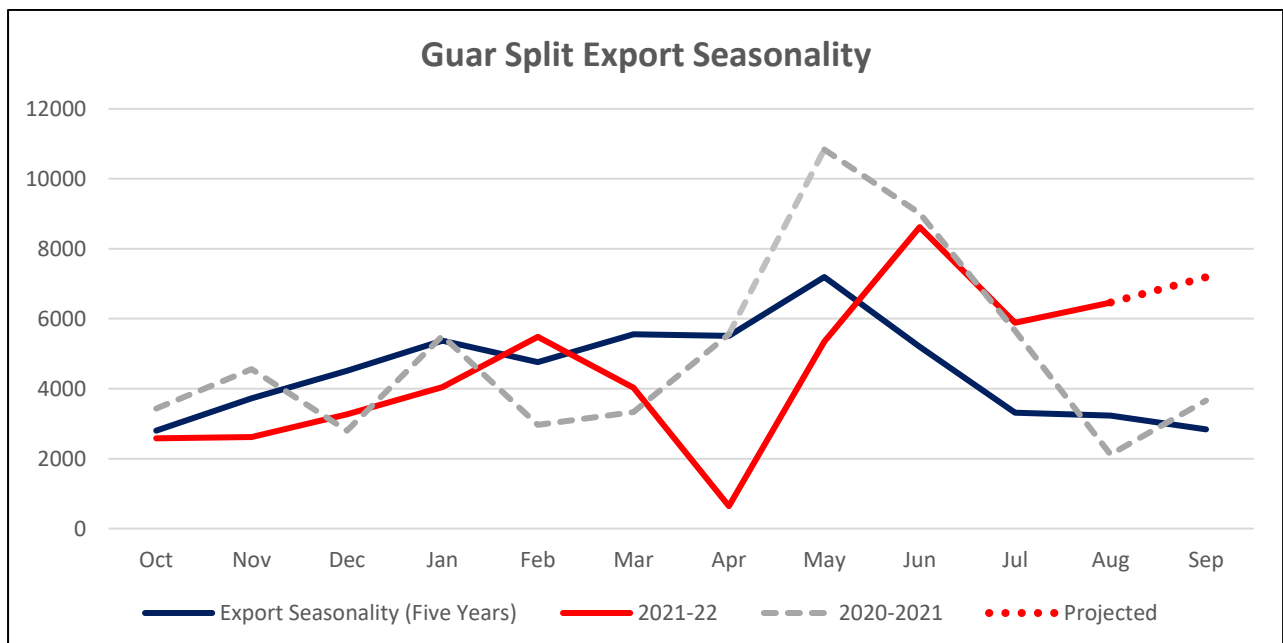


Arrivals


In Oct-Sept'22, Guar arrivals recorded low by 49% at 1.83 Lakh tonnes as compared to 3.21 Lakh tonnes five years average. In Sept'22 arrivals went up by 4% to 10,569 tonnes as compared to 7,150 tonnes five-year average.



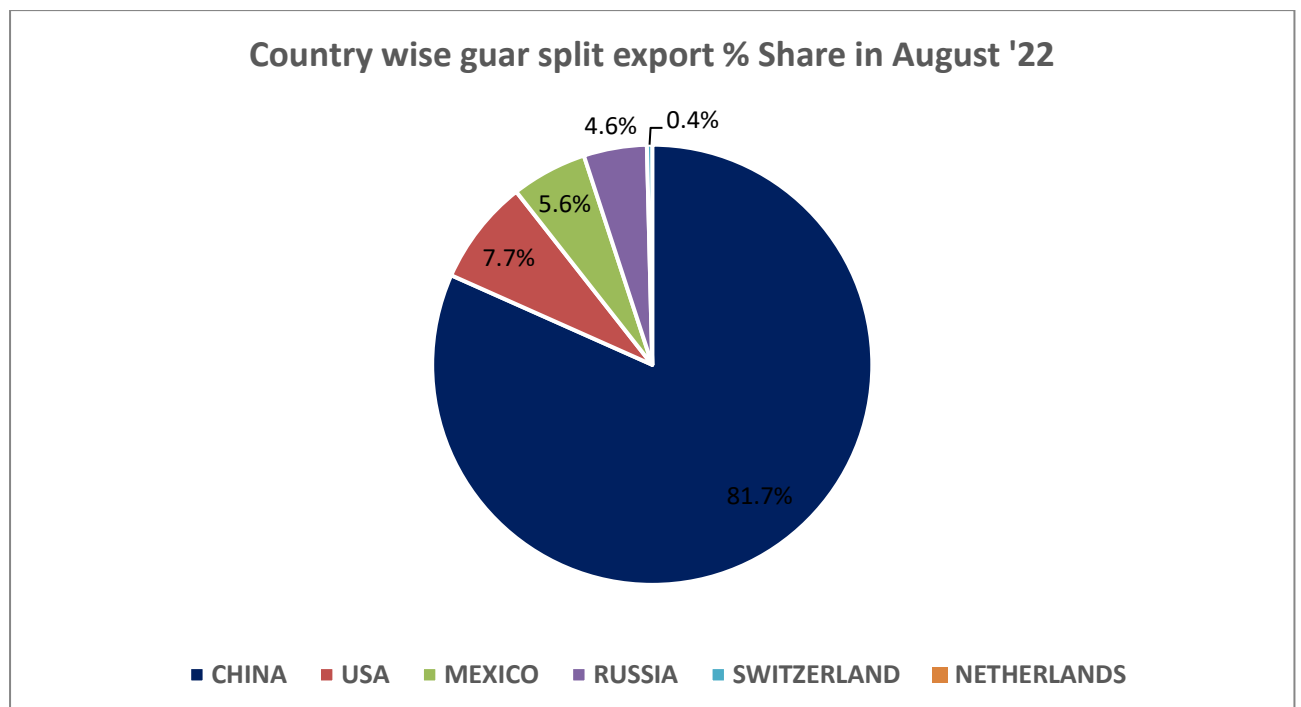
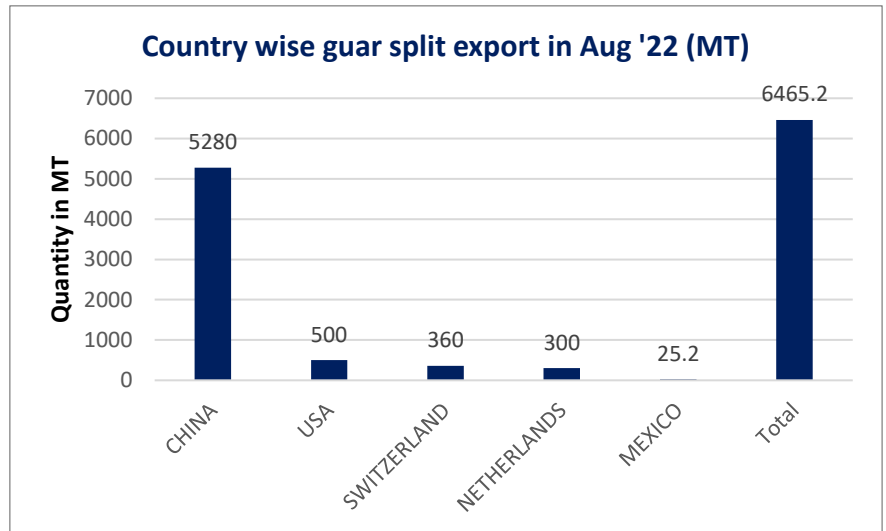
Guar Seed Price Seasonality

Guar Gum Price seasonality


Guar Gum Export seasonality

Guar Split export seasonality


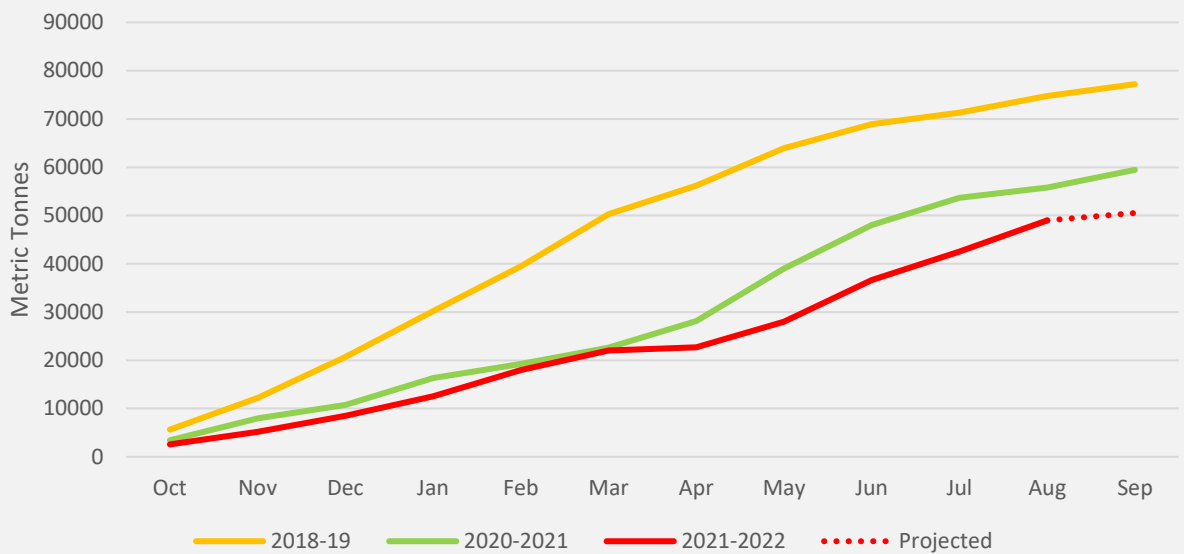
Export Scenario

Guar Split Exports

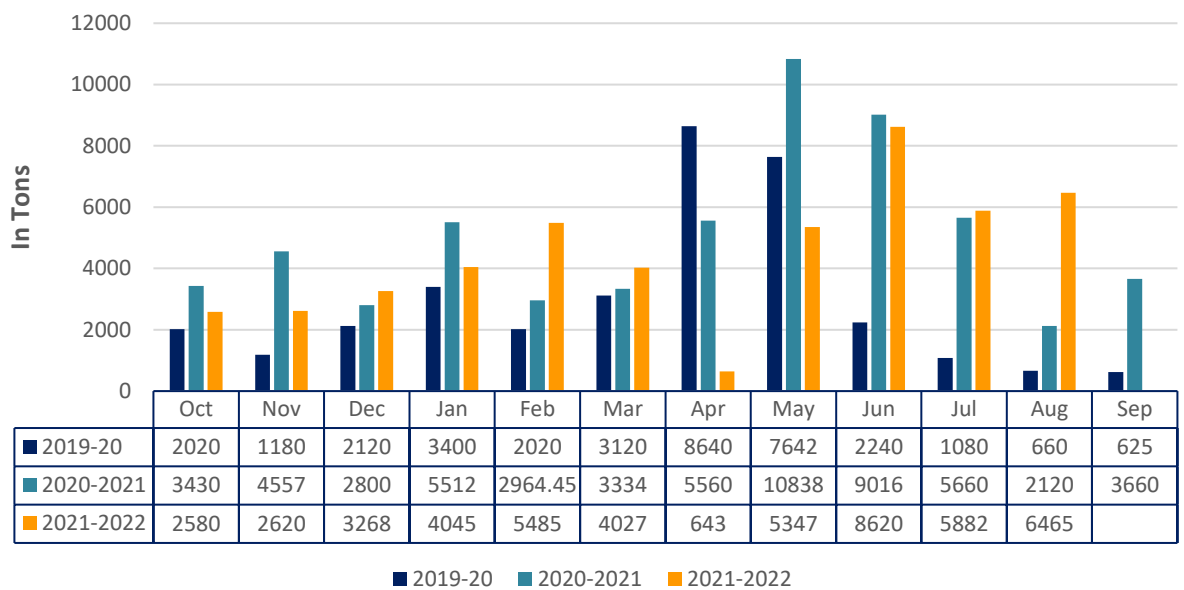
India's Guar split exports decreased in the month of August '22 by 10% to 6,465 MT as compared to 5,882 MT previous month. However, the Guar split shipments down by 204.95% in August '22 compared to the same period last year. Out of the total exports, around 5,280 MT (81.7%) bought by China, 500 MT (7.7%) bought by US.



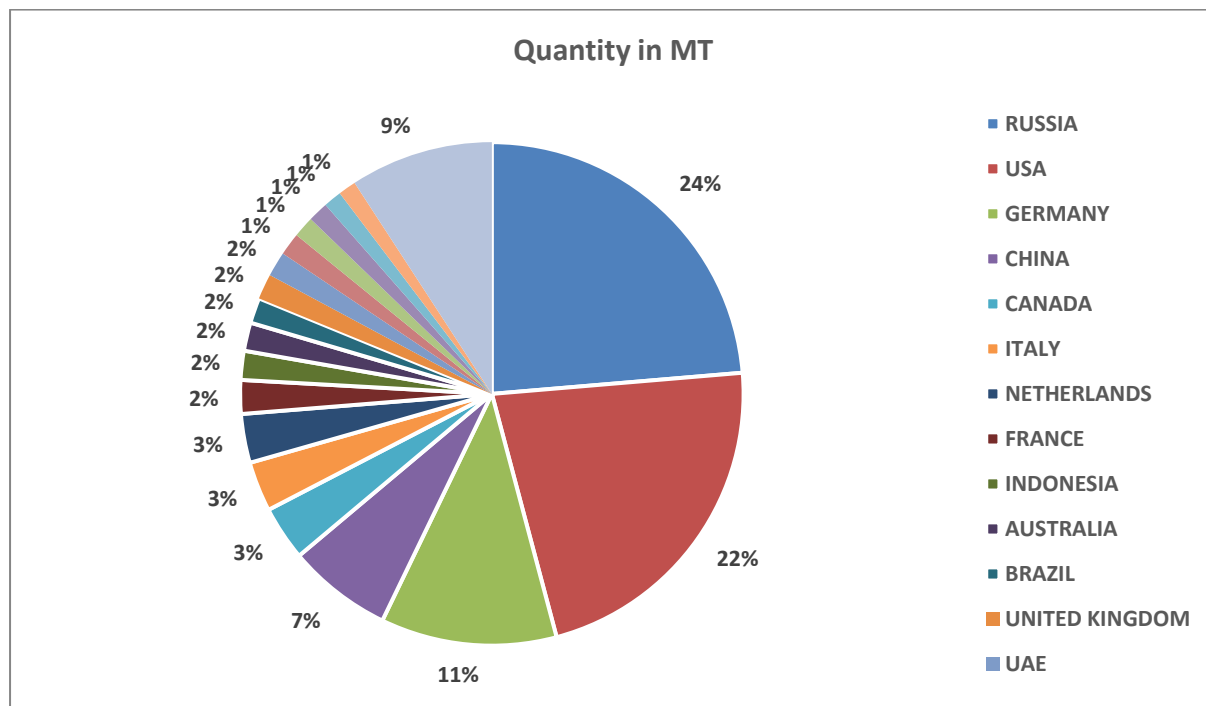
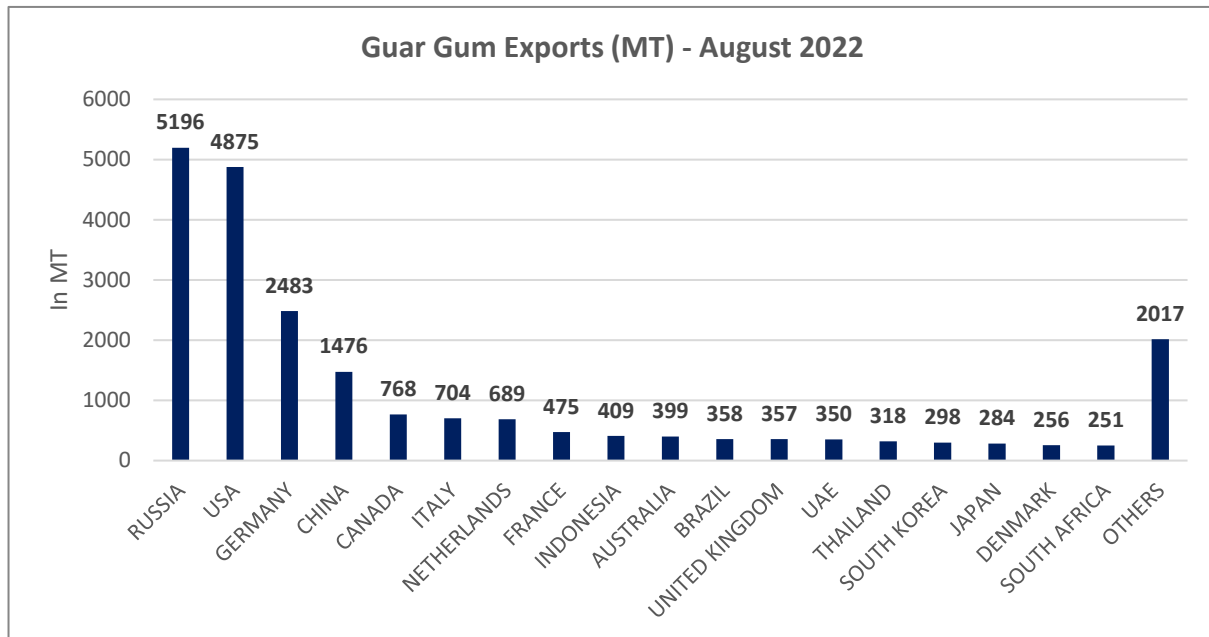
CUMULATIVE GUAR SPLIT EXPORT IN (MT)

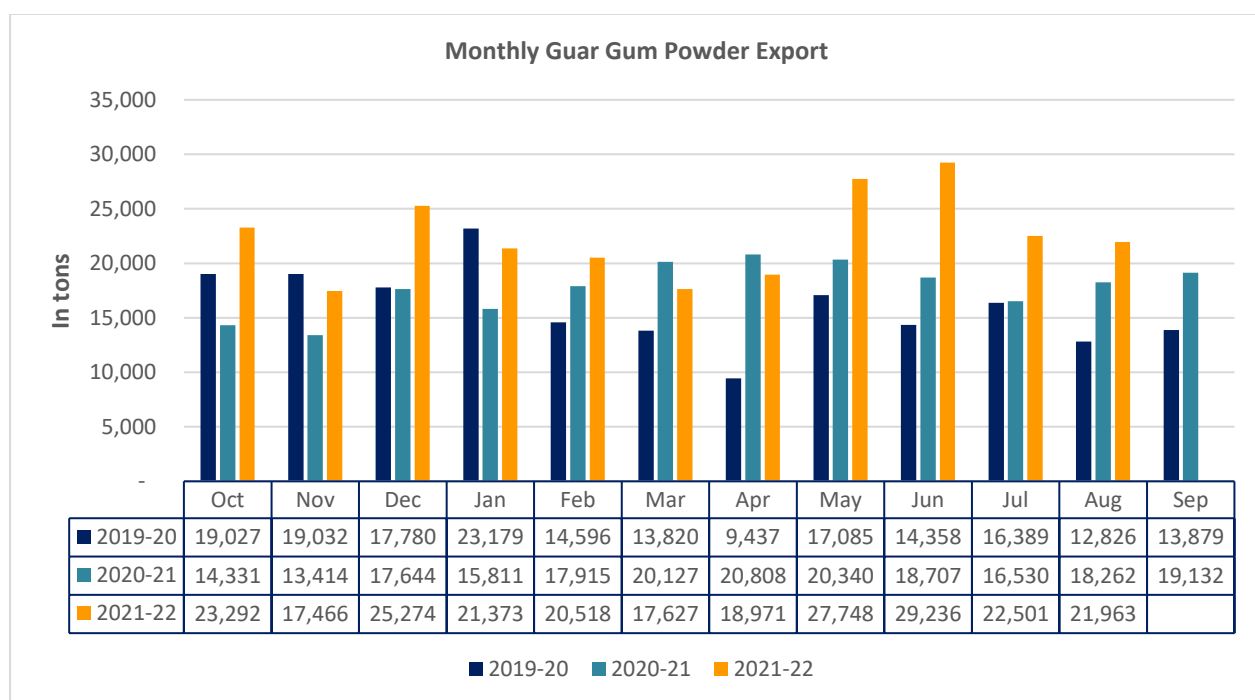
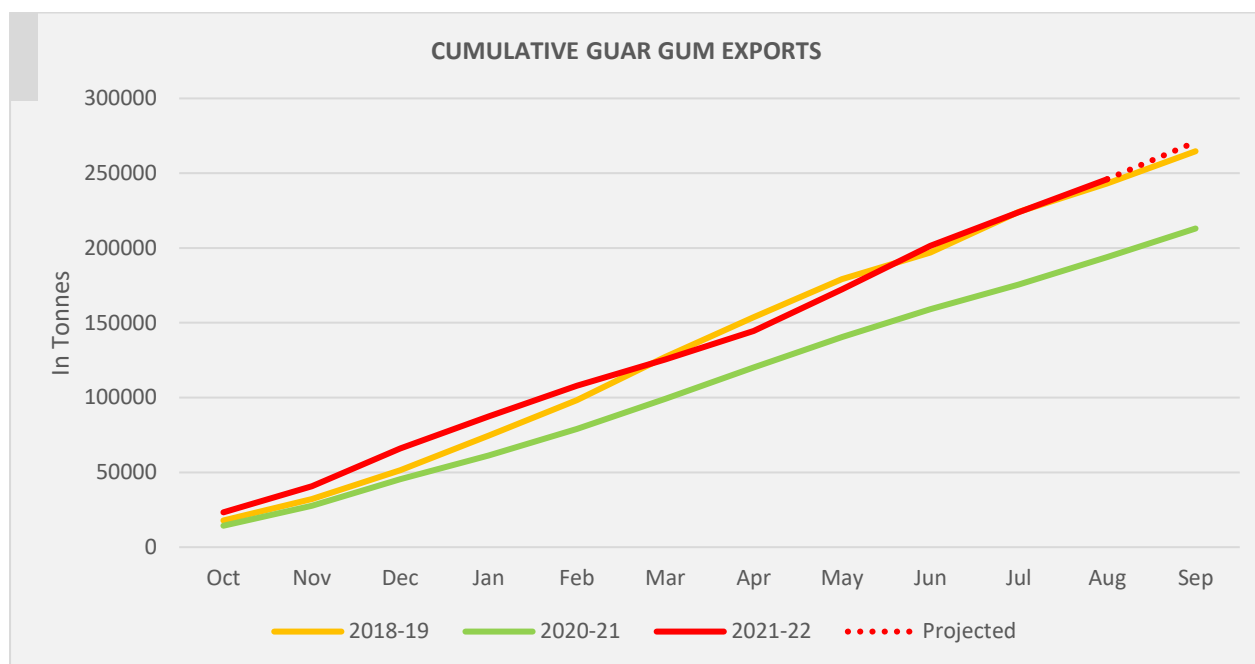


Monthly Guar Split Export



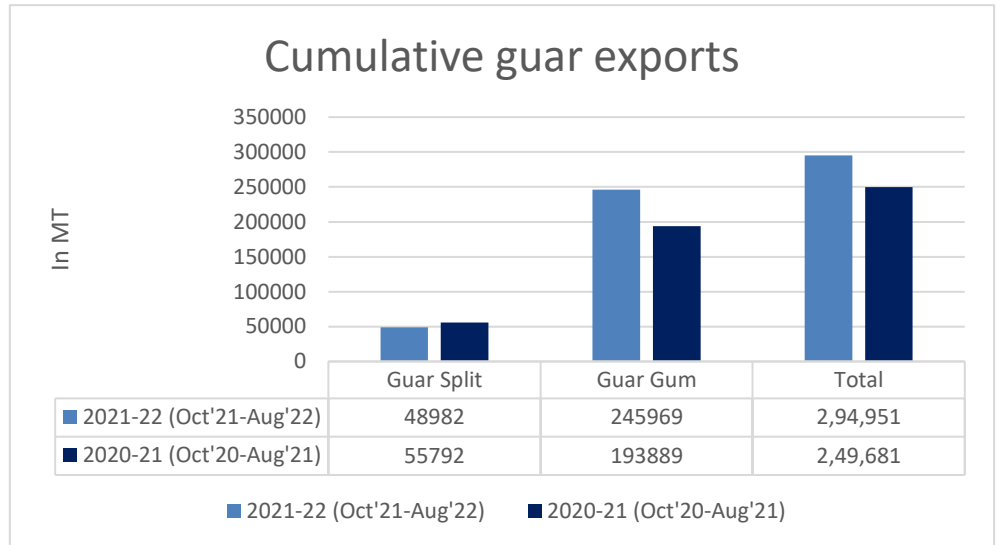
Guar Gum Exports: India's Guar gum exports decreased in the month of August '2022 by 2% to 21,963 MT compared to 22,501 MT during previous month. However, the gum shipments were up by 36.12% in August 2022 compared to the same period last year. Out of the total exported quantity, around 5737 MT (25.50%) 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 Sep'22 around 22,000-25,000 tonnes, as WTI crude oil corrected by 9.72% in Aug'22.





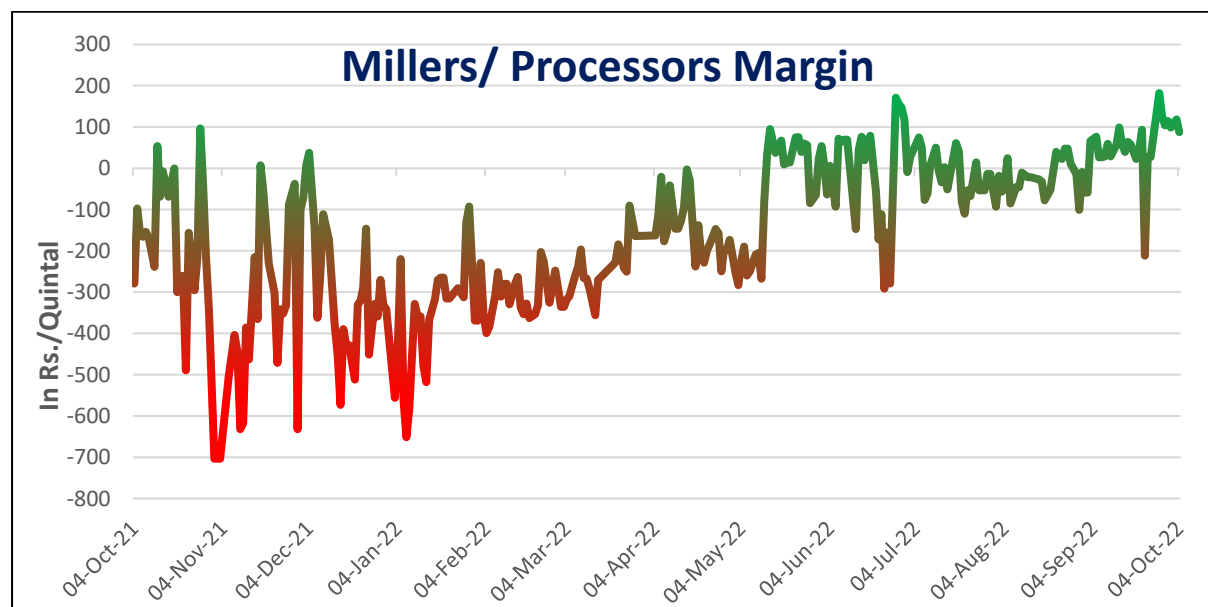
Total Cumulative Guar exports

Oct-Aug '22 recorded up by 18% to 2.94 Lakh tonnes as compared to 2.49 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 increased in September '22 to 44/ Qtl as compared to -21.8/ Qtl in August '22, due to decline in guar seed prices. We expect net crush margin to remain tight in September as well.



Technical Analysis (Guar Seed)

Commodity: Guar Seed
Exchange: NCDEX

Expiry: Nov 20, 2022
Contract: Nov

Guar Seed (Nov, 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 up by 4.85%, during the month, market made low at 4770 and a high at 5375 and closed at 4962.
- MACD oscillator momentum indicating weak sentiments.
- RSI is at below 40, indicating weak buying strength.

| Weekly Supports & Resistances | | | S1 | S2 | PCP | R1 | R2 |
|-------------------------------|-------|-----|------|-------|------|------|------|
| Guar Seed | NCDEX | Nov | 4600 | 4500 | 4962 | 5500 | 5800 |
| | | | Call | Entry | T1 | T2 | SL |
| Guar Seed | NCDEX | Nov | Sell | 5000 | 4800 | 4900 | 5100 |

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: Nov

Exchange: NCDEX
Expiry: Nov 20, 2022

Guar Gum (Nov, 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 9,18,50 and 100 DMA indicating weak sentiments.
- During the month under review, Guar gum went up by 5.67%, market made low at 9041 and a high at 10,583 and closed at 9507.
- MACD indicating weak momentum.
- RSI is below 40 indicating weak buying strength.

| Weekly Supports & Resistances | | | S1 | S2 | PCP | R1 | R2 |
|-------------------------------|-------|-----|-------------|-------|------|-------|-------|
| Guar Gum | NCDEX | Nov | 9200 | 9400 | 9507 | 10000 | 10200 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Gum | NCDEX | Nov | Sell | 9800 | 9600 | 9500 | 9900 |

| Guar Seed Prices at Key Spot Markets: | | | | | |
|---------------------------------------|----------------|---------------------------|-----------------|-----------|--------|
| Commodity | District | Centre | Prices (Rs/Qtl) | | Change |
| Guar Seed | | | 30-Sep-22 | 30-Aug-22 | |
| Rajasthan | Jodhpur | Jodhpur (Loose) | 4750 | 4650 | 100 |
| | | Jodhpur(Delivery) | 4988 | 4883 | 105 |
| | Sri-Ganganagar | Sri-Ganganagar(Loose) | 4450 | 4300 | 150 |
| | | Sri-Ganganagar (Delivery) | 4600 | 4450 | 150 |
| | | Rawla (Loose) | 4595 | 4395 | 200 |
| | | Gharsana (Loose) | - | 4425 | - |
| | | Raisinghnagar (Loose) | 4800 | 4200 | 600 |
| | Bikaner | Bikaner (Loose) | 4675 | 4500 | 175 |
| | | Bikaner (Delivery) | 4909 | 4725 | 184 |
| | | Nokha(Loose) | 4650 | 4500 | 150 |
| | | Nokha (Delivery) | 4883 | 4725 | 158 |
| | | Khajuwala (Loose) | 4700 | 4450 | 250 |
| | | Khajuwala (Delivery) | 4935 | 4673 | 263 |
| | | Lunkaransar (Loose) | 4700 | 4520 | 180 |
| | Hanumangarh | Hanumangarh (Loose) | 4650 | 4300 | 350 |
| | | Hanumangarh (Delivery) | 4883 | 4515 | 368 |
| | Nagaur | Nagaur (Loose) | 4700 | 4800 | -100 |
| | Churu | Churu (Delivery) | 4900 | - | - |
| | Alwar | Alwar (Loose) | 4500 | - | - |
| Haryana | Hisar | Adampur (Loose) | 4800 | 4600 | 200 |
| | | Adampur (Delivery) | 5040 | 4830 | 210 |
| | Bhiwani | Bhiwani (Delivery) | 4950 | - | - |
| | | Siwani (Loose) | 4950 | 4675 | 275 |
| | Sirsa | Sirsa (Loose) | 4600 | 4400 | 200 |
| | | Dhabwali (Loose) | 4650 | - | - |
| | | Dhabwali (Delivery) | 4650 | - | - |
| | | Ellanabad (Loose) | 4650 | 4330 | 320 |
| | Patan | Patan (Loose) | - | 4400 | - |
| | Rajkot | Rajkot (Loose) | 4750 | 4550 | 200 |
| Guar Gum | | | | | |
| Rajasthan | Jodhpur | Jodhpur | 9650 | 8700 | 950 |
| | Alwar | Alwar | 9400 | - | - |
| Haryana | Bhiwani | Bhiwani | 9770 | - | - |
| | Sirsa | Sirsa | 9400 | 8900 | 500 |
| | | Dhabwali | 9400 | - | - |

| Guar Seed Arrivals in Key Centers | | | | | |
|-----------------------------------|----------------|----------------|---------------------|-----------|--------|
| Commodity | District | Centre | Arrivals (Quintals) | | Change |
| Guar Seed | | | 30-Sep-22 | 30-Aug-22 | |
| | Sri-Ganganagar | Sri-Ganganagar | 200 | 100 | 100 |
| | | Rawla | 407 | 10 | 397 |
| | | Gharsana | 0 | 10 | -10 |
| | | Raisinghnagar | 122 | 12 | 110 |
| | Bikaner | Bikaner | 300 | 200 | 100 |
| | | Nokha | 200 | 100 | 100 |
| | | Khajuwala | 150 | 200 | -50 |
| | | Lunkaransar | 300 | 700 | -400 |
| | Hanumangarh | Hanumangarh | 300 | 30 | 270 |
| | Nagaur | Nagaur | 144 | 102 | 42 |
| | Churu | Churu | 600 | 0 | 600 |
| Haryana | Hisar | Adampur | 500 | 500 | Unch |
| | | Siwani | 300 | 400 | -100 |
| | Sirsa | Sirsa | NA | 250 | - |
| | | Ellanabad | 15 | 34 | -19 |
| | Patan | Patan | 0 | 4 | -4 |
| | Rajkot | Rajkot | 50 | 100 | -50 |
| Total Arrivals/Above Markets | | | 3588 | 2752 | 836 |

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