

Guar Monthly Research Report

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Executive Summary

During the month under review, monthly average prices of Guar seed went down by 7% to Rs. 5,830/qtl. as compared to previous month at Rs. 6,260/qtl. due to lower demand in the market and decline in arrivals as the farmers are reluctant to sell their stocks in anticipation of better prices in future. The guar gum monthly average prices also went down by 5% to Rs. 12,504/qtl as compared to previous month at Rs. 13,195/qtl in tandem with Guar seed prices.

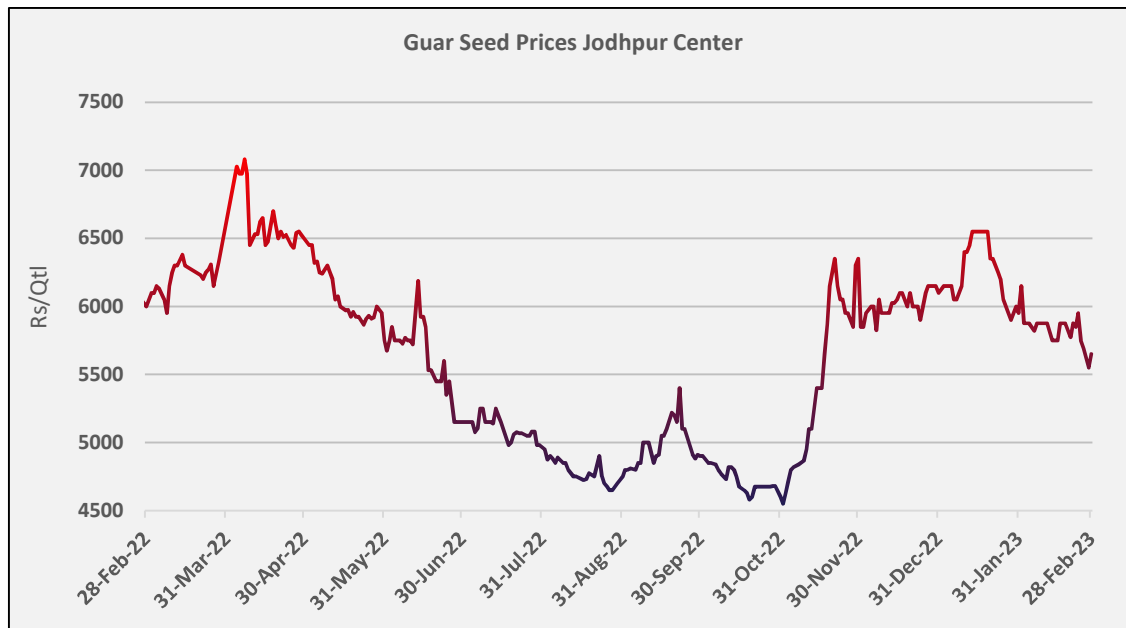
As per data released by Baker Hughes, the average number of oilrigs in USA went down by 12 to 604 in Feb '23 as compared to 616 in the previous month.

Outlook – Guar seed (Spot, Jodhpur basis):

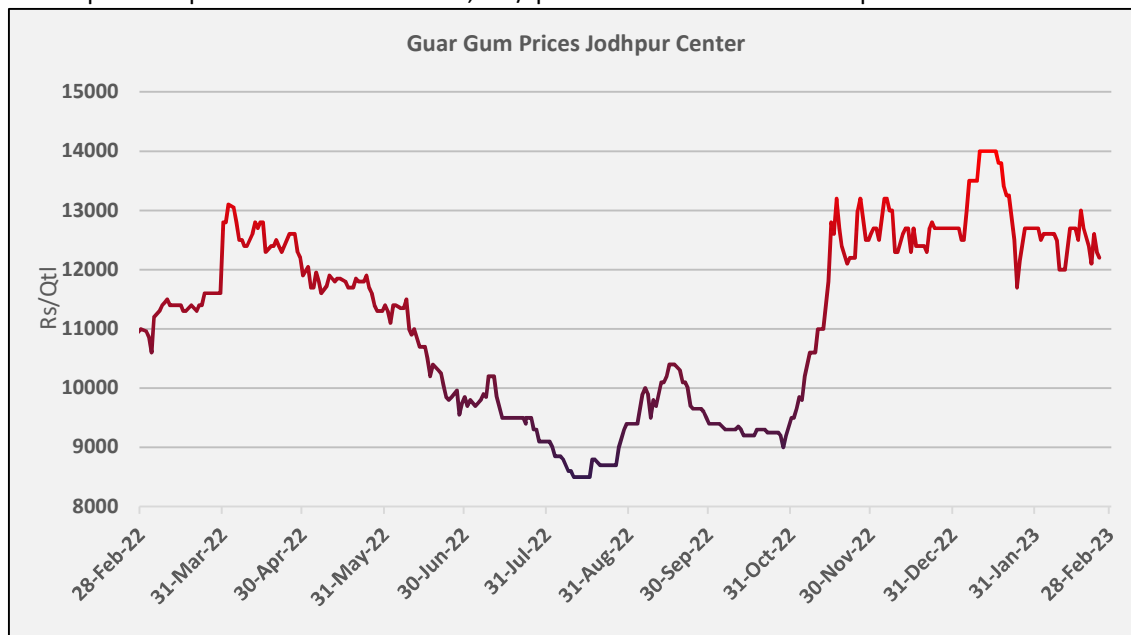
Guar seed delivery prices are expected to show weak bias amid weak demand and less arrivals. The seed prices are likely to trade in the range between 5,500 –6,700/Qtl. in the short-run and guar gum likely to trade in the range of 11,000-12,800.

Domestic Market Fundamentals

During the month under review, monthly average prices of Guar seed went down by 7% to Rs. 5,830/qtl. as compared to previous month at Rs. 6,260/qtl. amid the falling guar seed arrivals and weak demand in the market.

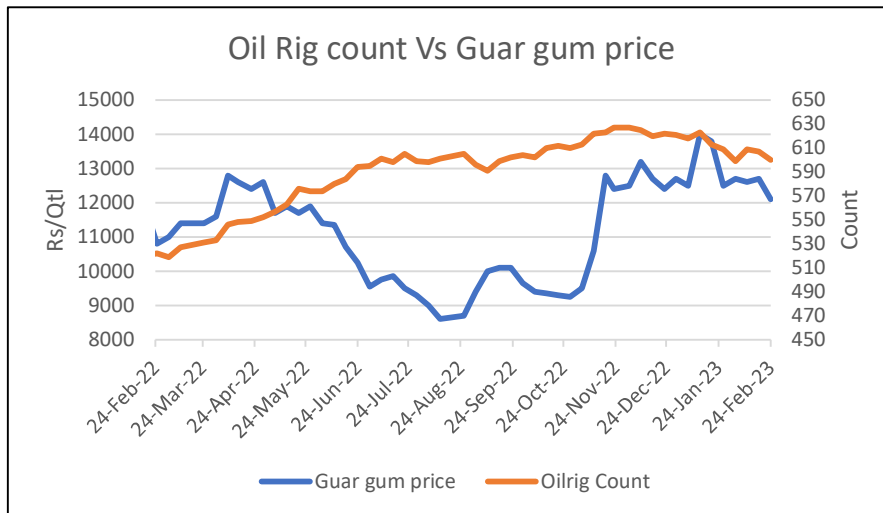


During the month under review, guar gum monthly average prices went down by 5% to Rs. 12,504/qtl as compared to previous month at Rs. 13,195/qtl in tandem with Guar seed prices.



Oilrig count Vs Guar gum price

As per data released by Baker Hughes, the average number of oilrigs in USA went down by 12 to 604 in Feb '23 as compared to 616 in the previous month. While the average Guar gum prices also went down by 5% this month as compared to the previous month. The recent correction in domestic guar gum prices in February indicates low demand from the US as its oil rig count is under correction.

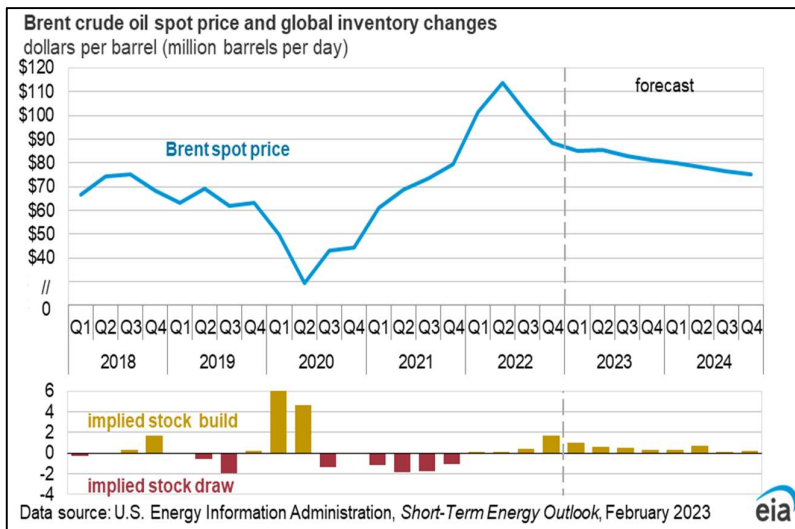


WTI Crude Oil

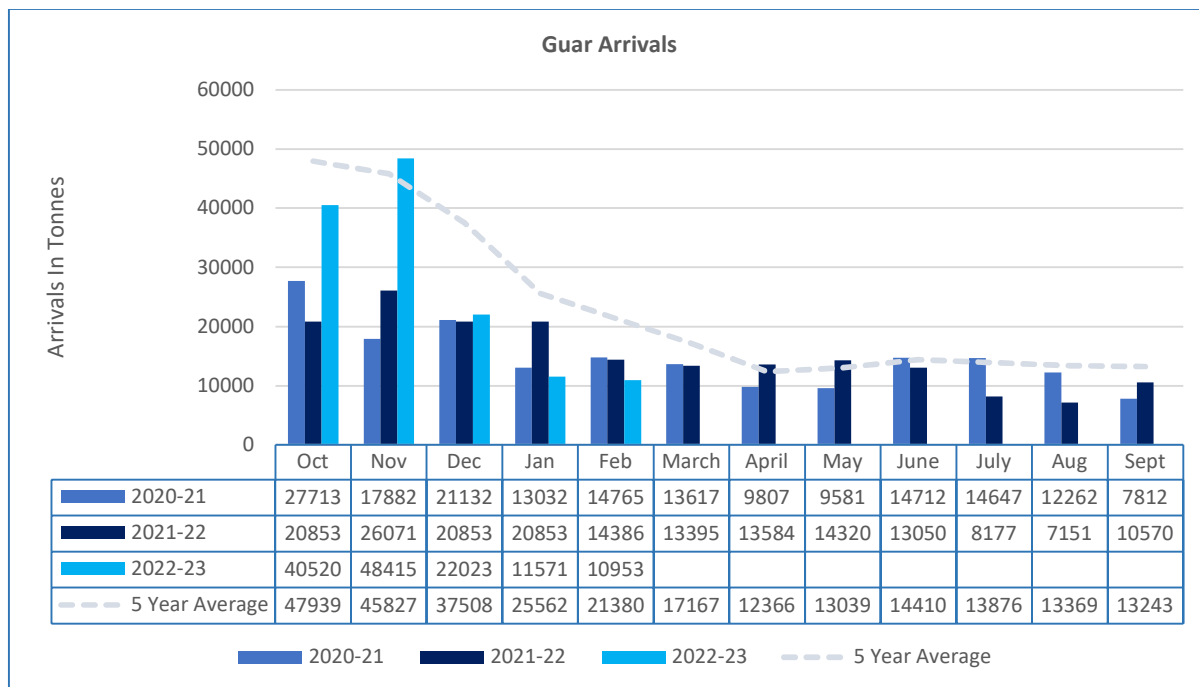
WTI Crude oil 2nd Mar '23	% Change
2nd Mar '23	0.71%
1 Week	2.39%
Month till date	-3.82%

Crude Oil price forecast (Global):

In the first quarter of 2023, the Brent spot price is expected to average at \$85/b. However, it is expected that global oil production will continue to exceed demand throughout the forecast period, resulting in a continuous accumulation of global oil inventory until 2024 and consequent reduction in oil prices. As a result, the average spot price for Brent crude oil is projected to decrease to \$82/b in 2H23 and further drop to \$78/b in 2024. The decline in crude oil prices are expected to impact India's domestic guar gum prices as well, as its demand from the importer countries might lower down.

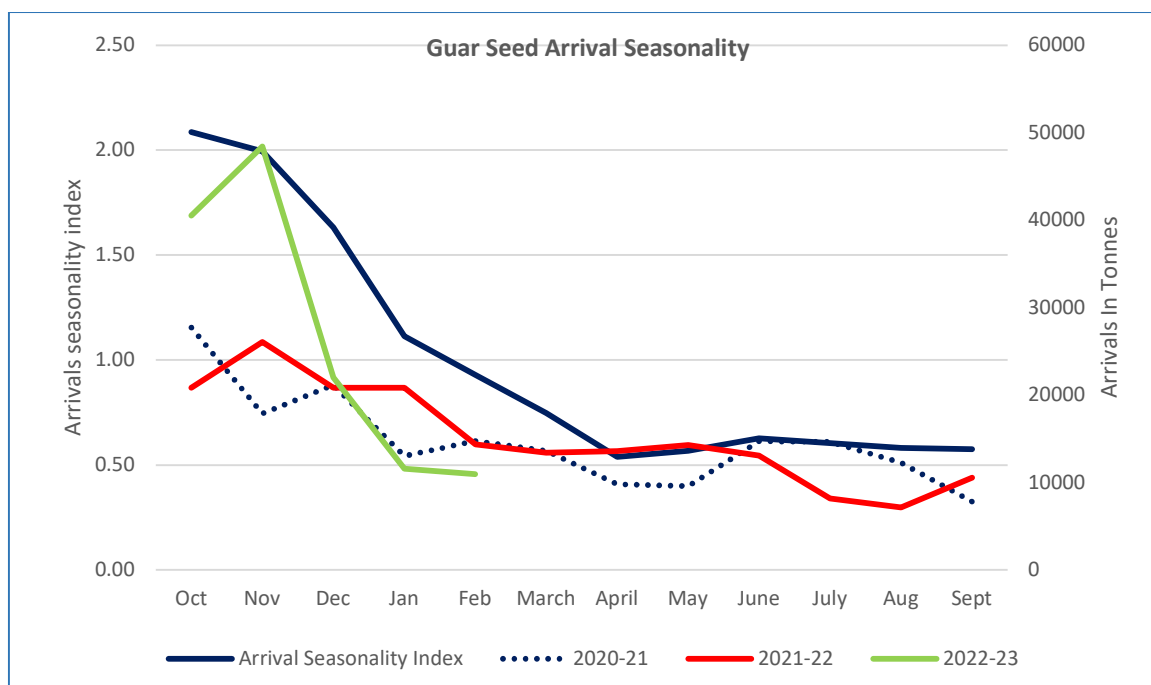


Arrivals



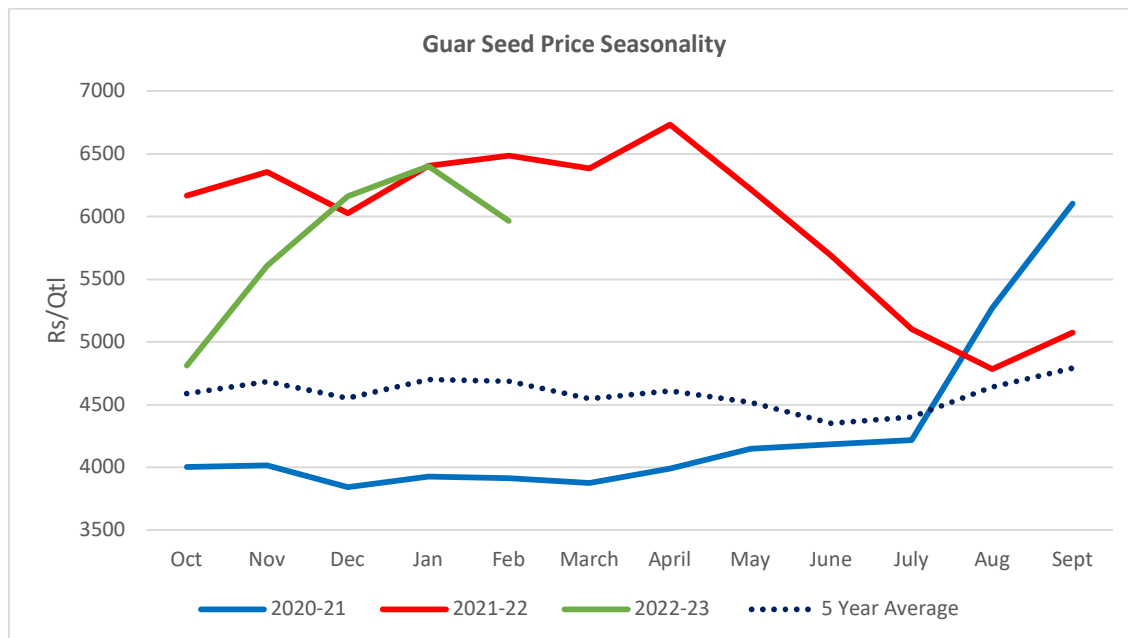
Guar Seed Arrivals Seasonality

In the period between Oct-Feb '23, Guar seed arrivals went down by 34% at 1,33,482 tonnes as compared to 1,78,216 tonnes five years average. While in Feb '23 too, the arrivals went down by 49% to 10,953 tonnes as compared to 21,380 tonnes five-year average.



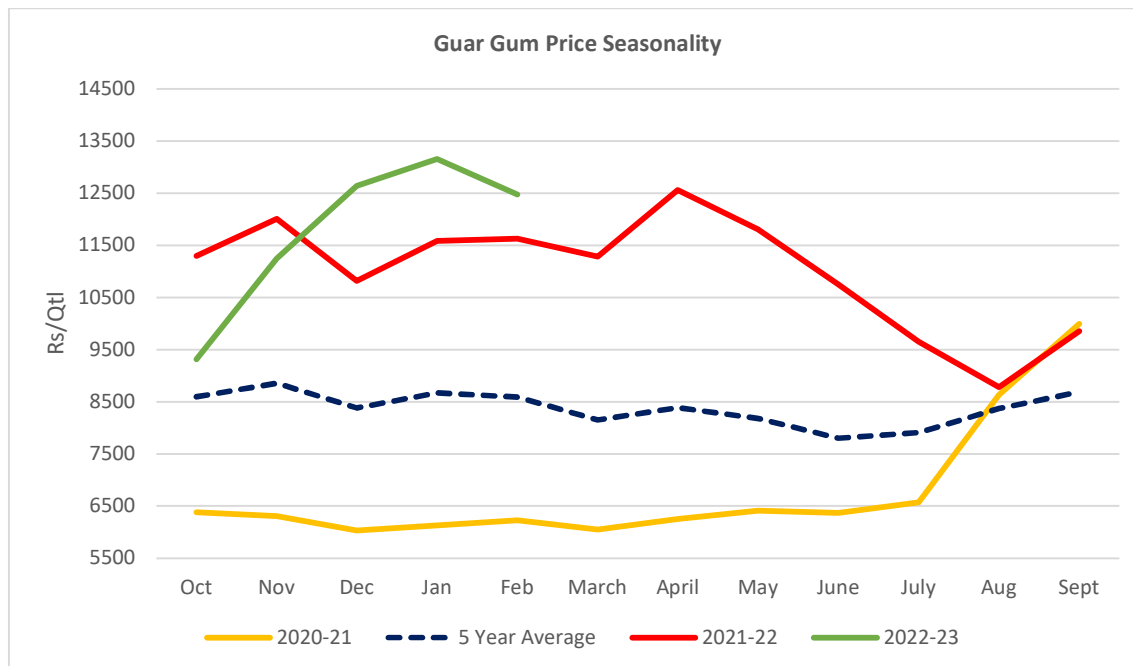
Guar Seed Price Seasonality

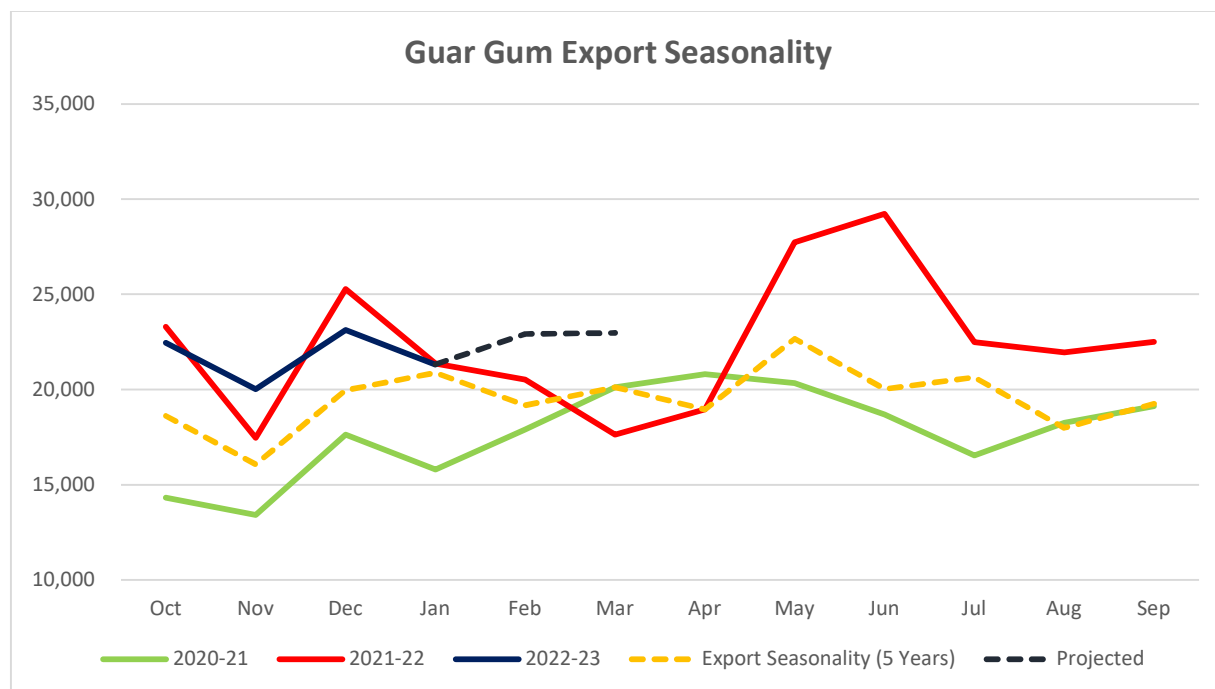
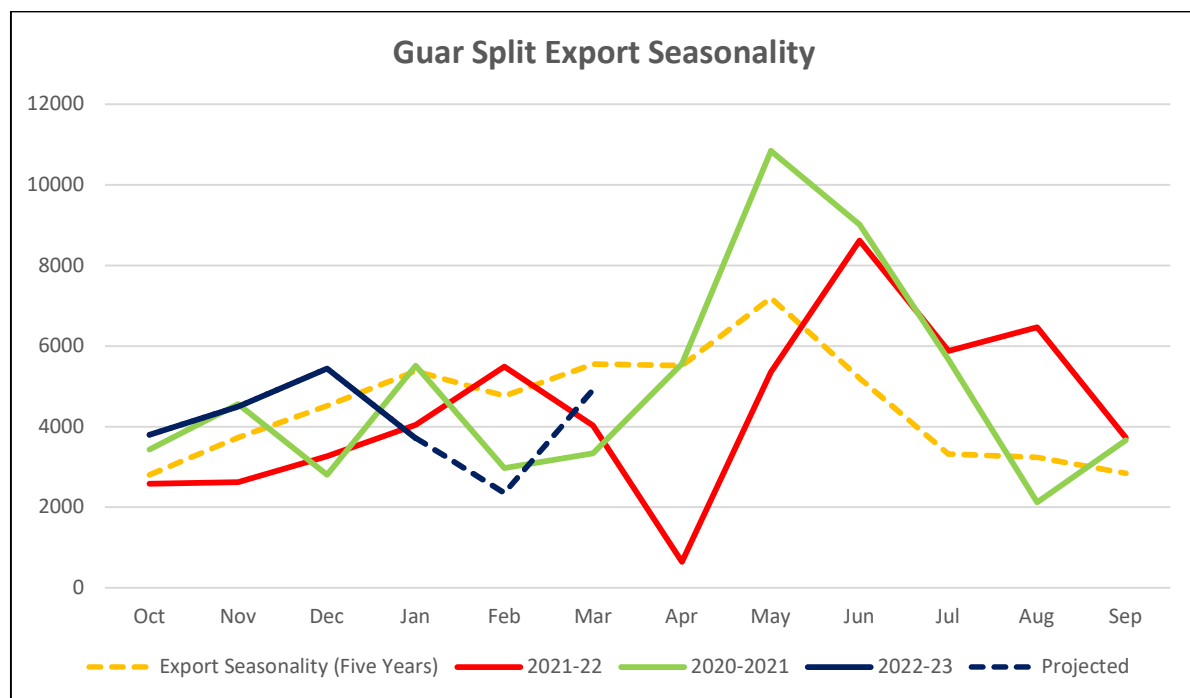
The guar seed prices in the month of Feb'23 went up by 27% as compared to five-year average price while compared to the previous month, it decreased by 7%.



Guar Gum Price seasonality

The guar gum prices in the month of Feb'23 went up by 45% as compared to five-year average price while compared to the previous month, it decreased by 5%.

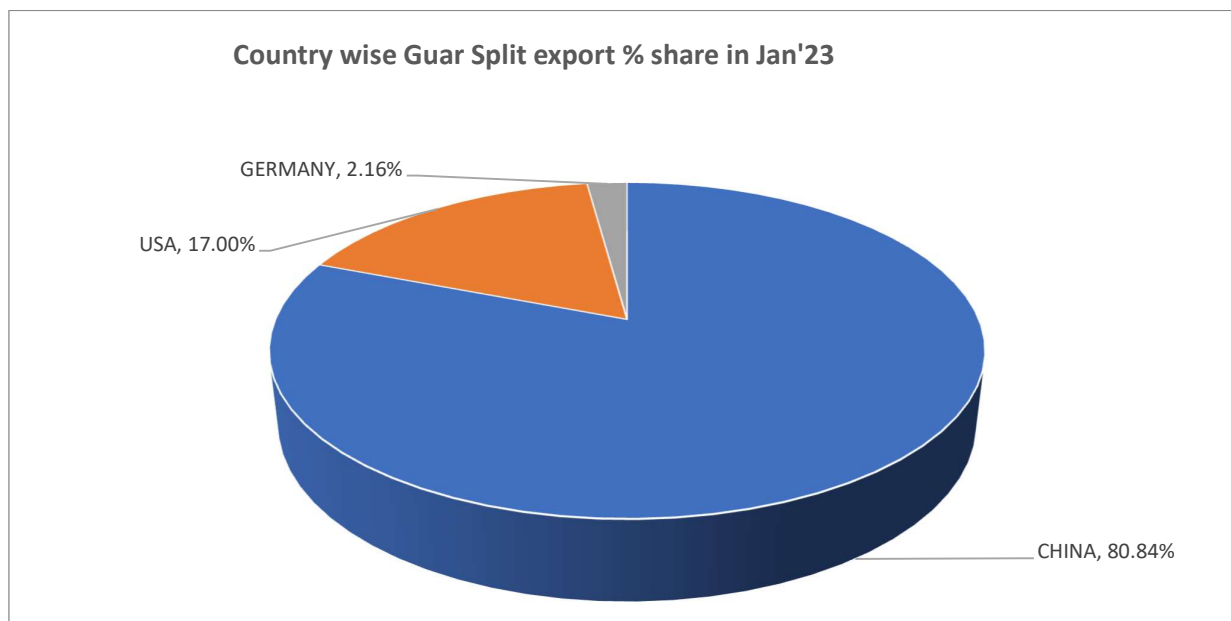
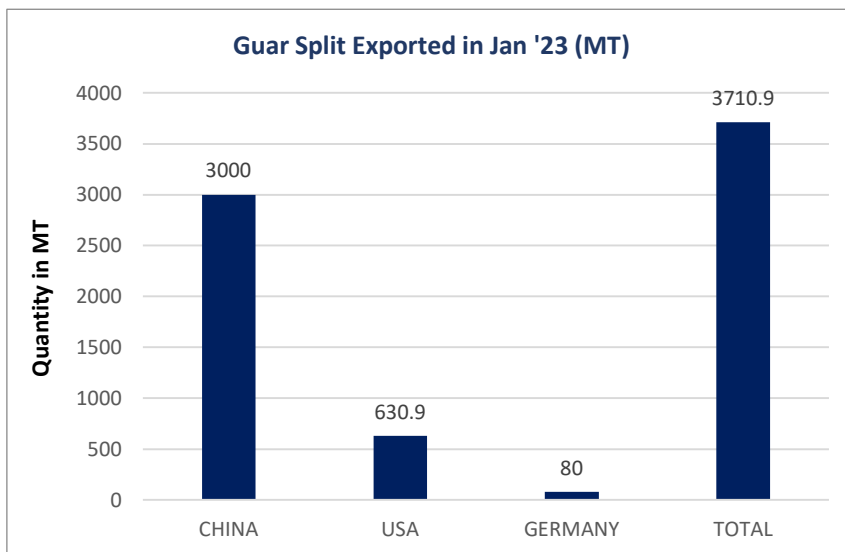


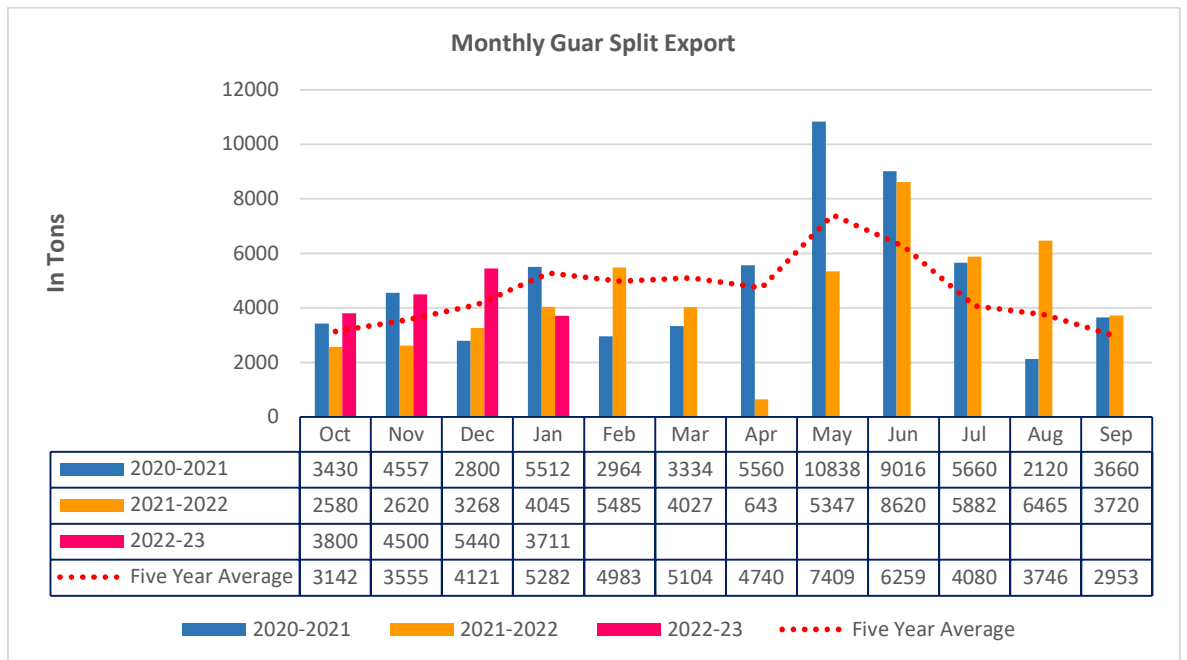
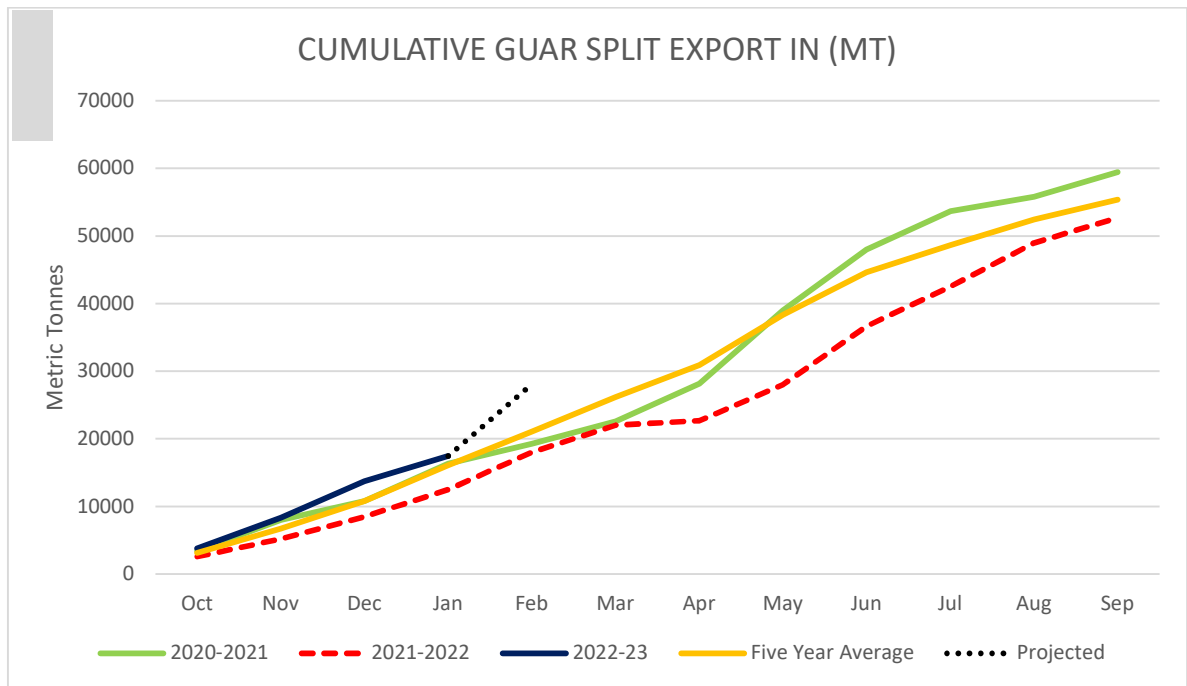
Guar Gum Export seasonality

Guar Split export seasonality


Export Scenario

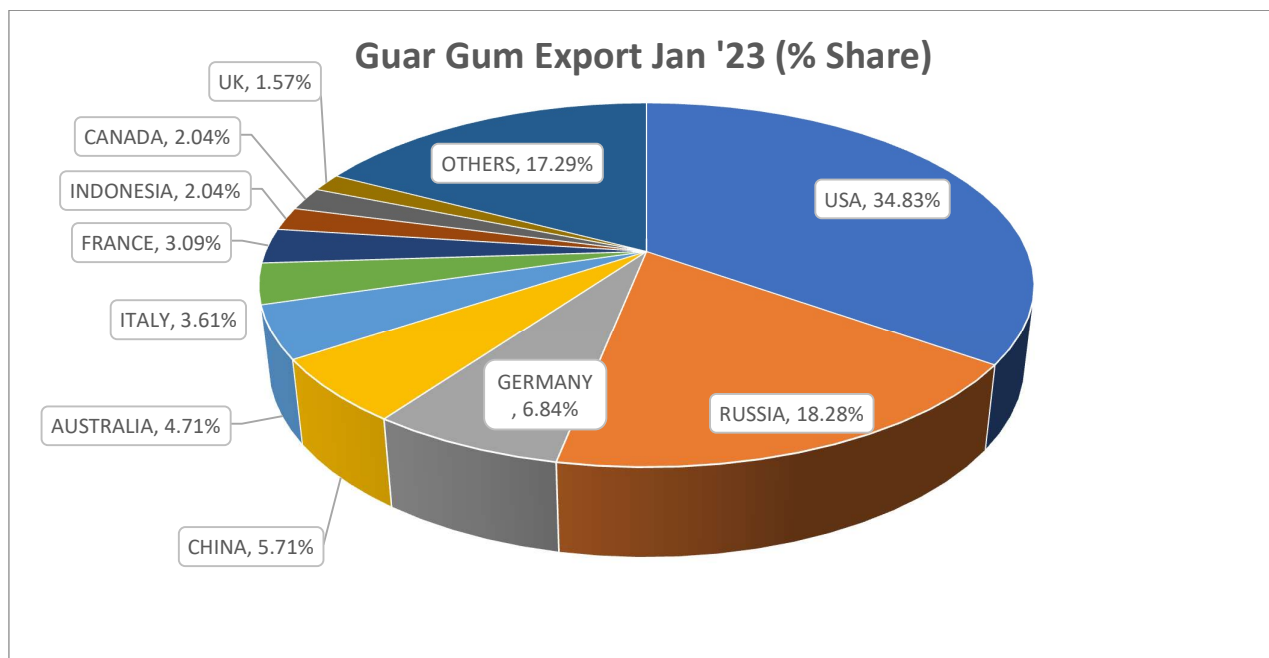
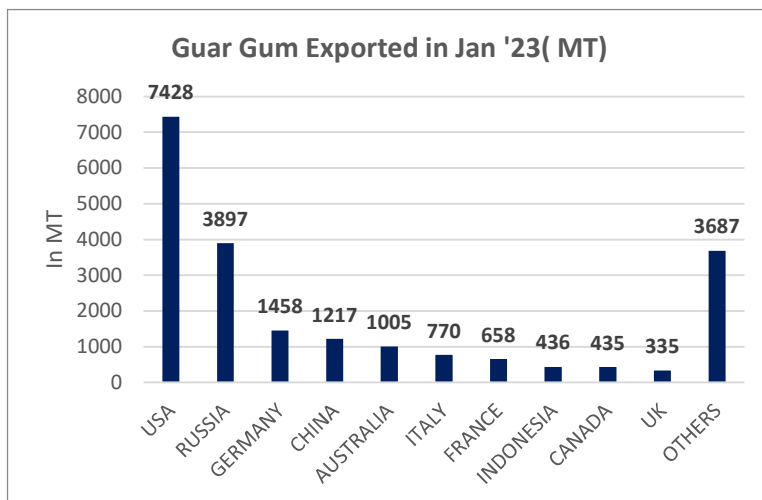
Guar Split Exports

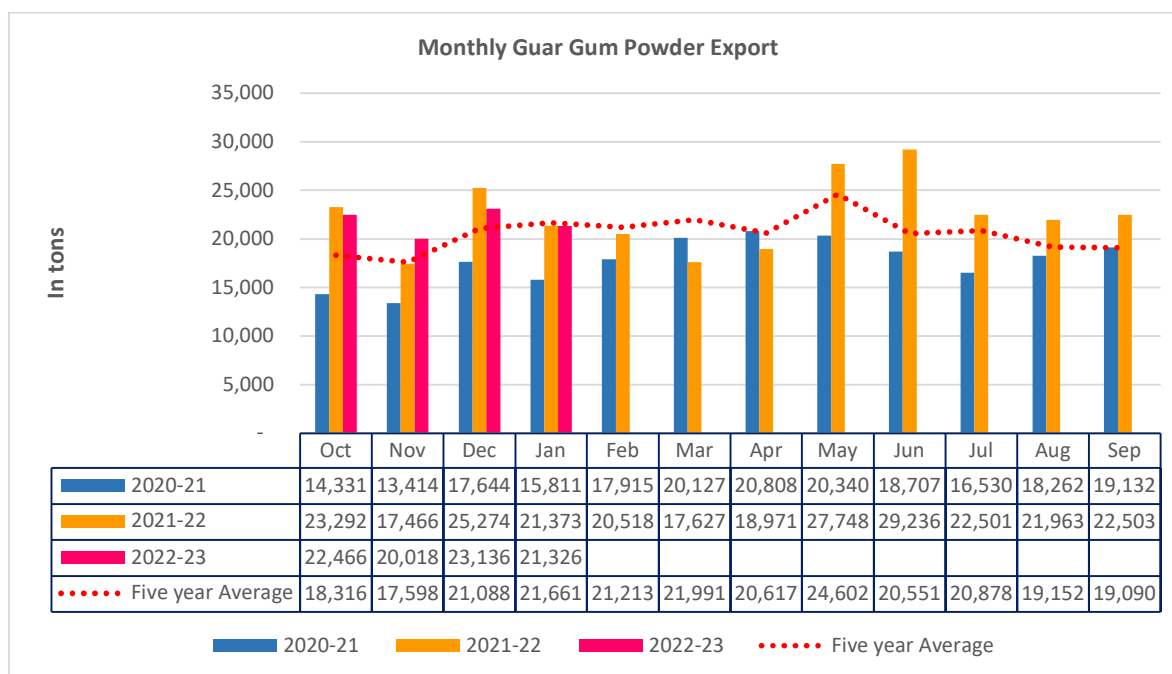
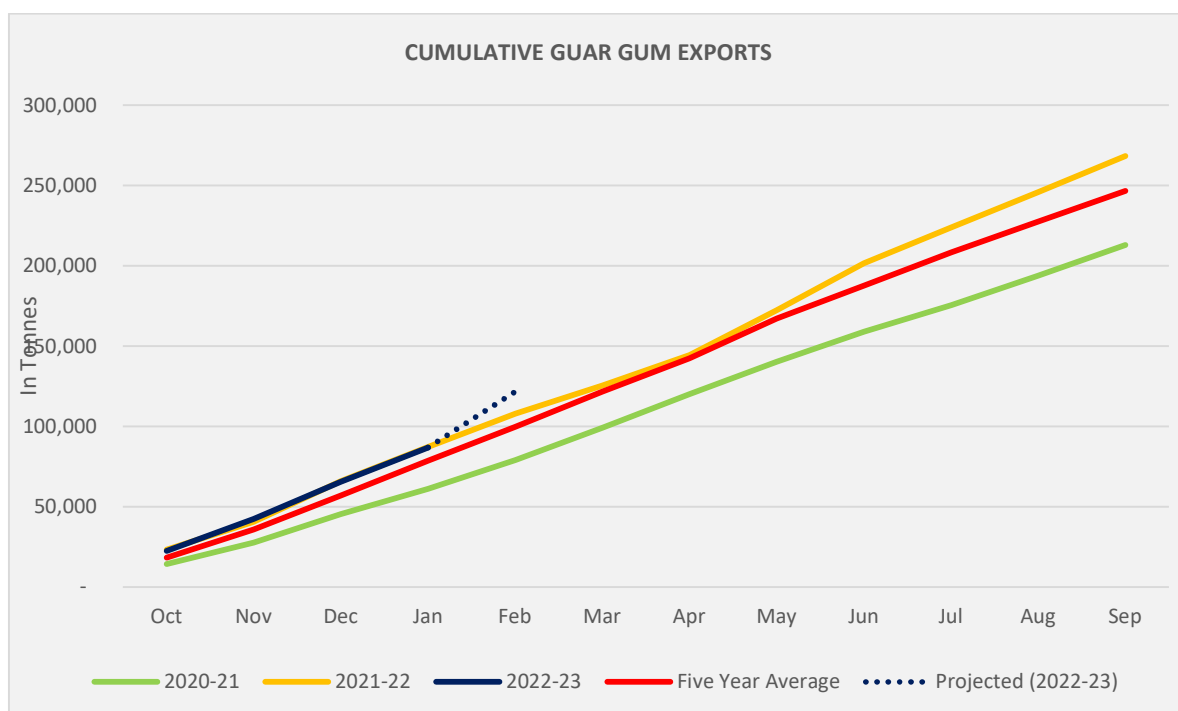
India's guar split exports decreased in the month of Jan '2023 by 32% to 3,711 tonnes compared to 5,440 tonnes previous month at an average FoB of US \$1,936 per tonne in the month of Jan '23 compared to US \$1,609 per tonne previous month. However, the guar split shipments gone down by 8% in Jan '23 compared to the same period last year. Of the total exported quantity, around 3,000 tonnes bought by China, US 630 tonnes and Switzerland 80 tonnes.



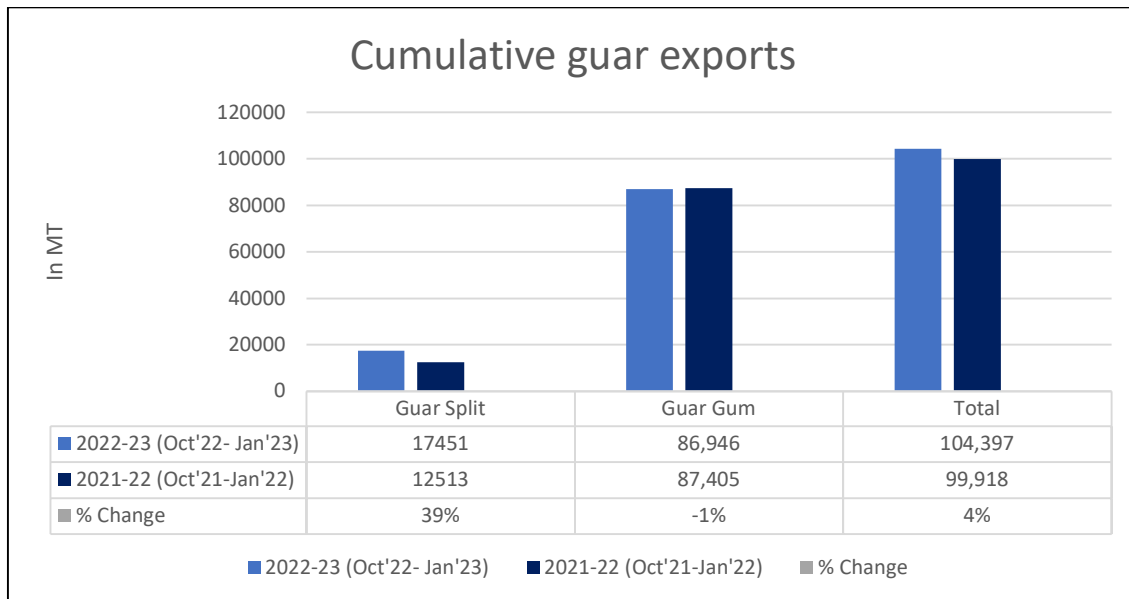


Guar Gum Exports: India's guar gum exports decreased in the month of January 2023 by 8% to 21,326 tonnes compared to 23,136 tonnes during previous month at an average FoB of US \$1482 per tonne in the month of Jan '2023 as compared to US \$1312 per tonne previous month. Further, the gum shipments were marginally down by 0.2% in Jan '2023 as compared to the corresponding year. Out of the total exported quantity, around 7,428 tonnes bought by USA, Russia 3,897 tonnes, Germany 1,458 tonnes, China 1,217 tonnes, Australia 1,005 tonnes and Italy 770 tonnes.



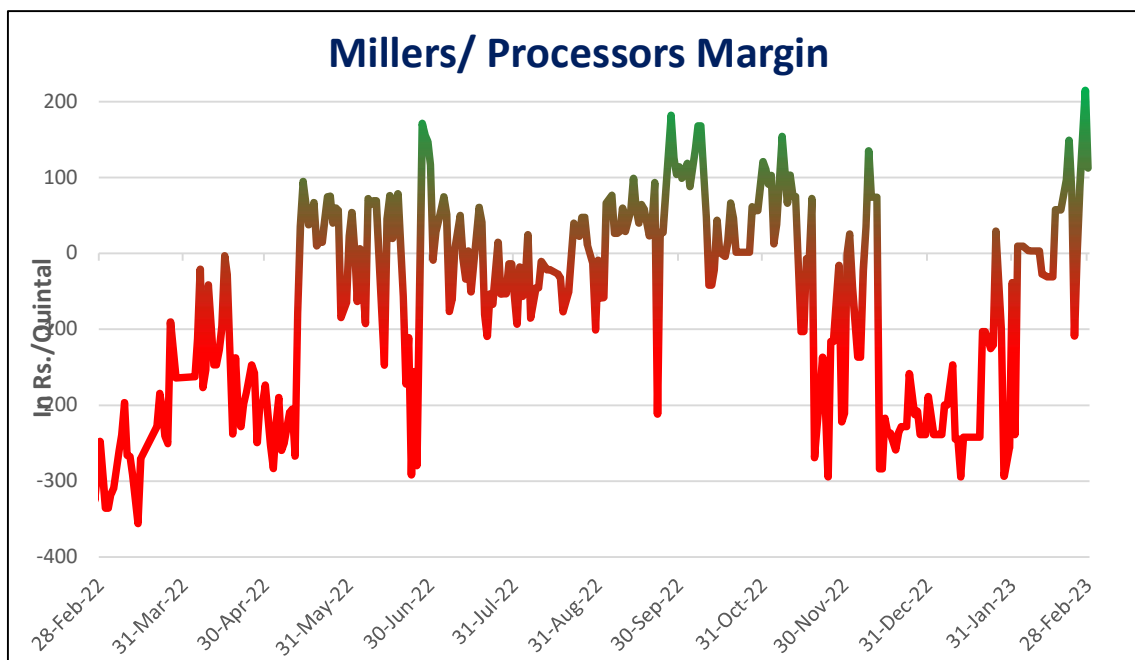


Total Cumulative Guar exports: Oct-Jan '23 recorded 4% higher exports at 10.4 Lakh tonnes as compared to 9.9 Lakh tonnes previous year same period.



Millers/Processors Margin

As seen in the chart, the average net crush margin of guar seed increased in February '23 to 20/ Qtl as compared to -194/ Qtl in January '23, due to correction in guar seed prices in the previous month and improvement in churi and korma demand.



Technical Analysis (Guar Seed)

Commodity: Guar Seed
Exchange: NCDEX

Expiry: Apr 20, 2023
Contract: Mar

Guar Seed (Feb, Monthly Chart)


Violet histogram indicating WTI crude oil price movement.

Technical Commentary:

- As seen in the above chart, market is currently trading above 9,50 and 100 DMA, while it is below 18 DMA, indicating weak market sentiments.
- During the month under review, Guar seed prices were bearish and went down by 3.83%, market made low at 5,623, high at 6,095 and closed at 5,755.
- MACD oscillator momentum indicating bearish sentiments.
- RSI is near 50, indicating weak buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Mar	5400	5500	5755	6400	6500
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Mar	SELL	5850	5600	5400	6000

Technical Analysis (Guar Gum)

Commodity: Guar Gum
Contract: Mar

Exchange: NCDEX
Expiry: Apr 20, 2023

Guar Gum (Feb, Monthly Chart)



Violet histogram indicating WTI crude oil price movement.

Technical Commentary:

- As seen in the above chart, market is currently trading above 9,50 and 100 DMA, while it is below 18 DMA, indicating firm market sentiments.
- During the month under review, Guar gum prices went down by 3.93%. Market made low at 11,625, high at 12,944 and closed at 12,183.
- MACD is indicating bearish sentiments.
- RSI is near 60, indicating firm buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Mar	11500	11400	12183	13300	13400
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Mar	SELL	12250	11600	13500	12300

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			28-Feb-23	31-Jan-23	
Rajasthan	Jodhpur	Jodhpur (Loose)	5550	5800	-250
		Jodhpur (Delivery)	5828	6090	-263
	Sri-Ganganagar	Sri-Ganganagar (Loose)	5500	5720	-220
		Sri-Ganganagar (Delivery)	5650	5870	-220
		Rawla (Loose)	5500	5870	-370
		Gharsana (Loose)	5500	5870	-370
		Raisinghnagar (Loose)	5400	Closed	-
	Bikaner	Bikaner (Loose)	5500	5850	-350
		Bikaner (Delivery)	5775	6143	-368
		Nokha (Loose)	5550	5825	-275
		Nokha (Delivery)	5828	6116	-289
		Khajuwala (Loose)	5700	5850	-150
		Khajuwala (Delivery)	5985	6143	-158
		Lunkaransar (Loose)	5723	6038	-315
	Hanumangarh	Hanumangarh (Loose)	5400	Closed	-
		Hanumangarh (Delivery)	5670	Closed	-
		Nohar (Loose)	NA	NA	-
		Pilibanga (Loose)	5450	NA	-
	Nagaur	Nagaur (Loose)	5600	5800	-200
	Churu	Churu (Delivery)	NA	5950	-
	Alwar	Alwar (Loose)	NA	5700	-
Haryana	Hisar	Adampur (Loose)	5480	5700	-220
		Adampur (Delivery)	5754	5985	-231
	Bhiwani	Bhiwani (Delivery)	5600	5825	-225
		Siwani (Loose)	5650	5950	-300
	Sirsa	Sirsa (Loose)	5500	5800	-300
		Dhabwali (Loose)	5420	5825	-405
		Dhabwali (Delivery)	5691	6116	-425
		Ellanabad (Loose)	5440	5470	-30
	Fatehabad	Fatehabad (Loose)	5300	5750	-450
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	Unch
	Patan	Patan (Loose)	5210	NA	-
	Rajkot	Rajkot (Loose)	5440	5725	-285
	Jamnagar	Dhrol (Loose)	5160	NA	-
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	5700	-

Guar Gum					
Rajasthan	Jodhpur	Jodhpur	12300	12700	-400
	Alwar	Alwar	NA	12600	-
	Hanumangarh	Nohar	NA	NA	-
Haryana	Bhiwani	Bhiwani	11950	13200	-1250
	Sirsa	Sirsa	12200	12800	-600
		Dhabwali	12200	12800	-600
		Ellanabad	12200	12800	-600
	Fatehabad	Fatehabad	12200	12800	-600

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			28-Feb-23	31-Jan-23	
Rajasthan	Jodhpur	Jodhpur	NA	NA	-
	Sri-Ganganagar	Sri-Ganganagar	300	125	175
		Rawla	NA	0	-
		Gharsana	NA	0	-
		Raisinghnagar	100	Closed	-
	Bikaner	Bikaner	700	1000	-300
		Nokha	250	600	-350
		Khajuwala	200	NA	-
		Lunkaransar	700	200	500
	Hanumangarh	Hanumangarh	70	Closed	-
		Nohar	NA	0	-
		Pilibanga	40	0	40
	Nagaur	Nagaur	50	NA	-
	Churu	Churu	0	200	-200
	Alwar	Alwar	0	NA	-
Haryana	Hisar	Adampur	1500	1000	500
	Bhiwani	Bhiwani	100	250	-150
		Siwani	700	800	-100
	Sirsa	Sirsa	1100	450	650
		Dhabwali	150	NA	-
		Ellanabad	450	140	310
	Fatehabad	Fatehabad	NA	0	-
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	8	0	8
	Rajkot	Rajkot	180	50	130

	Jamnagar	Dhrol	8	0	8
Madhya Pradesh	Gwalior	Dabra	NA	0	-
Total Arrivals/Above Markets			6606	4815	1791

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