

# Guar Monthly Research Report

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**Executive Summary**

During the month under review, the guar market showed bearish sentiments amid weak demand.

The monthly average prices of Guar seed extended previous month's loss and went down by 1% to Rs. 5,504/qtl. as compared to previous month at Rs. 5,562/qtl. amid the weak demand in the market.

The guar gum monthly average prices also extended the previous month's loss and went down by 2.4% to Rs. 11,248/qtl as compared to previous month at Rs. 11,522/qtl in tandem with Guar seed prices.

As per the data released by Baker Hughes, the average number of oilrigs in USA went down by 2% to 580 in May '23 as compared to 590 in the month of April '23. In the month of May '23, the crude oil prices recorded a fall of 11.32%.

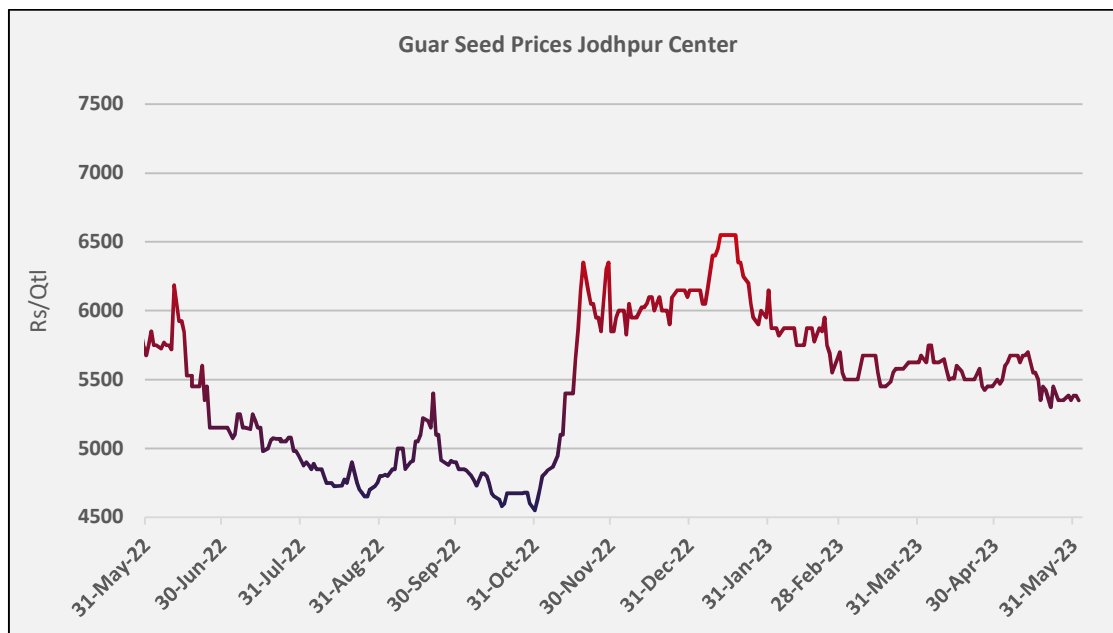
The Guar seed prices are expected to remain under pressure due to sluggish buying in the local market. Also, the abundant arrivals of seeds in the market are going to put pressure on the prices. But, the prediction of a delayed onset of monsoon is projected to prevent a significant decline and furthermore the potential El Nino weather phenomenon that could cause deficient rainfall will keep the guar prices in check.

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

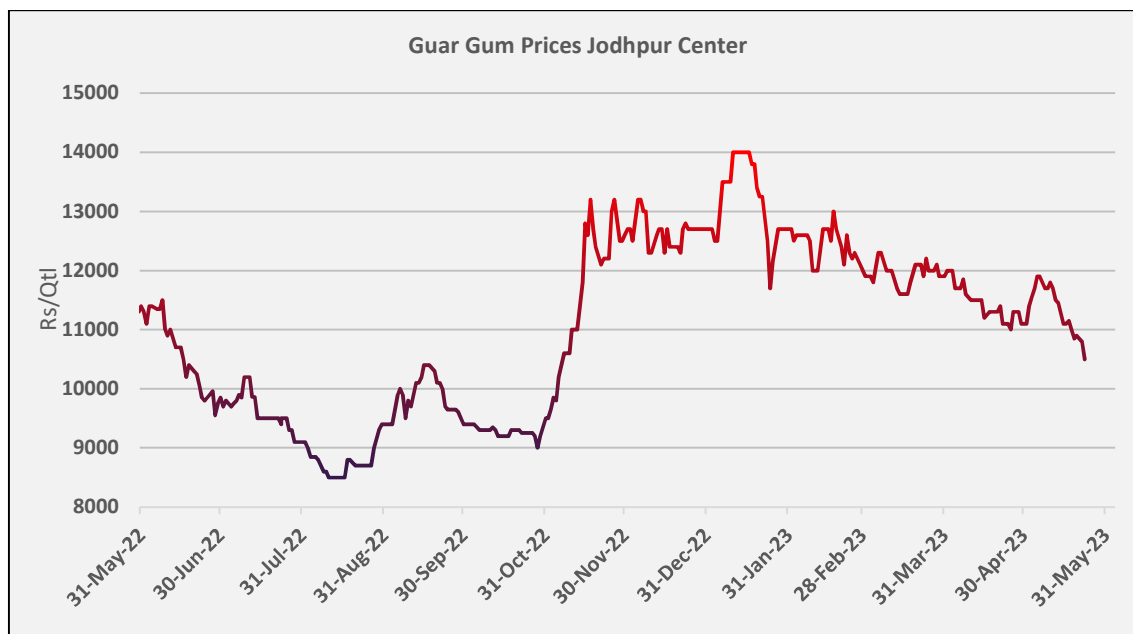
Guar seed delivery prices are expected to show weak bias amid weak demand and good seed arrivals in the market. The seed prices are likely to trade in the range between 5,400 –5,800/Qtl. in the short-run and guar gum likely to trade in the range of 10,500-11,500.

### Domestic Market Fundamentals

During the month under review, monthly average prices of Guar seed extended previous month's loss and went down by 1% to Rs. 5,504/qtl. as compared to previous month at Rs. 5,562/qtl. amid the weak demand in the market.



During the month under review, guar gum monthly average prices also extended the previous month's loss and went down by 2.4% to Rs. 11,248/qtl as compared to previous month at Rs. 11,522/qtl in tandem with Guar seed prices.



### Monsoon 2023 and Guar Sowing Progress

According to the press release by IMD, the onset of SW Monsoon over the mainland Kerala is likely to be delayed from normal date of onset. The SW Monsoon onset over Kerala is likely to be on 9th June, 2023 with a model error of +/-4 days. So, it is expected that the guar sowing might get delayed and lead to lower crop production in the coming season.

The Guar sowing has started in some parts of North-western parts of Rajasthan like Sri Ganganagar and Hanumangarh and Gujarat. As per the latest data released by the Gujarat Agriculture Department, the Guar seed crop has been sown in 2,964 Ha of area as compared to last three-year average in 3,830 Ha.

The expectation of deficient rainfall due to El Nino effect and delayed arrival of monsoon may cause dry weather situations in the mid-June and July that may lead to more sowing of Guar in this season and higher production.

### WTI Crude Oil

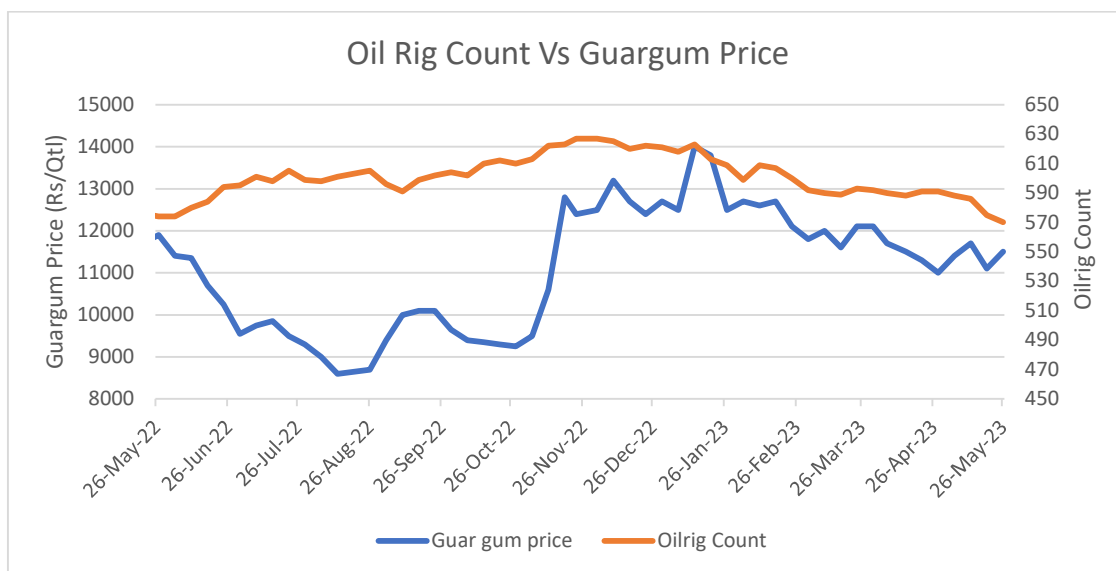
WTI Crude oil 31st May '23	% Change
31st May '23	-1.97%
1 Week	-1.28%
Month till date	-11.32%

In the month of May '23, the crude oil prices recorded a fall of 11.32%, this decline in oil prices was attributed to concerns about the rising U.S. debt, and the anxiety surrounding which had a negative effect on oil prices. This was because negotiations between Republicans and the Biden administration regarding the debt ceiling were temporarily halted.

The decline in crude oil prices lowered the demand of guar gum further and hence the guar prices remained bearish in the previous month.

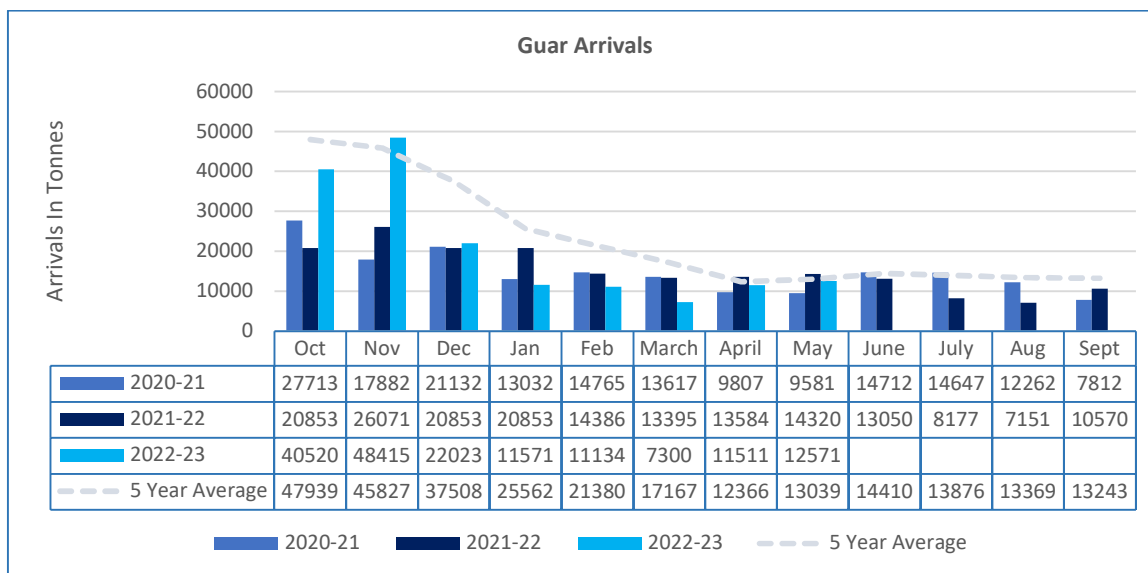
### Oilrig count Vs Guar gum price

As per the data released by Baker Hughes, the average number of oilrigs in USA went down by 2% to 580 in May '23 as compared to 590 in the month of April '23. In the month of May, the rig count reached the lowest count of this year at 555 amid the continuous decline in crude oil prices and low demand. While the average Guar gum prices also went down by 5% in May'23 as compared to April'23.



### **Arrivals**

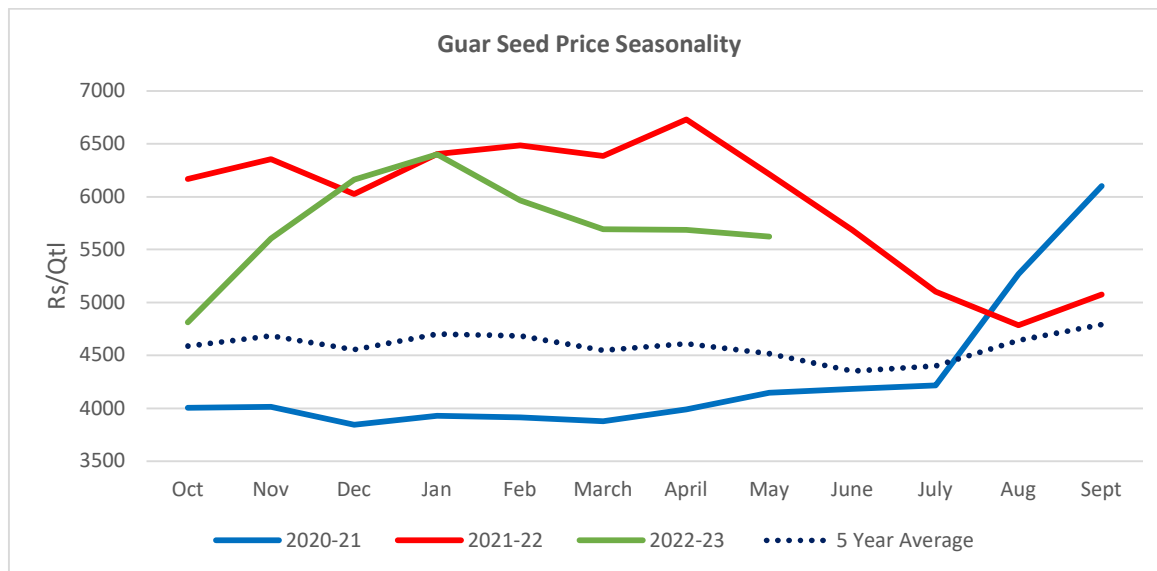
In the period between Oct-May '23, Guar seed arrivals are down by 34% at 1,65,045 tonnes as compared to 2,20,787 tonnes five years average. While in the month of May '23, the arrivals went up by 9% to 12,571 tonnes as compared to 11,511 tonnes in the month of Apr '23. The arrivals went up during the month as the farmers offloaded their older stocks amid the bearish price sentiments in the market.



Source: Agmarknet

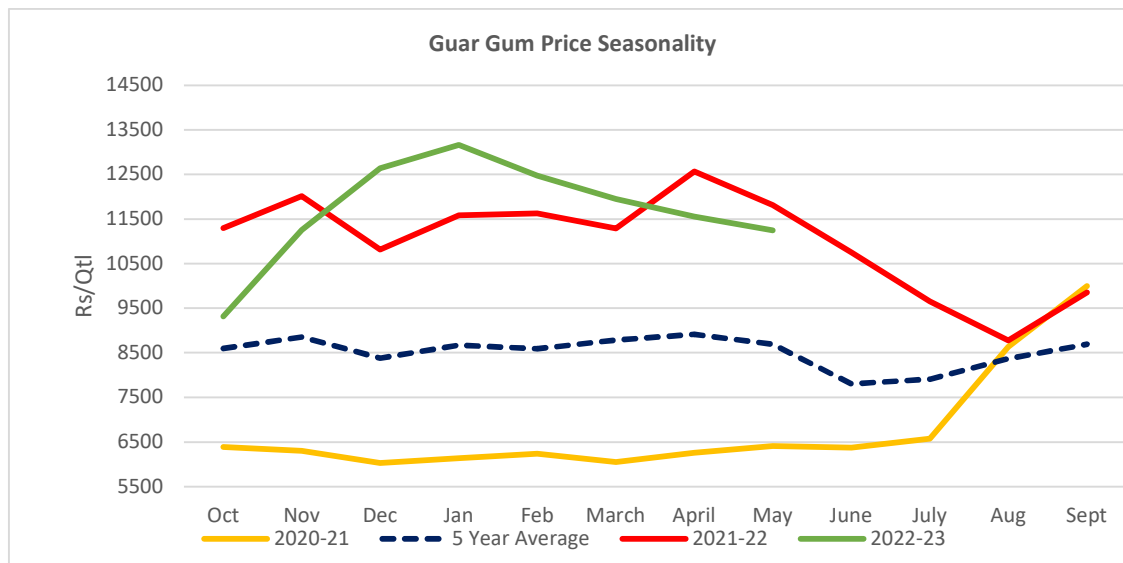
### Guar Seed Price Seasonality

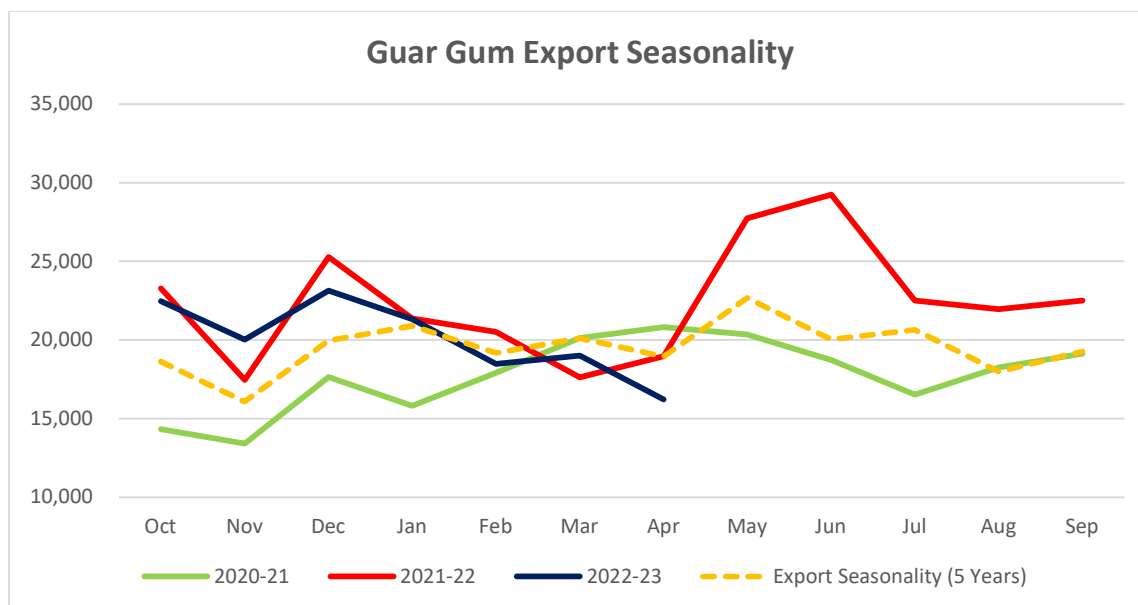
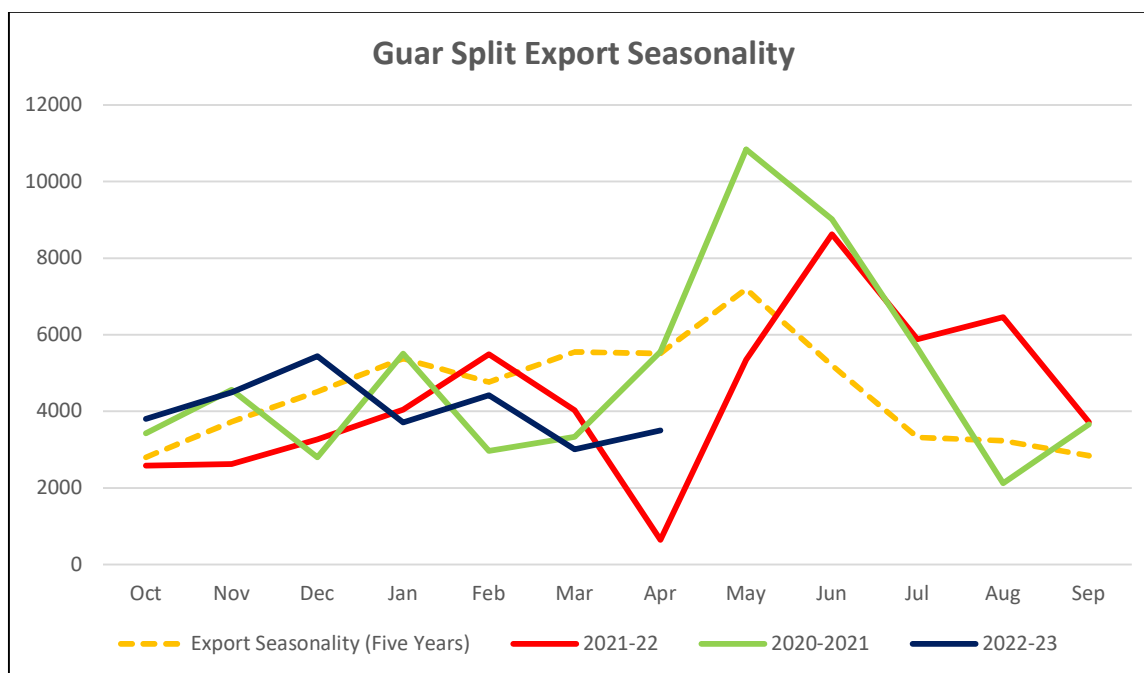
The average guar seed price in the month of May '23 was 24% above the five-year average price. While the price has declined by 12% this year due to low demand and good arrivals in the market.



### Guar Gum Price seasonality

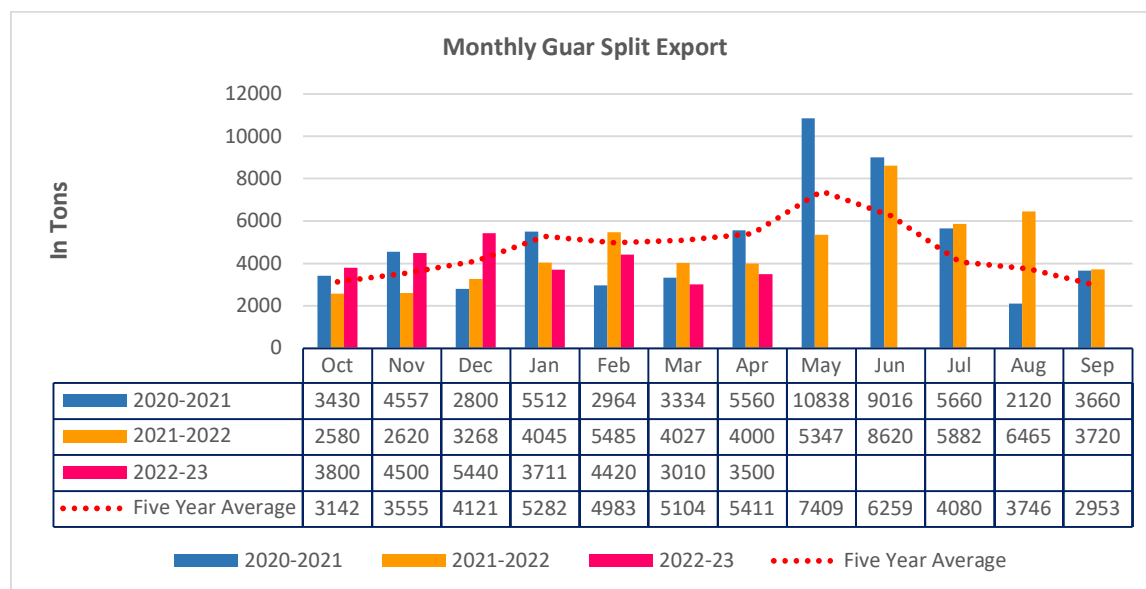
The guar gum prices in the month of May '23 was 29% above the five-year average price, while the prices declined by 3% as compared to the previous month.



**Guar Gum Export seasonality**

**Guar Split export seasonality**


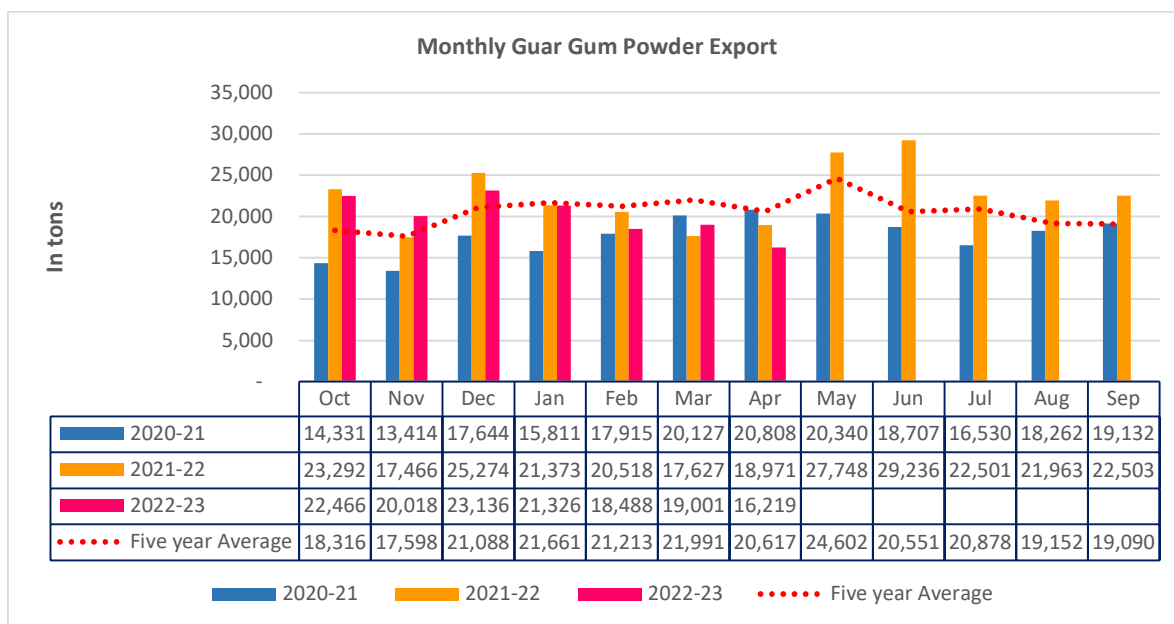
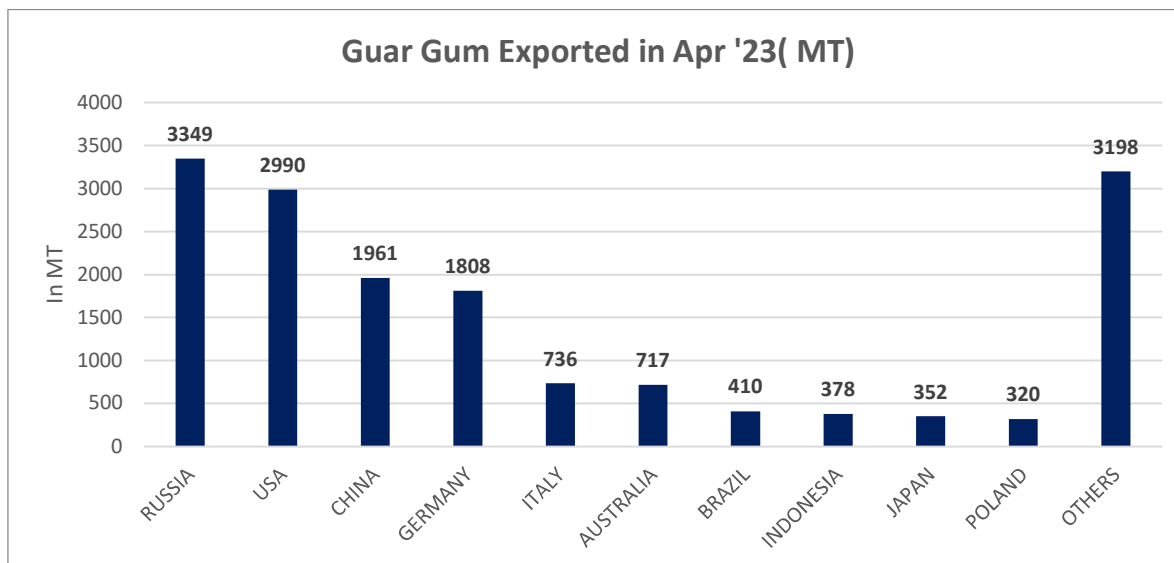
**Export Scenario: April 2023**
**Guar Split Exports**

In the month of April 2023, India's guar split saw a jump of 16% to 3,500 tonnes at an average FoB of US\$ 1489 per tonne, as compared to 3,010 tonnes in the month of March '23 at an average FoB of US\$ 1,646 per tonne. However, the guar split shipments went down by 13% as compared to the same period last year. This month, China was the only importer of guar split.

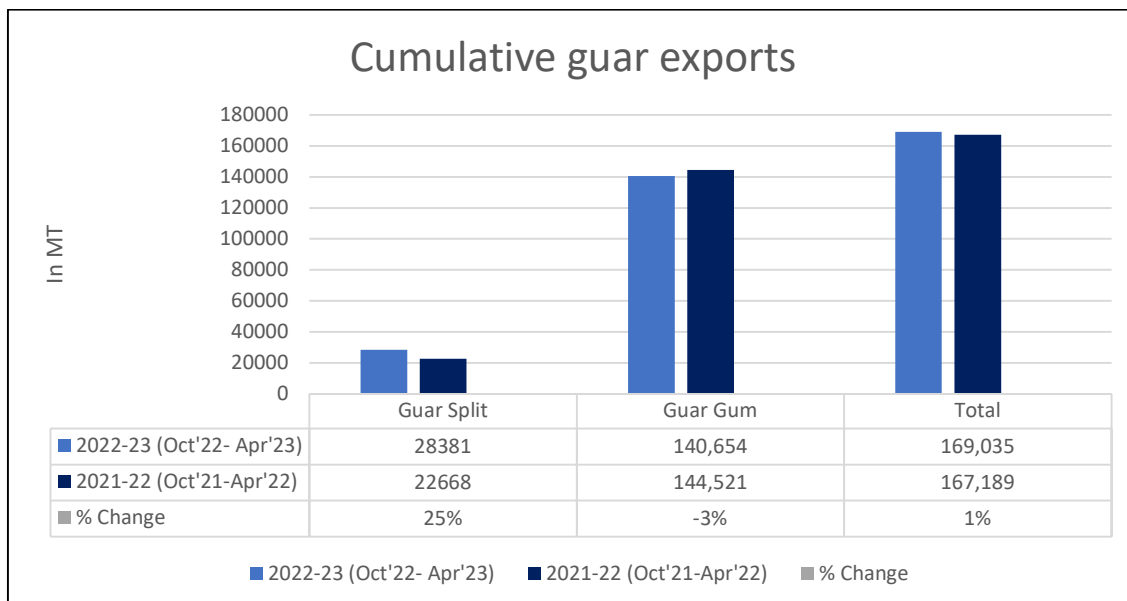

**Guar Gum Exports:**

The Guar gum exports in the month of April 2023 dropped down by 14.6% to 16,219 tonnes at an average FoB of US \$1,455 per tonne as compared to 19,001 tonnes in the month of March 2023 at a FoB of US \$1,558 per tonne. Further, the gum shipments also went down by 15% in April '23 as compared to the corresponding year. The decline in exports during April can be attributed to a decrease in demand from major exporting countries. This drop in demand is exemplified by the decrease in the US oil rig count, which has reached its lowest point in a year, indicating reduced demand for crude oil in the current period



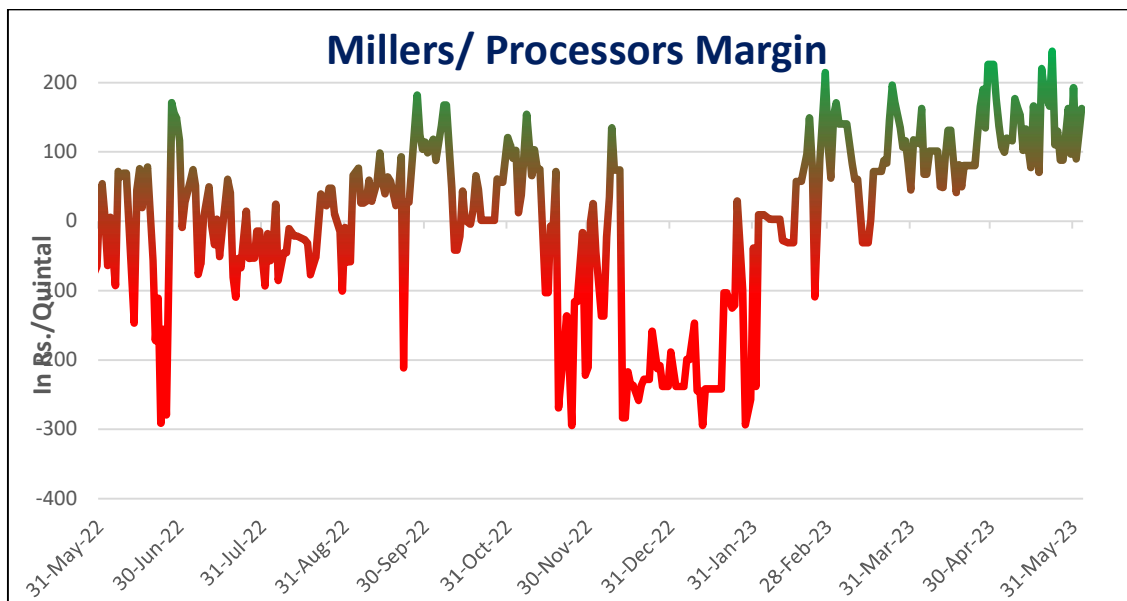

**Major Guar Gum Importing Countries (Apr '23)**


**Total Cumulative Guar exports:** Oct-Apr '23 recorded 1% higher exports at 1.69 Lakh tonnes as compared to 1.67 Lakh tonnes previous year same period. Majorly, the guar splits exports were higher in the month of April '23 while the guar gum exports went down by 3%.



#### **Millers/Processors Margin**

As seen in the chart, the average net crush margin of guar seed increased in May '23 to 142/ Qtl as compared to 105/ Qtl in April '23, due to good arrivals in the market and better demand of churi and korma.



**Technical Analysis (Guar Seed)**

**Commodity: Guar Seed**  
**Contract: June**

**Exchange: NCDEX**  
**Expiry: June 20, 2023**

**Guar Seed (June, Monthly Chart)**

**Technical Commentary:**

- As seen in the above chart, market is currently trading above 50 and 100 DMA, while it is below 9 and 18 DMA, indicating bearish market sentiments.
- Although, the guar seed prices are at a 6-month low but during the month under review, guar seed prices went marginally up by 0.6%, market made low at 5,330, high at 5,878 and closed at 5,503.
- MACD oscillator indicating bearish momentum.
- RSI is near 51, indicating weak buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	June	5200	5100	5503	5900	6000
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	June	<b>SELL</b>	5550	5350	5300	5800

### Technical Analysis (Guar Gum)

**Commodity:** Guar Gum  
**Contract:** June

**Exchange:** NCDEX  
**Expiry:** June 20, 2023

#### Guar Gum (June, Monthly Chart)



Violet histogram indicating WTI crude oil price movement.

#### Technical Commentary:

- As seen in the above chart, market is currently trading above 50 and 100 DMA, while it is below 9 and 18 DMA, indicating bearish market sentiments.
- The Guar gum prices are at a 6-month low and during the month under review, Guar gum prices went marginally down by 0.32%. Market made low at 10,370, high at 11,790 and closed at 10,908.
- MACD is indicating bearish sentiments.
- RSI is near 52, indicating weak buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	June	10400	10300	10908	12000	12100
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	June	<b>SELL</b>	11000	10560	10500	11850

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			31-May-23	28-Mar-23	
Rajasthan	Jodhpur	Jodhpur (Loose)	5200	5475	-275
		Jodhpur (Delivery)	5460	5749	-289
	Sri-Ganganagar	Sri-Ganganagar (Loose)	5100	5350	-250
		Sri-Ganganagar (Delivery)	5250	5500	-250
		Rawla (Loose)	5200	5350	-150
		Gharsana (Loose)	5300	5350	-50
		Raisinghnagar (Loose)	5200	5350	-150
	Bikaner	Bikaner (Loose)	Closed	5400	-
		Bikaner (Delivery)	Closed	5670	-
		Nokha (Loose)	5250	5400	-150
		Nokha (Delivery)	5513	5670	-158
		Khajuwala (Loose)	5350	Closed	-
		Khajuwala (Delivery)	5618	Closed	-
		Lunkaransar (Loose)	5300	5400	-100
	Hanumangarh	Hanumangarh (Loose)	5200	5450	-250
		Hanumangarh (Delivery)	5460	5723	-263
		Pilibanga (Loose)	5200	5350	-150
	Nagaur	Nagaur (Loose)	5275	Closed	-
	Churu	Churu (Delivery)	5400	NA	-
	Alwar	Alwar (Loose)	5000	NA	-
Haryana	Hisar	Adampur (Loose)	5200	5360	-160
		Adampur (Delivery)	5460	5628	-168
	Bhiwani	Bhiwani (Delivery)	5400	5600	-200
		Siwani (Loose)	5450	5550	-100
	Sirsa	Sirsa (Loose)	5200	5400	-200
		Dhabwali (Loose)	5275	5350	-75
		Dhabwali (Delivery)	5539	5618	-79
		Ellanabad (Loose)	5275	5350	-75
	Fatehabad	Fatehabad (Loose)	5100	5350	-250
	Patan	Patan (Loose)	5285	NA	-
	Jamnagar	Dhrol (Loose)	5095	NA	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	11000	12200	-1200
	Alwar	Alwar	10800	NA	-
Haryana	Bhiwani	Bhiwani	10550	11950	-1400

	Sirsa	Sirsa	10900	12000	-1100
		Dhabwali	11000	11700	-700
		Ellanabad	11000	12000	-1000
	Fatehabad	Fatehabad	10900	12000	-1100

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			31-May-23	28-Mar-23	
	Sri-Ganganagar	Sri-Ganganagar	20	200	-180
		Raisinghnagar	NA	100	-
	Bikaner	Bikaner	Closed	500	-
		Nokha	400	200	200
		Khajuwala	100	Closed	-
		Lunkaransar	500	600	-100
	Hanumangarh	Hanumangarh	30	200	-170
		Pilibanga	NA	40	-
Haryana	Hisar	Adampur	NA	800	-
	Bhiwani	Bhiwani	NA	150	-
		Siwani	700	400	300
	Sirsa	Sirsa	500	600	-100
		Dhabwali	70	50	20
		Ellanabad	50	50	Unch
	Patan	Patan	9	NA	-
	Jamnagar	Dhrol	23	NA	-
Total Arrivals/Above Markets			2402	3890	-1488

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