

Guar Weekly Research Report

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Guar Seed Fundamental Analysis

Executive Summary

Firm sentiments witnessed in the guar seed cash market yards, during the week under review. Relaxation in lockdown and hopes that there will be fresh overseas demand in guar gum. Further, weaker rupee against the US dollar will make the guar gum exports cheaper for the importers.

Volume of trade remained thin in the cash market yards, due to weak domestic and overseas demand of the guar products.

As per data released by Baker Hughes, the number of oilrigs in USA has lowered by 5 to 258 as on 10th July 2020 compared to 263 last week and down by 700 compared to 12 July 2019. Total number of oilrigs was recorded at 1,094 in Jun'20 compared to 3,878 in the corresponding period in last year.

Export of guar gum have improved in the month of May-20 by 81 percent compared to previous month. India exported around 17085 tonnes of guar gum at an average FoB of \$ 1360 per tonne in the month of May-20 compared to 9437 tonnes in April-20 at an average FoB of \$ 1599 per tonne. Of the total 3008 tonnes have been exported to Russia. Exports are expected to increase in June-20 on improving crude and gradual increase in oilrigs overseas.

Export of guar split have improved in the month of May-20. Exports in the month of May-20 are up by around 104% compared to previous month. India exported around 17642 tonnes of guar split in the month of May-20 at an average FoB of \$ 1740 per tonne compared to 8640 tonnes in April-20 at an average FoB of \$ 985 per tonne. Of the total quantity, around 2964 tonnes have been exported to US.

Previous Updates:

Export of guar gum have further declined in the month of April-20 by 32 percent compared to previous month. India exported around 9437 tonnes of guar gum at an average FoB of \$ 1599 per tonne in the month of April-20 compared to 13820 tonnes in March-20 at an average FoB of \$ 1815 per tonne. Of the total 2266 tonnes have been exported to Germany. Exports are expected to decline in May-20 on weak demand in overseas markets.

Export of guar split have improved in the month of April-20. Exports in the month of April-20 are up by around 177% compared to previous month. India exported around 8640 tonnes of guar split in the month of April-20 at an average FoB of \$ 985 per tonne. Of the total quantity, around 7920 tonnes have been exported to China.

Recommendation:

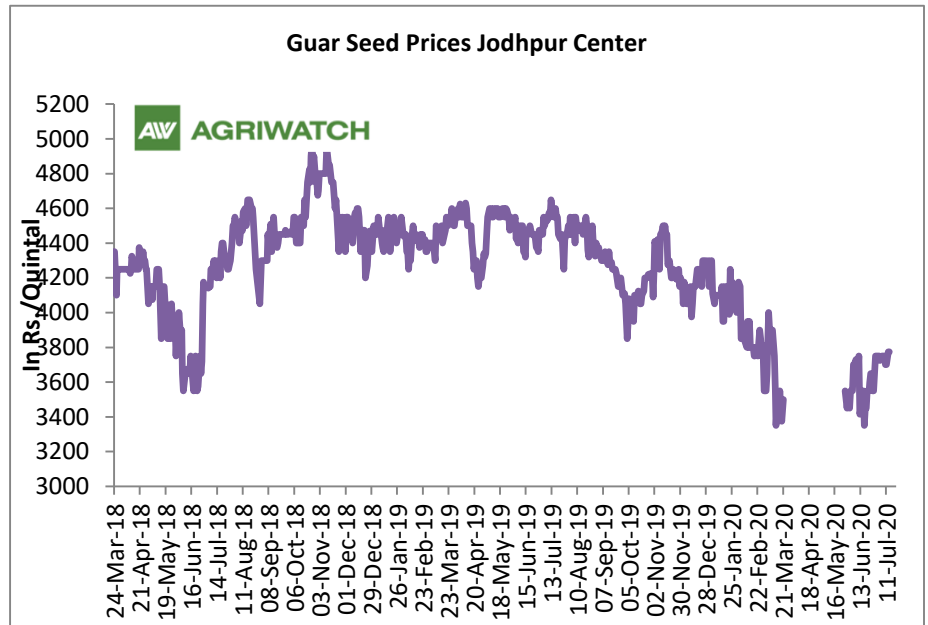
Weekly Call- : Market participants are advised to BUY Guar seed future August contract above 3650 levels for a target of 3750 with a stop loss at 3590.

Outlook:-

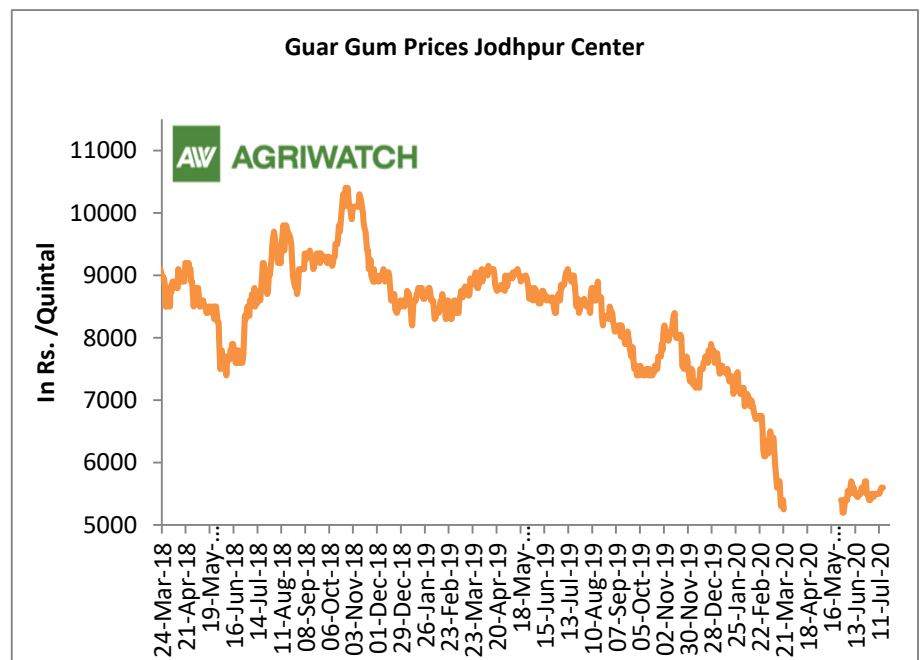
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Domestic Front

- The guar seed prices have showed some recovery after the sharp fall post coronavirus pandemic.



- Guar gum prices too showed some sign of recovery after a recent sharp fall after March'20.

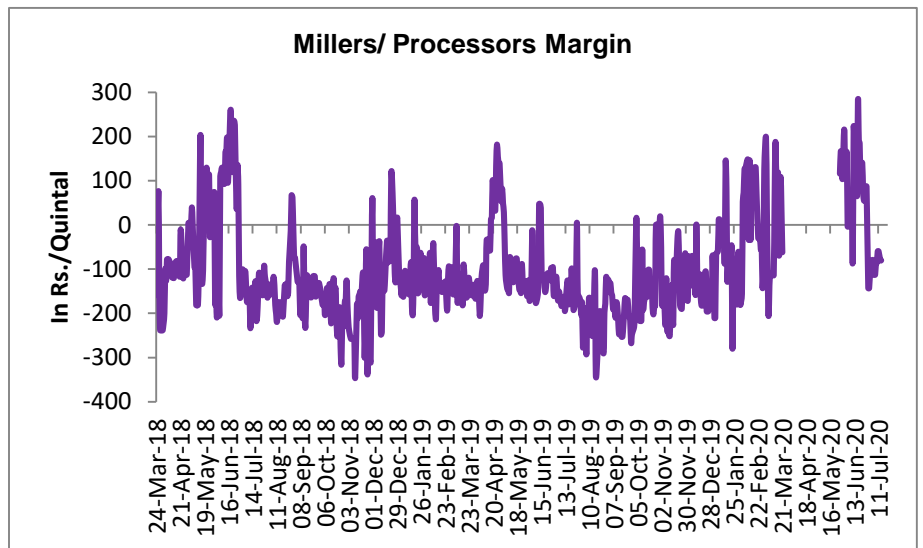


- According to second advance estimate for 2019-20, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 145000 hectares, 107960 tonnes and 744.52 kg/hectare respectively. As per final estimate for 2018-19 issued by Gujarat's Department of Agriculture for Guar seed the area, production and yield are 134100 hectares, 75380 tonnes and 562.11 kg/hectare respectively.

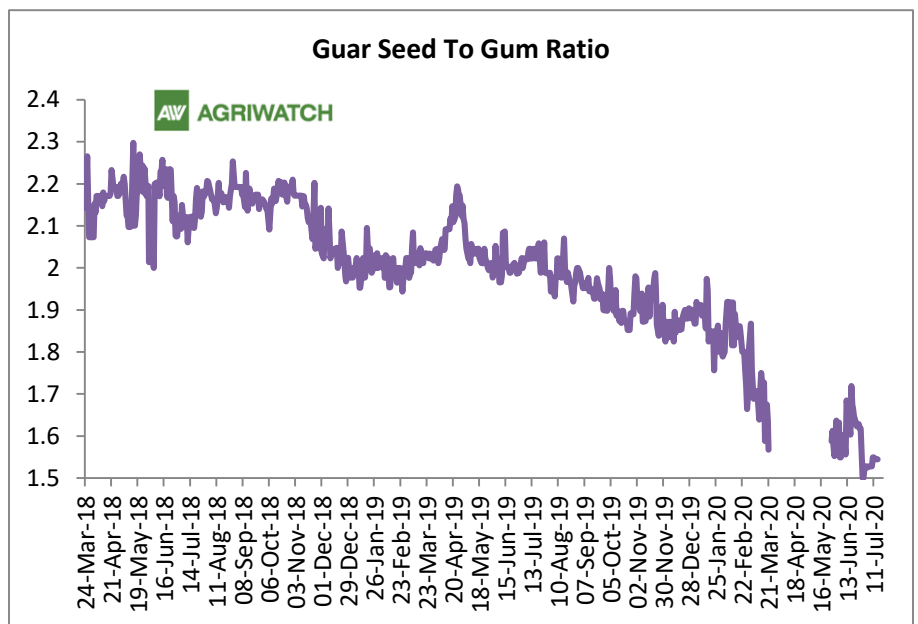
- According to second advance estimate for Kharif 2019-20, issued by Rajasthan's Department of Agriculture for Guar seed, the area, production and yield are 2841314 hectares, 1208100 tonnes and 425 kg/hectare respectively. According to fourth advance estimate for 2018-19, issued by Rajasthan's Department of Agriculture for Guar seed, the area, production and yield are 3087789 hectares, 1031427 tonnes and 334 kg/hectare respectively.

Millers/Processors Margin

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Guar Seed to Gum Ratio



Guar Gum Weekly Export

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Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08 May-2020	3638	1715
9-16 May-2020	4555	1220
17-24 May-2020	4654	1250
25-31 May-2020	4238	1255
Total	17085	1360

Source: Trade

Technical Analysis (Guar Seed)

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Commodity: Guar Seed
Contract: Aug

Exchange: NCDEX
Expiry: Aug 20, 2020

Guar Seed (Aug Daily Chart)



Technical Commentary:

- Guar Seed posted gains on buying support, during the week.
- Prices closed above 18-day EMA.
- RSI and stochastic are rising in the neutral region, supporting the gains.
- Prices are likely to feature gains in near-term.

Strategy: BUY

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Aug	3300	3200	3682	4000	4100
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Aug	BUY	Above 3650	3750	3800	3590

Contract: Aug

Expiry: Aug 20, 2020

Guar Gum (Aug Daily Chart)



Technical Commentary:

- Guar gum posted gains, during the week.
- RSI and stochastic are rising in the neutral region.
- Prices closed above 9 day EMA.
- Prices are expected to gains in near-term.

Strategy: BUY

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Aug	5200	5150	5512	5775	5900
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Aug	BUY	Above 5450	5550	5600	5390

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices:				
Commodity	Centre	03rd Jul to 09th Jul 2020	26th Jun to 02nd Jul 2020	Change

Churi	Jodhpur	2035	2050	-15
Korma	Jodhpur	2906	2850	56
Churi	Sri-Ganganagar	1775	1800	-25
Korma	Sri-Ganganagar	2825	2763	62
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	03rd Jul to 09th Jul 2020	26th Jun to 02nd Jul 2020	Change
Guargum Split		748	742	7
Guargum Powder	200 Mesh 5000 CPS	1002	994	9
	200 Mesh 3500 CPS	936	927	8
Guargum Meal	40%	388	384	3
	50%	508	503	4
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			03rd Jul to 09th Jul 2020	26th Jun to 02nd Jul 2020	
Guar Seed	Jodhpur	Jodhpur (Loose)	3596	3533	63
		Jodhpur(Delivery)	3776	3710	66
	Sri-Ganganagar	Sri-Ganganagar(Loose)	#N/A	#N/A	-
		Sri-Ganganagar (Delivery)	#N/A	#N/A	-
		Rawla (Loose)	#N/A	#N/A	-
		Gharsana (Loose)	#N/A	#N/A	-
		Raisinghnagar (Loose)	#N/A	#N/A	-
	Bikaner	Bikaner (Loose)	3424	3338	87
		Bikaner (Delivery)	3595	3504	91
		Nokha(Loose)	0	0	Unch
		Nokha (Delivery)	0	0	Unch
		Khajuwala (Loose)	3375	3367	8
		Khajuwala (Delivery)	3544	3535	9
		Lunkaransar (Loose)	3400	3442	-42
	Hanumangarh	Hanumangarh (Loose)	0	0	Unch
		Hanumangarh (Delivery)	0	0	Unch
		Nohar (Loose)	0	0	Unch
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	0	0	Unch

	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3433	3393	40
		Adampur (Delivery)	3605	3563	42
	Bhiwani	Bhiwani (Delivery)	0	0	Unch
		Siwani (Loose)	3618	3557	62
	Sirsa	Sirsa (Loose)	0	0	Unch
		Dhabwali (Loose)	0	0	Unch
		Dhabwali (Delivery)	0	0	Unch
		Ellanabad (Loose)	0	0	Unch
Fatehabad	Fatehabad (Loose)	3400	3298	102	
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	0	0	Unch
	Rajkot	Rajkot (Loose)	3447	3418	29
	Jamnagar	Dhrol (Loose)	0	1315	-1315
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	5492	5608	-117
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	0	0	Unch
	Sirsa	Sirsa	0	0	Unch
		Dhabwali	0	0	Unch
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	5467	5581	-114

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
			03rd Jul to 09th Jul 2020	26th Jun to 02nd Jul 2020	
Guar Seed					
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	#N/A	#N/A	-
		Rawla	#N/A	#N/A	-
		Gharsana	#N/A	#N/A	-
		Raisinghnagar	#N/A	#N/A	-
	Bikaner	Bikaner	1700	1100	600
		Nokha	0	0	Unch
		Khajuwala	1100	1550	-450
Lunkaransar		50	510	-460	

	Hanumangarh	Hanumangarh	0	0	Unch
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	0	0	Unch
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	1450	1275	175
	Bhiwani	Bhiwani	0	0	Unch
		Siwani	4200	3100	1100
	Sirsa	Sirsa	0	0	Unch
		Dhabwali	0	0	Unch
		Ellanabad	0	0	Unch
Fatehabad	Fatehabad	220	255	-35	
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	0	0	Unch
	Rajkot	Rajkot	250	370	-120
	Jamnagar	Dhrol	0	31	-31
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			#N/A	#N/A	779

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
			10-Jul-20	3-Jul-20	10-Jun-20	10-Jul-19
Guar Seed	Jodhpur	Jodhpur (Loose)	3550	3600	3500	4400
		Jodhpur(Delivery)	3728	3780	3675	4620
	Sri-Ganganagar	Sri-Ganganagar(Loose)	NA	0	0	4100
		Sri-Ganganagar (Delivery)	NA	0	0	4250
		Rawla (Loose)	NR	0	0	4070
		Gharsana (Loose)	NR	0	0	NR
		Raisinghnagar (Loose)	NA	0	0	4120
	Bikaner	Bikaner (Loose)	3410	3400	3300	4150
		Bikaner (Delivery)	3581	3570	3465	4358
		Nokha(Loose)	NA	0	0	4160
		Nokha (Delivery)	NA	0	0	4368
		Khajuwala (Loose)	3400	3350	3300	4100
		Khajuwala (Delivery)	3570	3518	3465	4305

		Lunkaransar (Loose)	Closed	3400	3300	4150
	Hanumangarh	Hanumangarh (Loose)	NA	0	0	3850
		Hanumangarh (Delivery)	NA	0	0	4043
		Nohar (Loose)	NR	0	0	4100
		Pilibanga (Loose)	NA	0	0	3971
	Nagaur	Nagaur (Loose)	NA	0	0	4100
	Churu	Churu (Delivery)	NA	0	0	0
	Alwar	Alwar (Loose)	NA	0	0	3925
Haryana	Hisar	Adampur (Loose)	3480	3400	3350	4150
		Adampur (Delivery)	3654	3570	3518	4358
	Bhiwani	Bhiwani (Delivery)	0	0	3575	4300
		Siwani (Loose)	3640	3600	3520	4250
	Sirsa	Sirsa (Loose)	NA	0	0	4125
		Dhabwali (Loose)	NA	0	0	4050
		Dhabwali (Delivery)	NA	0	0	4253
		Ellanabad (Loose)	NR	0	0	4050
	Fatehabad	Fatehabad (Loose)	3500	3350	3350	4000
	Gujarat	Banaskantha	Deesa (Loose)	NA	0	0
Patan		Patan (Loose)	NA	0	0	3935
Rajkot		Rajkot (Loose)	3475	3450	3350	4025
Jamnagar		Dhrol (Loose)	NA	0	NA	0
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	5500	5500	5525	8975
	Alwar	Alwar	NA	0	0	NR
	Hanumangarh	Nohar	NR	0	0	8800
Haryana	Bhiwani	Bhiwani	0	0	5300	8825
	Sirsa	Sirsa	NA	0	0	8900
		Dhabwali	NA	0	0	8900
		Ellanabad	NR	0	0	8900
	Fatehabad	Fatehabad	5550	5400	5500	8950

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