



Guar Weekly Research Report

Table of Contents

- ❖ **Executive Summary**
- ❖ **Recommendations**
- ❖ **Domestic Market Fundamentals**
- ❖ **Processing Margins**
- ❖ **Guar Seed to Gum Ratio**
- ❖ **Guar Gum Weekly Exports**
- ❖ **Technical Analysis (Guar Seed)**
- ❖ **Technical Analysis (Guar Gum)**
- ❖ **Guar Seed & Gum Prices at Key Spot Markets**
- ❖ **Guar Seed Arrivals at Key Centers**

Guar Seed Fundamental Analysis**Executive Summary**

Firm sentiments witnessed in the guar seed cash market yards, during the week under review. Steady to firm crude and weaker rupee against the US dollar is expected to improve the guar gum exports.

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 253 as on 17th July 2020 compared to 258 last week and down by 701 compared to 19 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.

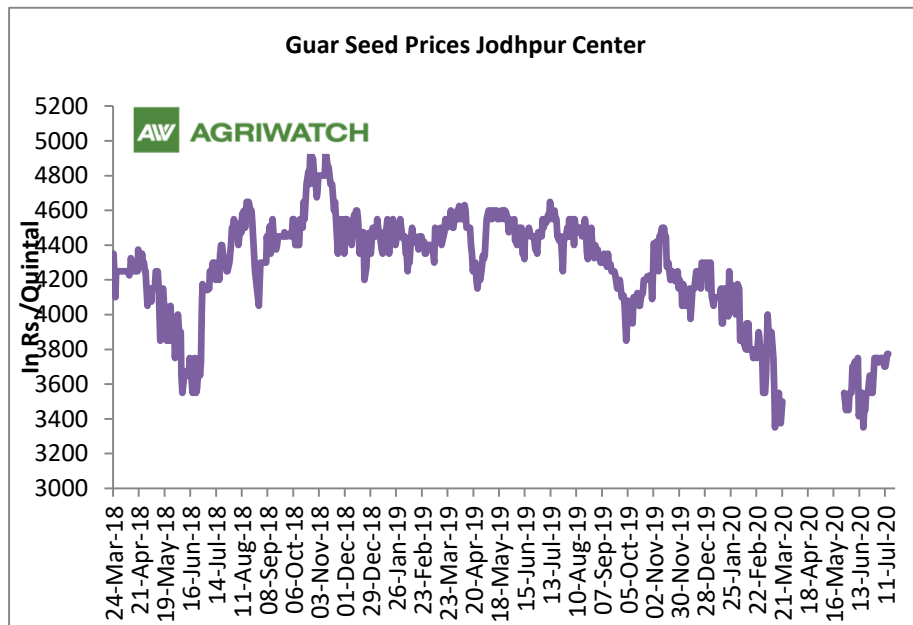
Domestic Guar Seed Market Summary

Outlook:-

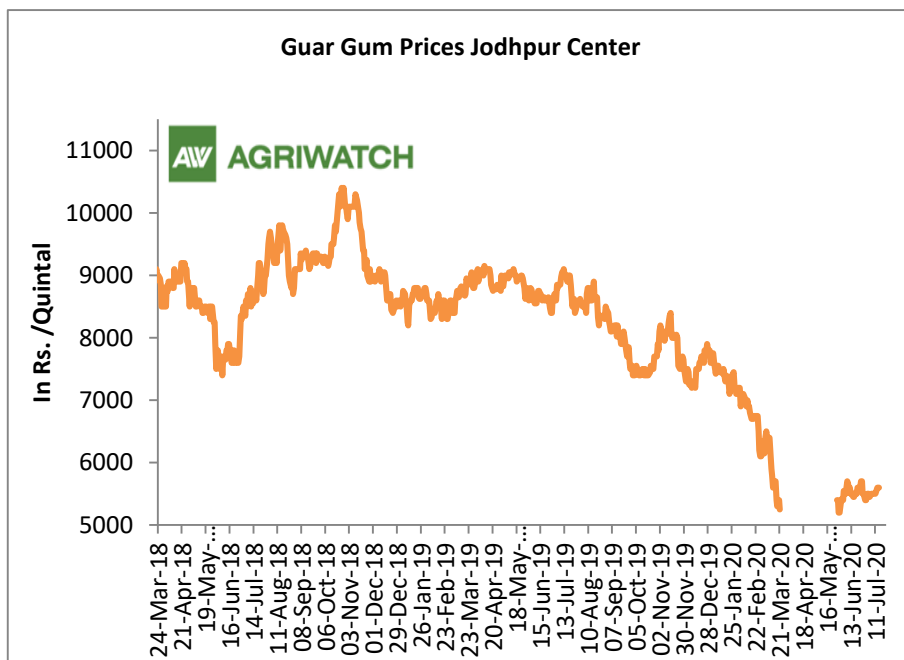
[\(Back to Table of Contents\)](#)

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.



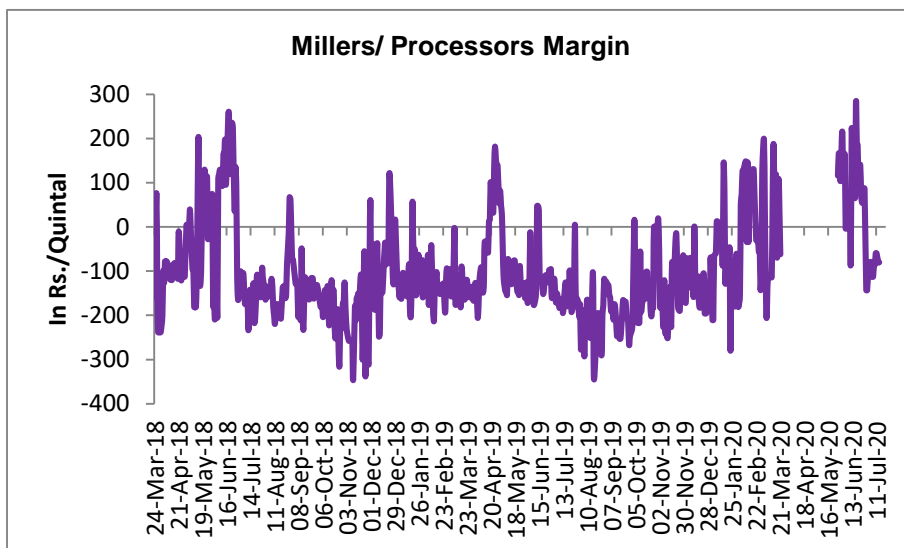
- According to second advance estimate for 2019-20, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 145000 hectares, 107960 tonnes and 744.52 kg/hectare respectively. As per final estimate for 2018-19 issued by Gujarat's Department of Agriculture for Guar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

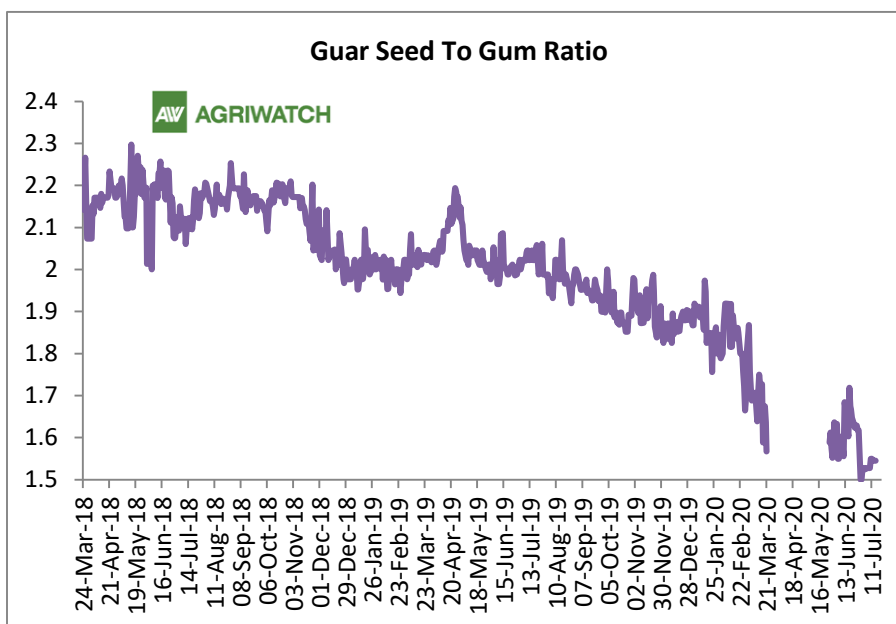
[\(Back to Table of Contents\)](#)

As seen in the chart, the average crush margin of guar seed have slightly improved as compared to pre-COVID lockdown, average crush margin increased to Rs. +55/quintal in June'20 compared to Rs. -17/quintal in March'20. Increase in prices of Churi have supported the total return and decreased the total cost, which has caused the margin to rise as compared to last month. Higher price trend of Korma has also supported margin to increase.



Guar Seed to Gum Ratio

Ratio of guar seed to gum stood at 1.6 in June compared to 1.7 in March'20, pre-COVID lockdown. Overall, poor demand of gum from domestic markets has kept the overall ratio lower side.



Guar Gum Weekly Export

([Back to Table of Contents](#))

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)

([Back to Table of Contents](#))

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

Technical Analysis (Guar Gum)

([Back to Table of Contents](#))

Commodity: Guar Gum
Contract: Aug

Exchange: NCDEX
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[\(Back to Table of Contents\)](#)

Guar by – Products Weekly Average Prices:				
Commodity	Centre	10th Jul to 16th Jul 2020	03rd Jul to 09th Jul 2020	Change
Churi	Jodhpur	2033	2035	-2
Korma	Jodhpur	2925	2906	19
Churi	Sri-Ganganagar	1800	1775	25
Korma	Sri-Ganganagar	2850	2825	25
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	10th Jul to 16th Jul 2020	03rd Jul to 09th Jul 2020	Change
Guargum Split		744	748	-4
Guargum Powder	200 Mesh 5000 CPS	997	1002	-5
	200 Mesh 3500 CPS	931	936	-5
Guargum Meal	40%	386	388	-2
	50%	505	508	-3
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			10th Jul to 16th Jul 2020	03rd Jul to 09th Jul 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3595	3596	-1
		Jodhpur(Delivery)	3775	3776	-1
	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)	3436	3424	12
		Bikaner (Delivery)	3608	3595	12
		Nokha(Loose)	0	0	Unch
		Nokha (Delivery)	0	0	Unch
		Khajuwala (Loose)	3379	3375	4

		Khajuwala (Delivery)	3548	3544	4
		Lunkaransar (Loose)	3513	3400	113
	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)	3473	3433	40
		Adampur (Delivery)	3647	3605	42
	Bhiwani	Bhiwani (Delivery)	0	0	Unch
		Siwani (Loose)	3639	3618	21
	Sirsa	Sirsa (Loose)	0	0	Unch
		Dhabwali (Loose)	0	0	Unch
		Dhabwali (Delivery)	0	0	Unch
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3438	3400	38
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	0	0	Unch
	Rajkot	Rajkot (Loose)	3476	3447	29
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	5560	5492	68
	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	5528	5467	62

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			10th Jul to 16th Jul 2020	03rd Jul to 09th Jul 2020	

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	1550	1700	-150
		Nokha	0	0	Unch
		Khajuwala	1150	1100	50
		Lunkaransar	220	50	170
	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	1500	1450	50
	Bhiwani	Bhiwani	0	0	Unch
		Siwani	3300	4200	-900
	Sirsa	Sirsa	0	0	Unch
		Dhabwali	0	0	Unch
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	230	220	10
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	0	0	Unch
	Rajkot	Rajkot	190	250	-60
	Jamnagar	Dhrol	0	0	Unch
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			#N/A	#N/A	-830

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			16-Jul-20	9-Jul-20	16-Jun-20	16-Jul-19
Rajasthan	Jodhpur	Jodhpur (Loose)	Closed	3600	3400	4400
		Jodhpur(Delivery)	Closed	3780	3570	4620
	Sri-Ganganagar	Sri-Ganganagar(Loose)	NA	0	0	4170
		Sri-Ganganagar (Delivery)	NA	0	0	4320
		Rawla (Loose)	NR	0	0	4120

		Gharsana (Loose)	NR	0	0	4115
		Raisinghnagar (Loose)	NA	0	0	4200
	Bikaner	Bikaner (Loose)	3450	3425	3350	4150
		Bikaner (Delivery)	3623	3596	3518	4358
		Nokha(Loose)	0	0	0	4150
		Nokha (Delivery)	0	0	0	4358
		Khajuwala (Loose)	3400	3400	3300	NR
		Khajuwala (Delivery)	3570	3570	3465	NR
		Lunkaransar (Loose)	3500	Closed	3300	4200
	Hanumangarh	Hanumangarh (Loose)	NA	0	0	4100
		Hanumangarh (Delivery)	NA	0	0	4305
		Nohar (Loose)	NR	0	0	4150
		Pilibanga (Loose)	NA	0	0	0
	Nagaur	Nagaur (Loose)	NA	0	0	4150
	Churu	Churu (Delivery)	NA	0	0	0
	Alwar	Alwar (Loose)	NA	0	0	NR
Haryana	Hisar	Adampur (Loose)	3460	3450	3350	4125
		Adampur (Delivery)	3633	3623	3518	4331
	Bhiwani	Bhiwani (Delivery)	NA	0	0	4335
		Siwani (Loose)	3670	3650	3500	4270
	Sirsa	Sirsa (Loose)	NA	0	0	NA
		Dhabwali (Loose)	NA	0	0	4100
		Dhabwali (Delivery)	NA	0	0	4305
		Ellanabad (Loose)	NR	0	0	4100
	Fatehabad	Fatehabad (Loose)	3450	3500	3300	4000
Gujarat	Banaskantha	Deesa (Loose)	NA	0	0	0
	Patan	Patan (Loose)	NA	0	0	0
	Rajkot	Rajkot (Loose)	3500	3480	3355	0
	Jamnagar	Dhrol (Loose)	NA	0	NA	0
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	Closed	5500	5450	9000
	Alwar	Alwar	NA	0	0	NR
	Hanumangarh	Nohar	NR	0	0	9000
Haryana	Bhiwani	Bhiwani	NA	0	0	9000
	Sirsa	Sirsa	NA	0	0	NA
		Dhabwali	NA	0	0	9000



		Ellanabad	NR	0	0	9000
	Fatehabad	Fatehabad	5565	5550	5500	8950

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