

Guar Weekly Research Report

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Guar Seed Fundamental Analysis

Executive Summary

Mostly 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.

The seed prices extended previous week's gain on improved buying.

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 2 to 251 as on 24th July 2020 compared to 253 last week and down by 695 compared to 26 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 fell in the month of Jun-20 by 16 percent compared to previous month. India exported around 14358 tonnes of guar gum at an average FoB of \$ 1742 per tonne in the month of Jun-20 compared to 17085 tonnes in May-20 at an average FoB of \$ 1360 per tonne. Of the total 2206 tonnes have been exported to Russia. Exports are expected to increase in July-20 on improving crude and gradual increase in oilrigs overseas.

Export of guar split have fell in the month of Jun-20. Exports in the month of Jun-20 are down by around 87% compared to previous month. India exported around 2240 tonnes of guar split in the month of Jun-20 at an average FoB of \$ 916 per tonne compared to 17642 tonnes in May-20 at an average FoB of \$ 1740 per tonne. Of the total quantity, around 2120 tonnes have been exported to China and 120 tonnes to US.

Previous Updates:

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.

Recommendation:

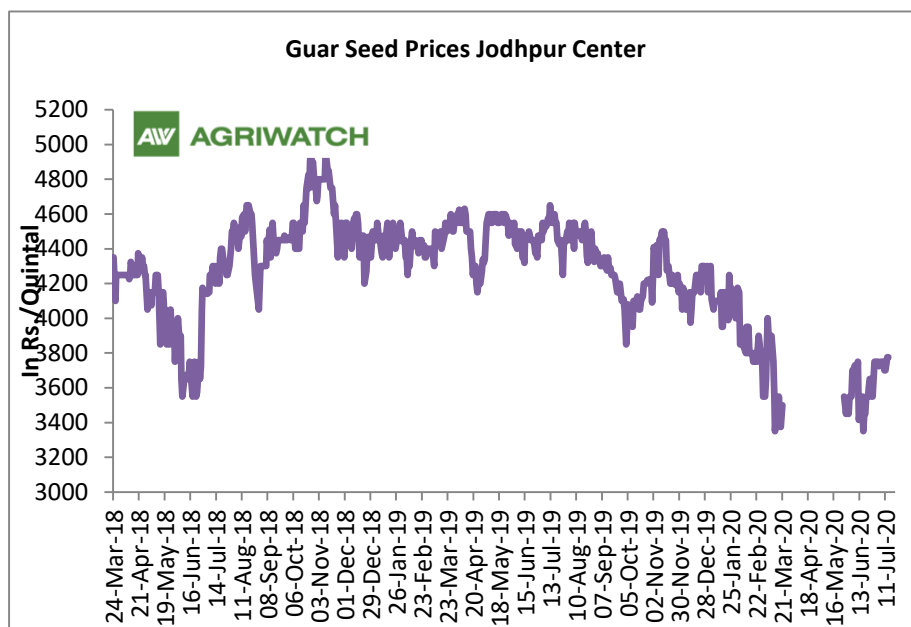
Weekly Call- : Market participants are advised to BUY Guar seed future August contract above 3650 levels for a target of 3750 with a stop loss at 3590.

Outlook:-

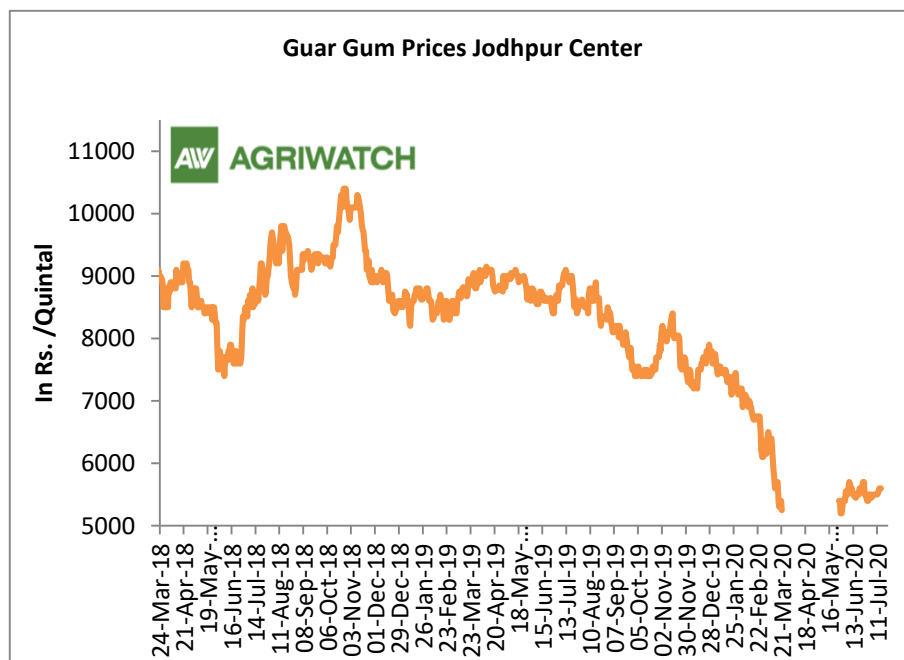
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Domestic Front

- 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.

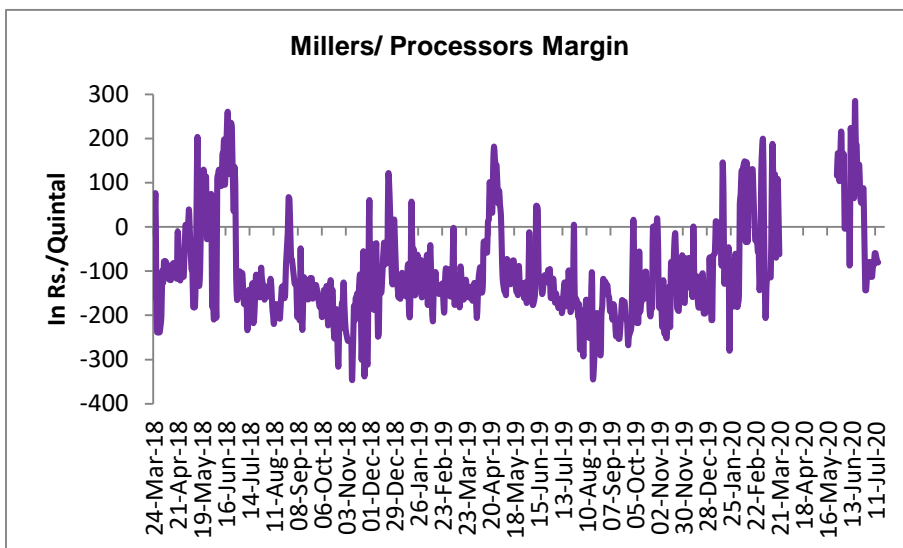


- According to second advance estimate for 2019-20, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 145000 hectares, 107960 tonnes and 744.52 kg/hectare respectively. As per final estimate for 2018-19 issued by Gujarat's Department of Agriculture for Guar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

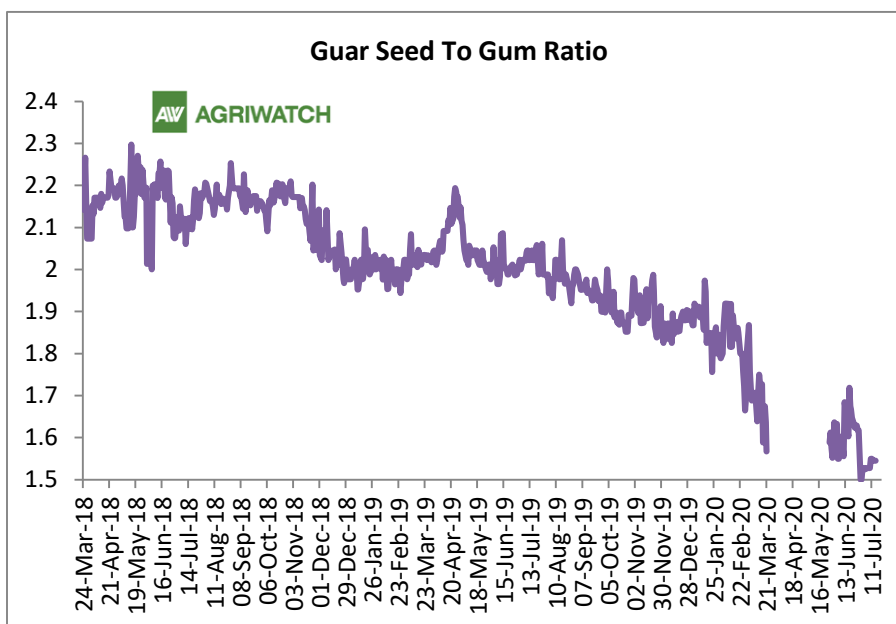
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As seen in the chart, the average crush margin of guar seed have slightly improved as compared to pre-COVID lockdown, average crush margin increased to Rs. +55/quintal in June'20 compared to Rs. -17/quintal in March'20. Increase in prices of Churi 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

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Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08 Jun-2020	4750	1890
9-16 Jun-2020	3975	1730
17-24 Jun-2020	3548	1937
25-31 Jun-2020	2085	1410
Total	14358	1742

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	3640	3550	3832	4000	4100
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Aug	BUY	Above 3800	3900	3950	3740

Technical Analysis (Guar Gum)

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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	5400	5300	6048	6400	6550
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Aug	BUY	Above 6000	6200	6300	5880

Guar Seed & Gum Prices at Key Spot Markets[\(Back to Table of Contents\)](#)

Guar by – Products Weekly Average Prices:				
Commodity	Centre	17th Jul to 23rd Jul 2020	10th Jul to 16th Jul 2020	Change
Churi	Jodhpur	2050	2033	17
Korma	Jodhpur	2938	2925	13
Churi	Sri-Ganganagar	1850	1800	50
Korma	Sri-Ganganagar	2875	2850	25
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	17th Jul to 23rd Jul 2020	10th Jul to 16th Jul 2020	Change
Guargum Split		748	744	4
Guargum Powder	200 Mesh 5000 CPS	1002	997	5
	200 Mesh 3500 CPS	935	931	5
Guargum Meal	40%	387	386	2
	50%	508	505	3
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			17th Jul to 23rd Jul 2020	10th Jul to 16th Jul 2020	
Guar Seed Rajasthan	Jodhpur	Jodhpur (Loose)	3575	3595	-20
		Jodhpur(Delivery)	3754	3775	-21
	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)	3535	3436	99
		Bikaner (Delivery)	3712	3608	104
		Nokha(Loose)	0	0	Unch
		Nokha (Delivery)	0	0	Unch
		Khajuwala (Loose)	3544	3379	165
		Khajuwala (Delivery)	3721	3548	173
		Lunkaransar (Loose)	3626	3513	113

	Hanumangarh	Hanumangarh (Loose)	#DIV/0!	0	-
		Hanumangarh (Delivery)	#DIV/0!	0	-
		Nohar (Loose)	#DIV/0!	0	-
		Pilibanga (Loose)	#DIV/0!	0	-
	Nagaur	Nagaur (Loose)	#DIV/0!	0	-
	Churu	Churu (Delivery)	#DIV/0!	0	-
	Alwar	Alwar (Loose)	#DIV/0!	0	-
Haryana	Hisar	Adampur (Loose)	3578	3473	105
		Adampur (Delivery)	3757	3647	110
	Bhiwani	Bhiwani (Delivery)	0	0	Unch
		Siwani (Loose)	3716	3639	77
	Sirsa	Sirsa (Loose)	0	0	Unch
		Dhabwali (Loose)	0	0	Unch
		Dhabwali (Delivery)	0	0	Unch
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3458	3438	21
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	0	0	Unch
	Rajkot	Rajkot (Loose)	3549	3476	73
	Jamnagar	Dhrol (Loose)	584	0	584
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	5950	5560	390
	Alwar	Alwar	#DIV/0!	0	-
	Hanumangarh	Nohar	#DIV/0!	0	-
Haryana	Bhiwani	Bhiwani	0	0	Unch
	Sirsa	Sirsa	0	0	Unch
		Dhabwali	0	0	Unch
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	5829	5528	301

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			17th Jul to 23rd Jul 2020	10th Jul to 16th 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	1750	1550	200
		Nokha	0	0	Unch
		Khajuwala	1150	1150	Unch
		Lunkaransar	595	220	375
	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	1550	1500	50
	Bhiwani	Bhiwani	0	0	Unch
		Siwani	4200	3300	900
	Sirsa	Sirsa	0	0	Unch
		Dhabwali	0	0	Unch
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	260	230	30
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	0	0	Unch
	Rajkot	Rajkot	270	190	80
	Jamnagar	Dhrol	7	0	7
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			#N/A	#N/A	1642

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			23-Jul-20	16-Jul-20	23-Jun-20	23-Jul-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3600	Closed	3450	4275
		Jodhpur(Delivery)	3780	Closed	3623	4489
	Sri-Ganganagar	Sri-Ganganagar(Loose)	NA	NA	0	4000
		Sri-Ganganagar (Delivery)	NA	NA	0	4150
		Rawla (Loose)	NR	NR	0	3980
		Gharsana (Loose)	NR	NR	0	3989
		Raisinghnagar (Loose)	NA	NA	0	4000
	Bikaner	Bikaner (Loose)	3600	3450	3450	4020
		Bikaner (Delivery)	3780	3623	3623	4221

		Nokha(Loose)	0	0	0	4025
		Nokha (Delivery)	0	0	0	4226
		Khajuwala (Loose)	3700	3400	3350	3980
		Khajuwala (Delivery)	3885	3570	3518	4179
		Lunkaransar (Loose)	3700	3500	3400	4000
	Hanumangarh	Hanumangarh (Loose)	NA	NA	0	3950
		Hanumangarh (Delivery)	NA	NA	0	4148
		Nohar (Loose)	NR	NR	0	4000
		Pilibanga (Loose)	NA	NA	0	3950
	Nagaur	Nagaur (Loose)	NA	NA	0	4050
	Churu	Churu (Delivery)	NA	NA	0	0
	Alwar	Alwar (Loose)	NA	NA	0	NR
Haryana	Hisar	Adampur (Loose)	3650	3460	3400	4040
		Adampur (Delivery)	3833	3633	3570	4242
	Bhiwani	Bhiwani (Delivery)	0	0	0	4170
		Siwani (Loose)	3800	3670	3600	4150
	Sirsa	Sirsa (Loose)	0	0	0	4000
		Dhabwali (Loose)	0	0	0	4000
		Dhabwali (Delivery)	0	0	0	4200
		Ellanabad (Loose)	0	0	0	3950
	Fatehabad	Fatehabad (Loose)	3500	3450	3400	3950
Gujarat	Banaskantha	Deesa (Loose)	NA	0	0	3875
	Patan	Patan (Loose)	NA	0	0	3940
	Rajkot	Rajkot (Loose)	3625	3500	NR	3910
	Jamnagar	Dhrol (Loose)	2920	0	0	0
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6000	Closed	5600	8500
	Alwar	Alwar	NA	NA	0	NR
	Hanumangarh	Nohar	NR	NR	0	8800
Haryana	Bhiwani	Bhiwani	0	0	0	8680
	Sirsa	Sirsa	0	0	0	8400
		Dhabwali	0	0	0	8500
		Ellanabad	0	0	0	8550
	Fatehabad	Fatehabad	6200	5565	5635	8500

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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