



Guar Weekly Research Report

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Guar Seed Fundamental Analysis**Executive Summary**

Guar seed and guar gum extended gains in recent week, some improvement in demand and expected lower production in the coming season remained supportive for the seed prices. 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 need based local and overseas demand in guar products.

As per data released by Baker Hughes, the number of oilrigs in USA lowered by 4 to 247 as on 07th August 2020 compared to 251 previous week and 695 compared to 02 August 2019. Total number of oilrigs were recorded at 1,276 in Jul'20 compared to 3,821 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:

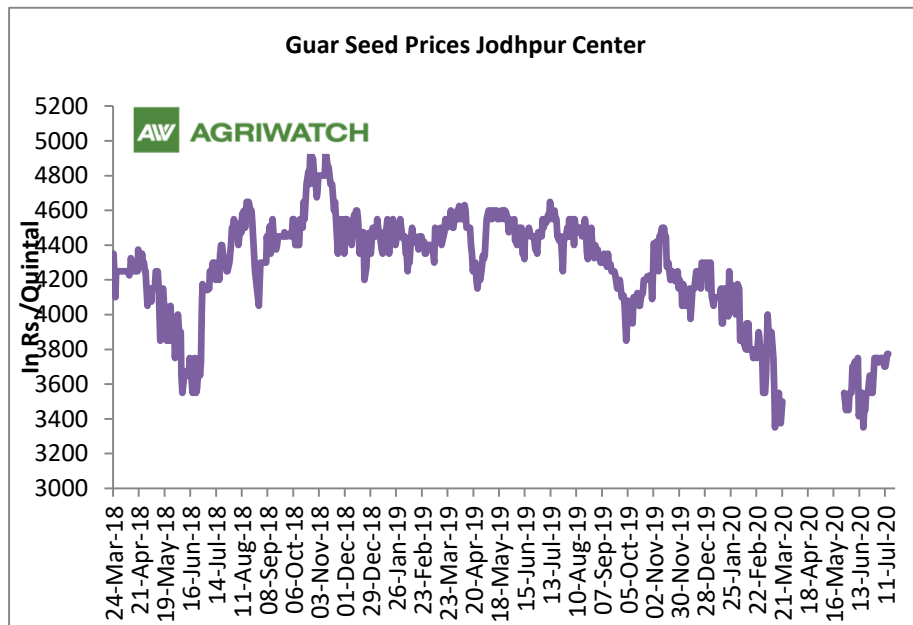
Weekly Call- : Market participants are advised to BUY Guar seed future September contract above 4090 levels for a target of 4190 with a stop loss at 4030.

Outlook:-

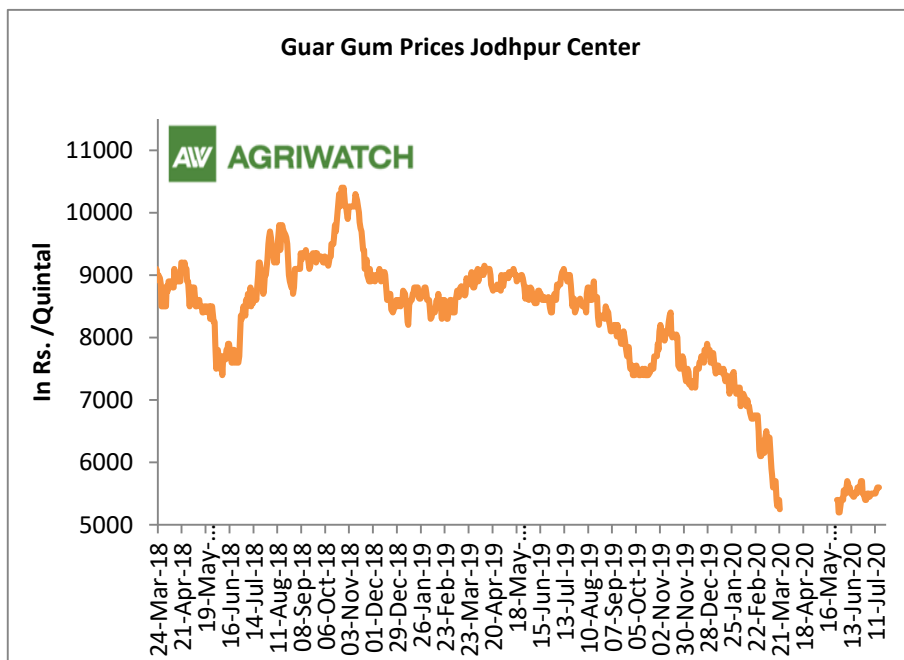
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Domestic Front

- The guar seed prices have recovered after the sharp fall post coronavirus pandemic.



- Guar gum prices too improved after a recent sharp fall after March'20.



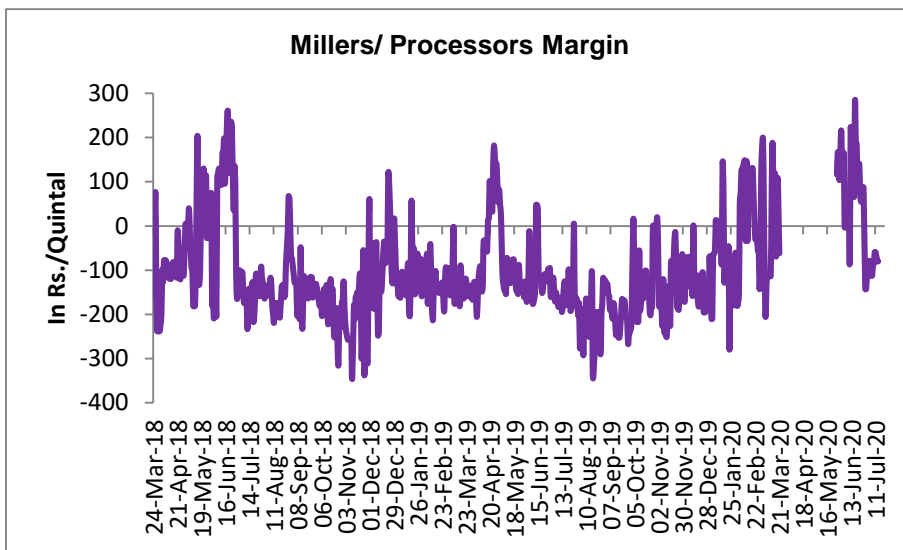
- According to second advance estimate for 2019-20, issued by Gujarat's Department of Agriculture for Guar seed, the area, production and yield are 145000 hectares, 107960 tonnes and 744.52 kg/hectare respectively. As per final estimate for 2018-19 issued by Gujarat's Department of Agriculture for Guar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

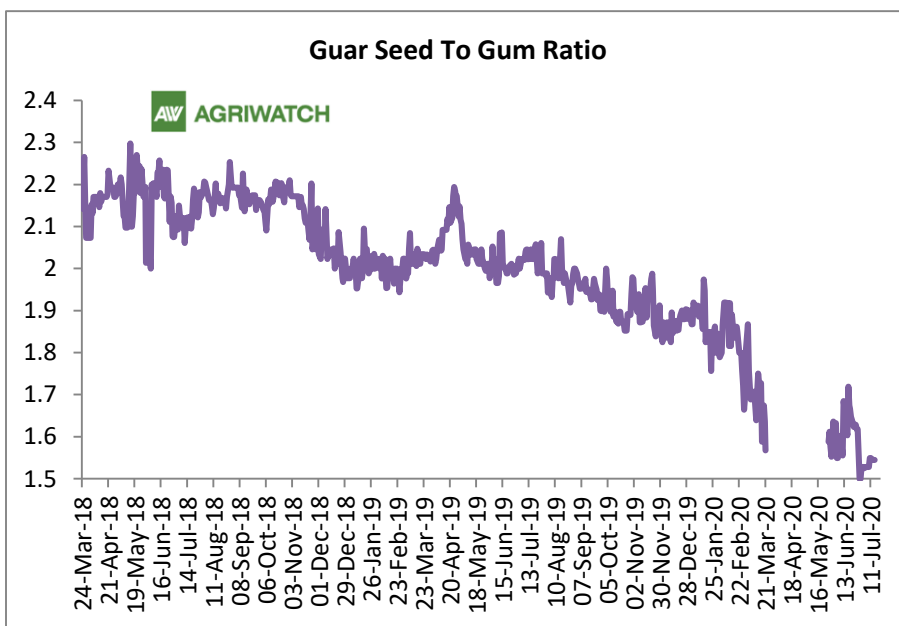
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As seen in the chart, the average crush margin of guar seed have slightly improved as compared to pre-COVID lockdown, average crush margin increased to Rs. +55/quintal in June'20 compared to Rs. -17/quintal in March'20. Increase in prices of Churi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

Exchange: NCDEX
Expiry: Sept 19, 2020

Guar Seed (Sept Daily Chart)



Technical Commentary:

- Guar seed posted gains on buying interest, during the week.
- RSI and stochastic are rising in the neutral region.
- Prices closed above 18-day EMA.
- Prices are expected to gains in near-term.

Strategy: BUY

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Sept	3900	3850	4104	4300	4350
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Sept	BUY	Above 4090	4190	4240	4030

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: Sept

Exchange: NCDEX
Expiry: Sept 19, 2020

Guar Gum (Sept Daily Chart)



Technical Commentary:

- Range bound movement featured in the Guar gum in recent weeks.
- RSI and stochastic are rising in the neutral region.
- Prices closed above 18-day EMA.
- Prices are expected to fall in near-term.

Strategy: SELL

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Sept	6500	6300	6910	7500	7600
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Sept	SELL	Below 6915	6750	6650	7014

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

Guar by – Products Weekly Average Prices:				
Commodity	Centre	31st Jul to 06th Aug 2020	24th Jul to 30th Jul 2020	Change
Churi	Jodhpur	2050	2040	10
Korma	Jodhpur	2993	2963	30
Churi	Sri-Ganganagar	1845	1838	7
Korma	Sri-Ganganagar	2884	2850	34
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	31st Jul to 06th Aug 2020	24th Jul to 30th Jul 2020	Change
Guargum Split		747	749	-1
Guargum Powder	200 Mesh 5000 CPS	1001	1003	-2
	200 Mesh 3500 CPS	934	936	-2
Guargum Meal	40%	387	388	-1
	50%	507	508	-1
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			31st Jul to 06th Aug 2020	24th Jul to 30th Jul 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3875	3608	267
		Jodhpur(Delivery)	4069	3789	280
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3713	#N/A	-
		Sri-Ganganagar (Delivery)	3863	#N/A	-
		Rawla (Loose)	#N/A	#N/A	-
		Gharsana (Loose)	#N/A	#N/A	-
		Raisinghnagar (Loose)	#N/A	#N/A	-
	Bikaner	Bikaner (Loose)	3715	3592	123
		Bikaner (Delivery)	3901	3771	130
		Nokha(Loose)	0	0	Unch
		Nokha (Delivery)	0	0	Unch
		Khajuwala (Loose)	3780	3587	193
		Khajuwala (Delivery)	3969	3766	203

		Lunkaransar (Loose)	3796	3695	101
	Hanumangarh	Hanumangarh (Loose)	0	0	Unch
		Hanumangarh (Delivery)	0	0	Unch
		Nohar (Loose)	1520	0	1520
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	760	#DIV/0!	-
	Churu	Churu (Delivery)	0	#DIV/0!	-
	Alwar	Alwar (Loose)	0	#DIV/0!	-
Haryana	Hisar	Adampur (Loose)	3753	3674	79
		Adampur (Delivery)	3941	3858	83
	Bhiwani	Bhiwani (Delivery)	3988	#DIV/0!	-
		Siwani (Loose)	3913	3787	126
	Sirsa	Sirsa (Loose)	2555	0	2555
		Dhabwali (Loose)	2522	0	2522
		Dhabwali (Delivery)	2648	0	2648
		Ellanabad (Loose)	2533	0	2533
	Fatehabad	Fatehabad (Loose)	3660	3475	185
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	0	0	Unch
	Rajkot	Rajkot (Loose)	3685	3632	53
	Jamnagar	Dhrol (Loose)	0	521	-521
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6390	5950	440
	Alwar	Alwar	0	#DIV/0!	-
	Hanumangarh	Nohar	2640	#DIV/0!	-
Haryana	Bhiwani	Bhiwani	5913	0	5913
	Sirsa	Sirsa	4350	0	4350
		Dhabwali	4283	0	4283
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6380	5829	551

Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			31st Jul to 06th Aug 2020	24th Jul to 30th Jul 2020	
Rajasthan	Jodhpur	Jodhpur	37	0	37
	Sri-Ganganagar	Sri-Ganganagar	500	#N/A	-
		Rawla	#N/A	#N/A	-

		Gharsana	#N/A	#N/A	-
		Raisinghnagar	#N/A	#N/A	-
	Bikaner	Bikaner	1250	1250	Unch
		Nokha	0	0	Unch
		Khajuwala	900	1400	-500
		Lunkaransar	550	790	-240
	Hanumangarh	Hanumangarh	0	0	Unch
		Nohar	400	0	400
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	350	0	350
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	950	2100	-1150
	Bhiwani	Bhiwani	1800	0	1800
		Siwani	3300	4000	-700
	Sirsa	Sirsa	1300	0	1300
		Dhabwali	700	0	700
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	110	280	-170
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	0	0	Unch
	Rajkot	Rajkot	160	315	-155
	Jamnagar	Dhrol	0	2	-2
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			12307	10137	2170

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			6-Aug-20	30-Jul-20	7-Jul-20	6-Aug-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3800	3600	3600	4300
		Jodhpur(Delivery)	3990	3780	3780	4515
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3825	NA	0	4050
		Sri-Ganganagar (Delivery)	3975	NA	0	4200
		Rawla (Loose)	0	0	0	3980
		Gharsana (Loose)	0	0	0	3980
		Raisinghnagar (Loose)	0	0	0	4150
	Bikaner	Bikaner (Loose)	3825	3650	3450	4020
		Bikaner (Delivery)	4016	3833	3623	4221
		Nokha(Loose)	0	0	0	4000
		Nokha (Delivery)	0	0	0	4200
		Khajuwala (Loose)	3850	3670	3450	4060
		Khajuwala (Delivery)	4043	3854	3623	4263
		Lunkaransar (Loose)	3950	3710	Closed	4030
	Hanumangarh	Hanumangarh (Loose)	0	0	0	4100
		Hanumangarh (Delivery)	0	0	0	4305
		Nohar (Loose)	3800	0	0	4050
		Pilibanga (Loose)	0	0	0	3990
	Nagaur	Nagaur (Loose)	3800	0	0	4025
	Churu	Churu (Delivery)	0	0	0	4100
	Alwar	Alwar (Loose)	0	0	0	3870
Haryana	Hisar	Adampur (Loose)	3900	3700	3450	4050
		Adampur (Delivery)	4095	3885	3623	4253
	Bhiwani	Bhiwani (Delivery)	4150	NA	0	4250
		Siwani (Loose)	4050	3820	3610	4150
	Sirsa	Sirsa (Loose)	3900	0	0	4040
		Dhabwali (Loose)	3850	0	0	3900
		Dhabwali (Delivery)	4043	0	0	4095
		Ellanabad (Loose)	3800	0	0	3950
	Fatehabad	Fatehabad (Loose)	3900	3425	3400	3900
Gujarat	Banaskantha	Deesa (Loose)	NA	0	0	3875
	Patan	Patan (Loose)	NA	0	0	3930

	Rajkot	Rajkot (Loose)	3775	3625	3425	3915
	Jamnagar	Dhrol (Loose)	NA	0	0	0
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	0	0
Guar Gum						
	Jodhpur	Jodhpur	6600	6250	5500	8500
Rajasthan	Alwar	Alwar	0	0	0	8500
	Hanumangarh	Nohar	6800	0	0	8900
	Bhiwani	Bhiwani	6150	NA	0	8500
Haryana	Sirsa	Sirsa	6650	0	0	8450
		Dhabwali	6500	0	0	8450
		Ellanabad	NA	0	0	8500
	Fatehabad	Fatehabad	6680	6200	5450	8460

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