



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**

The guar seed and guar gum fell on slack in domestic demand as well as from the international front. Some fresh demand from processors backed by overseas demand in guar gum and domestic demand from food industry was visible a couple of weeks back but stronger Rupee against the US dollar remained negative factor for the 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 declined by 2 to 254 as on 11th September 2020 compared to 256 previous week and 886 compared to 13 September 2019. Total number of oilrigs was recorded at 999 in Aug'20 compared to 4,631 in the corresponding period in last year.

Export of guar gum have improved in the month of July-20 by 14 percent compared to previous month. India exported around 16389 tonnes of guar gum at an average FoB of \$ 1503 per tonne in the month of July-20 compared to 14358 tonnes in June-20 at an average FoB of \$ 1742 per tonne. Of the total 3626 tonnes have been exported to Russia. Exports are expected to increase in Aug-20 on improving crude and gradual increase in oilrigs overseas.

Export of guar split have fell in the month of Jul-20. Exports in the month of July-20 are down by around 52% compared to previous month. India exported around 1080 tonnes of guar split in the month of July-20 at an average FoB of \$ 1050 per tonne compared to 2240 tonnes in June-20 at an average FoB of \$ 916 per tonne. Of the total quantity, around 640 tonnes have been exported to China and 320 tonnes to US.

Previous Updates:

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.

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.

Recommendation:

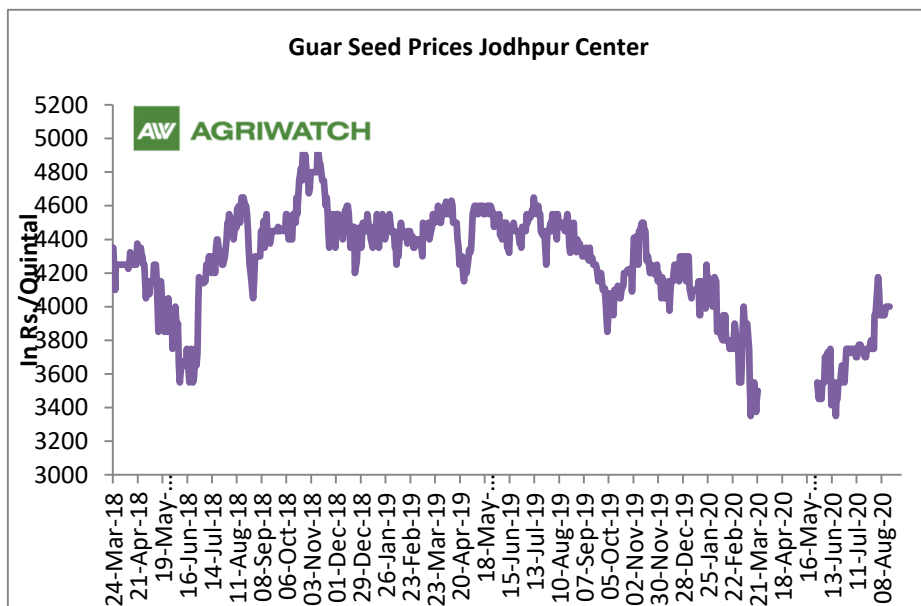
Weekly Call- : Market participants are advised to BUY Guar seed future October contract above 4035 levels for a target of 4135 with a stop loss at 3975.

Outlook:-

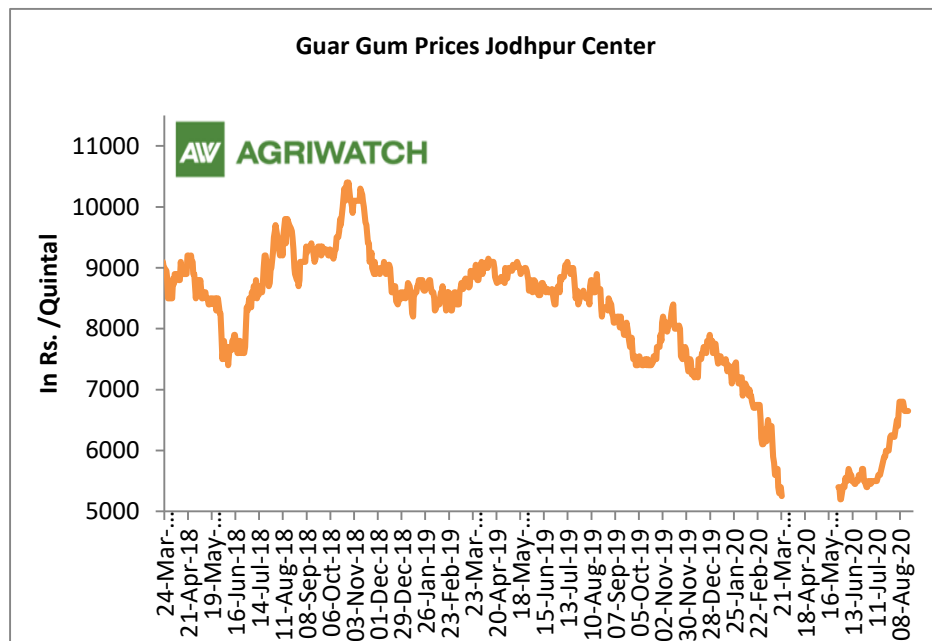
[\(Back to Table of Contents\)](#)

Domestic Front

- The guar seed prices have much recovered from June 2020 after the sharp fall post coronavirus pandemic and breached Rs 4000/Qtl in Jodhpur.



- Guar gum prices too improved after a recent sharp fall after March'20 and tested Rs 6800/Qtl.
- 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.

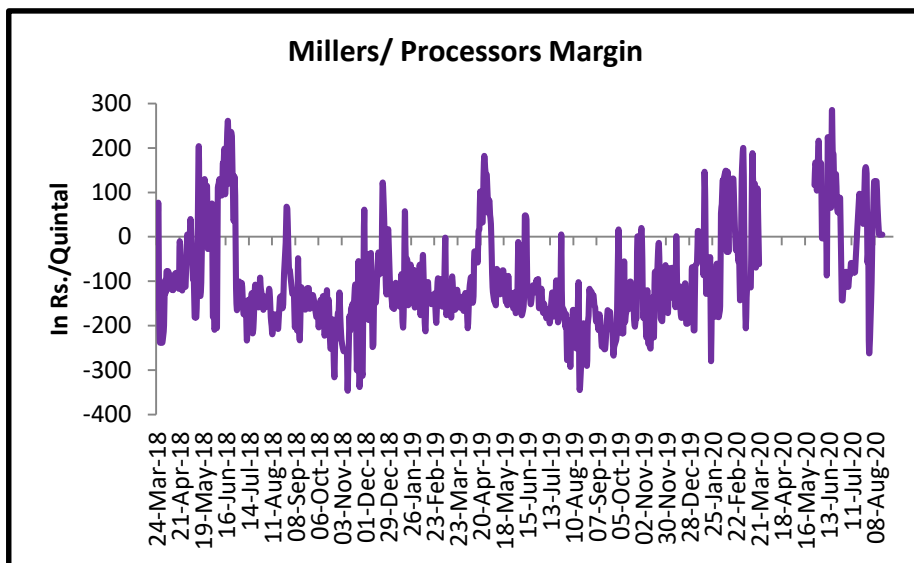


- According to second advance estimate for Kharif 2019-20, issued by Rajasthan's Department of Agriculture for Guar seed, the area, production and yield are 2841314 hectares, 1208100 tonnes and 425 kg/hectare respectively. According to fourth advance estimate for 2018-19, issued by Rajasthan's Department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

Millers/Processors Margin

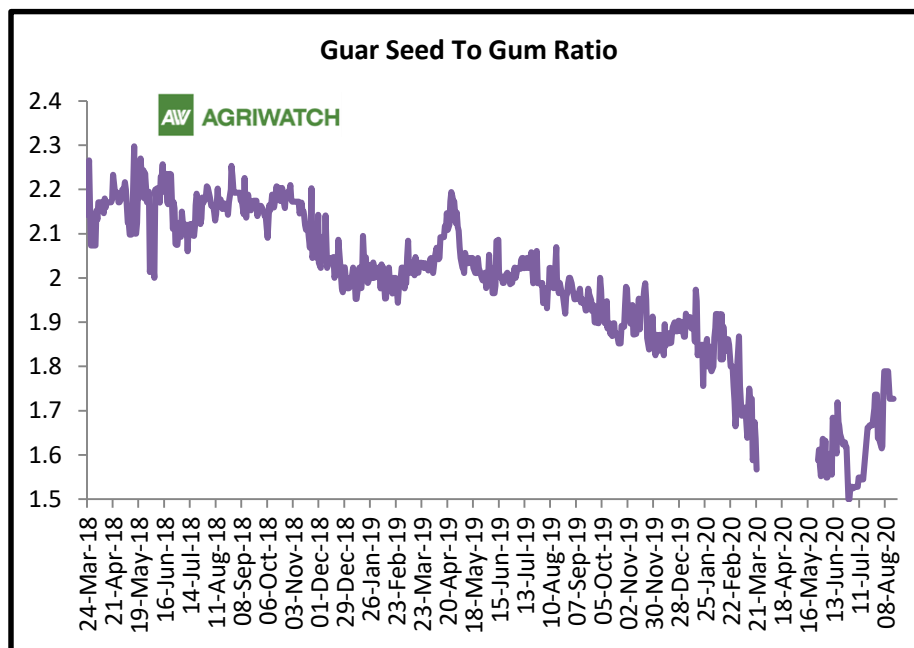
[\(Back to Table of Contents\)](#)

As seen in the chart, the average crush margin of guar seed have improved as compared to post-COVID lockdown, average crush margin increased to Rs. +16/quintal in Aug'20 compared to Rs. -18/quintal in July'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 1.7 in August compared to 1.6 in July'20. Overall, poor demand of gum from domestic markets has kept the overall ratio lower side. Expectation of improvement in guar gum exports could lend support to the ratio and margins.





Guar Gum Weekly Export

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

Week On Week Exports	Quantity in MT	Average FoB (\$/T)
<i>01-08 Jul-2020</i>	<i>4440</i>	<i>1455</i>
<i>9-16 Jul-2020</i>	<i>3530</i>	<i>1475</i>
<i>17-24 Jul-2020</i>	<i>4676</i>	<i>1539</i>
<i>25-31 Jul-2020</i>	<i>3744</i>	<i>1541</i>
<i>Total</i>	<i>16390</i>	<i>1503</i>

Source: Trade

Technical Analysis (Guar Seed)

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

Commodity: Guar Seed
Contract: Oct.

Exchange: NCDEX
Expiry: Oct. 20, 2020

Guar Seed (Oct. Daily Chart)



Technical Commentary:

- Guar seed edged-up on buying support, during the week.
- RSI and stochastic are easing in the neutral region.
- Prices closed above 18-day EMA.
- Prices are expected to feature gains in near-term.

Strategy: BUY

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Oct.	3800	3700	4038	4251	4350
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Oct.	BUY	Above 4035	4135	4235	3975



Technical Analysis (Guar Gum)

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

Commodity: Guar Gum
Contract: Oct.

Exchange: NCDEX
Expiry: Oct. 20, 2020

Guar Gum (Oct. Daily Chart)



Technical Commentary:

- Guar gum edged-up on buying support in the market.
- RSI and stochastic are rising in the neutral region.
- Prices closed above 18-day EMA.
- Prices are expected to gain in near-term.

Strategy: BUY

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Oct.	5777	5481	6238	6670	7025
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Oct.	BUY	Above 6230	6430	6530	6110

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

Guar by – Products Weekly Average Prices:				
Commodity	Centre	04th Sep to 10th Sep 2020	28th Aug to 03rd Sep 2020	Change
Churi	Jodhpur	2025	2018	7
Korma	Jodhpur	3030	2972	59
Churi	Sri-Ganganagar	1733	1769	-36
Korma	Sri-Ganganagar	2869	2838	31
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	04th Sep to 10th Sep 2020	28th Aug to 03rd Sep 2020	Change
Guargum Split		900	901	-1
Guargum Powder	200 Mesh 5000 CPS	1091	1092	-2
	200 Mesh 3500 CPS	1023	1024	-1
Guargum Meal	40%	409	410	-1
	50%	545	546	-1
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			04th Sep to 10th Sep 2020	28th Aug to 03rd Sep 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3767	3910	-143
		Jodhpur(Delivery)	3955	4106	-151
	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)	3700	3773	-73
		Bikaner (Delivery)	3885	3961	-76
		Nokha(Loose)	0	0	Unch
		Nokha (Delivery)	0	0	Unch
		Khajuwala (Loose)	3750	3738	13
		Khajuwala (Delivery)	3938	3924	13

		Lunkaransar (Loose)	3730	3820	-90
	Hanumangarh	Hanumangarh (Loose)	0	0	Unch
		Hanumangarh (Delivery)	0	0	Unch
		Nohar (Loose)	3670	3796	-126
		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)	3700	3786	-86
		Adampur (Delivery)	3885	3975	-90
	Bhiwani	Bhiwani (Delivery)	3929	4063	-134
		Siwani (Loose)	3894	3971	-77
	Sirsa	Sirsa (Loose)	3698	3788	-90
		Dhabwali (Loose)	3655	3738	-83
		Dhabwali (Delivery)	3838	3924	-87
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3705	3783	-78
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	0	0	Unch
	Rajkot	Rajkot (Loose)	3616	3715	-99
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6217	6520	-303
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	6317	6540	-223
Haryana	Bhiwani	Bhiwani	6065	6479	-414
	Sirsa	Sirsa	6200	6492	-292
		Dhabwali	6240	6483	-243
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6162	6462	-300

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			04th Sep to 10th Sep 2020	28th Aug to 03rd Sep 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	1350	1000	350
		Nokha	0	0	Unch
		Khajuwala	1650	750	900
		Lunkaransar	1450	1700	-250
	Hanumangarh	Hanumangarh	0	0	Unch
		Nohar	1150	800	350
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	0	0	Unch
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	1200	2100	-900
	Bhiwani	Bhiwani	1950	1600	350
		Siwani	3700	3300	400
	Sirsa	Sirsa	2450	4000	-1550
		Dhabwali	2500	2700	-200
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	0	0	Unch
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	0	0	Unch
	Rajkot	Rajkot	325	584	-259
	Jamnagar	Dhrol	0	0	Unch
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			#N/A	#N/A	-

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			10-Sep-20	3-Sep-20	11-Aug-20	10-Sep-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3700	3950	3800	4200
		Jodhpur(Delivery)	3885	4148	3990	4410
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3700	3700	3800	Closed
		Sri-Ganganagar (Delivery)	3850	3850	3950	Closed
		Rawla (Loose)	0	0	0	3850
		Gharsana (Loose)	0	0	0	3775
		Raisinghnagar (Loose)	0	0	0	3900

	Bikaner	Bikaner (Loose)	3700	3750	3800	Closed
		Bikaner (Delivery)	3885	3938	3990	Closed
		Nokha(Loose)	0	0	0	3980
		Nokha (Delivery)	0	0	0	4179
		Khajuwala (Loose)	3750	3800	NR	3880
		Khajuwala (Delivery)	3938	3990	NR	4074
		Lunkaransar (Loose)	3800	3800	3850	3950
	Hanumangarh	Hanumangarh (Loose)	0	0	0	3850
		Hanumangarh (Delivery)	0	0	0	4043
		Nohar (Loose)	3600	3710	3825	3900
		Pilibanga (Loose)	0	0	0	3800
	Nagaur	Nagaur (Loose)	0	0	3750	3950
	Churu	Churu (Delivery)	0	0	0	4050
	Alwar	Alwar (Loose)	0	0	0	3800
Haryana	Hisar	Adampur (Loose)	Closed	3750	3800	3900
		Adampur (Delivery)	Closed	3938	3990	4095
	Bhiwani	Bhiwani (Delivery)	3850	4050	4200	4070
		Siwani (Loose)	3900	3950	4000	4015
	Sirsa	Sirsa (Loose)	Closed	3770	3800	3900
		Dhabwali (Loose)	Closed	3750	3750	3850
		Dhabwali (Delivery)	Closed	3938	3938	4043
		Ellanabad (Loose)	0	0	0	3900
	Fatehabad	Fatehabad (Loose)	Closed	3750	3800	3900
Gujarat	Banaskantha	Deesa (Loose)	0	0	0	0
	Patan	Patan (Loose)	0	0	0	0
	Rajkot	Rajkot (Loose)	3615	3675	Closed	0
	Jamnagar	Dhrol (Loose)	0	0	0	0
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6100	6400	6800	8200
	Alwar	Alwar	0	0	0	8200
	Hanumangarh	Nohar	6200	6400	6500	8800
Haryana	Bhiwani	Bhiwani	5850	6470	7000	8125
	Sirsa	Sirsa	Closed	6350	6600	8050
		Dhabwali	Closed	6400	6500	8200
		Ellanabad	0	0	0	8250
	Fatehabad	Fatehabad	Closed	6370	6650	8200



Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2020 Indian Agribusiness Systems Ltd.