



## Guar Weekly Research Report

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Guar Seed Fundamental Analysis**Executive Summary**

**Mostly weak sentiments witnessed in the in the guar seed and guar gum on weak domestic demand and decline in the demand from overseas market. A very limited demand from processors backed by overseas demand in guar gum and domestic demand from food industry in recent days but stronger Rupee against the US dollar remained negative factor for the gum exports.**

**Volume of trade continued to remain 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 increased by 5 to 266 as on 02<sup>nd</sup> October 2020 compared to 261 previous week and 855 compared to 04th October 2019. Total number of oilrigs was recorded at 1,026 in Sep'20 compared to 3,512 in the corresponding period in last year.**

Export of guar gum fell in the month of August-20 by 22% compared to previous month. India exported around 12,826 tonnes of guar gum at an average FoB of US \$ 1834 per tonne in the month of August-20 compared to 16,389 tonnes in July-20 at an average FoB of US \$ 1503 per tonne. Of the total 2,521 tonnes have been exported to US and 2,385 tonnes to China. Exports are expected to remain under pressure in September-20 on stronger Indian Rupee against US dollar.

Export of guar split have fell in the month of August-20. Exports in the month of August -20 are down by around 39% compared to previous month. India exported around 660 tonnes of guar split in the month of August-20 at an average FoB of US \$ 1117 per tonne compared to 1080 tonnes in July-20 at an average FoB of US \$ 1050 per tonne. Of the total quantity, around 5,982 tonnes have been exported to US and 3,466 tonnes to Netherlands.

**Previous Updates:**

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.

**Recommendation:**

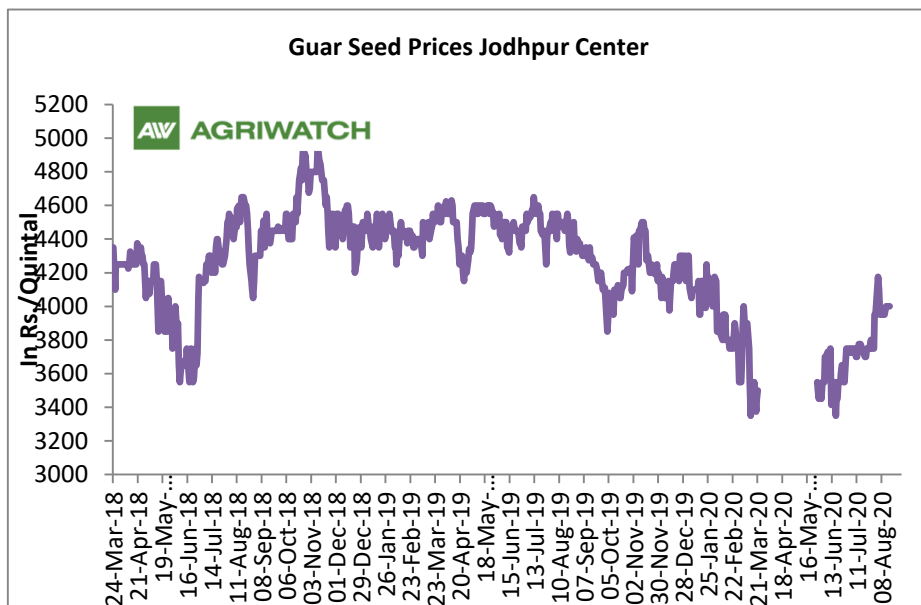
**Weekly Call- : Market participants are advised to BUY Guar seed future October contract Above 4100 levels for a target of 4200 with a stop loss at 4040.**

Outlook:-

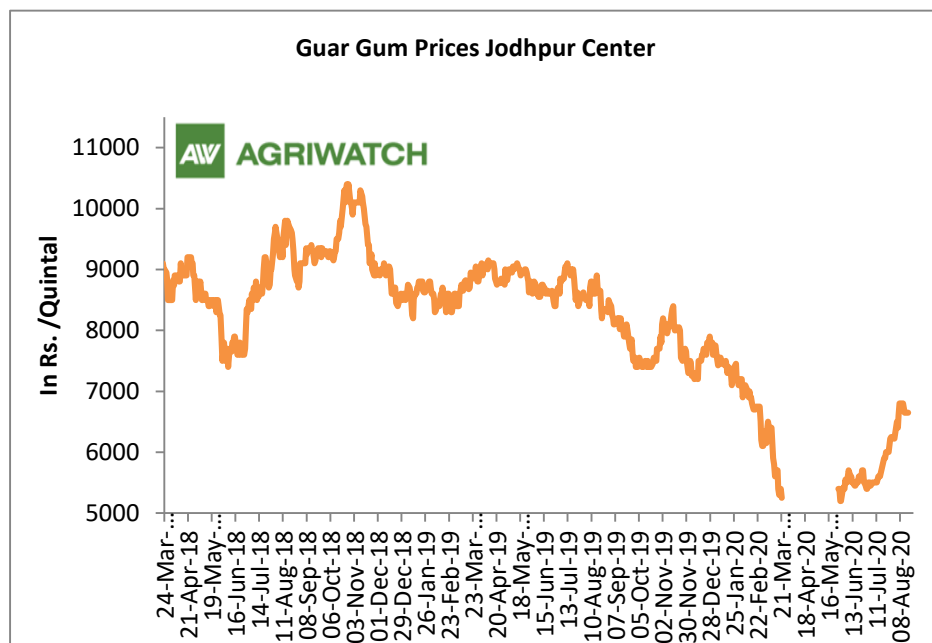
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Domestic Front

- 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.

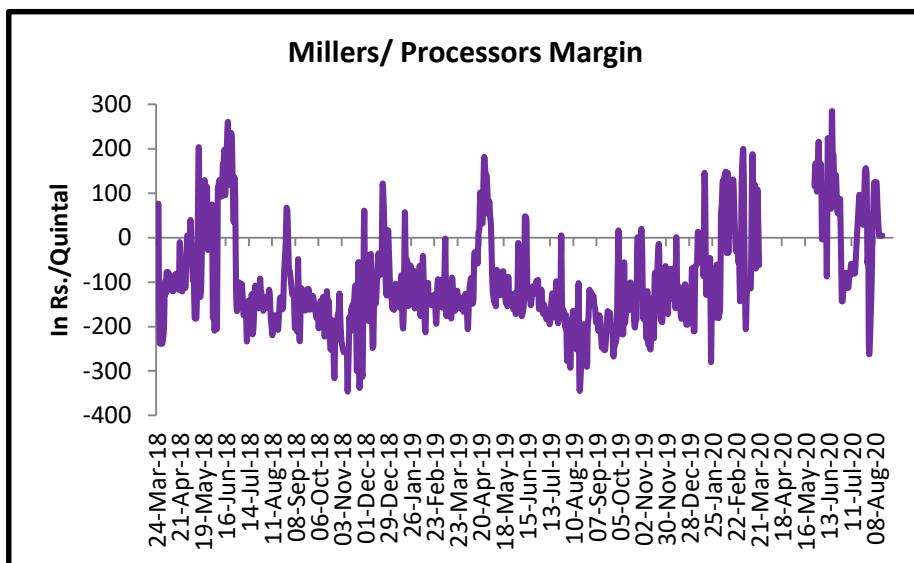


- According to second advance estimate for Kharif 2019-20, issued by Rajasthan's Department of Agriculture for Guar seed, the area, production and yield are 2841314 hectares, 1208100 tonnes and 425 kg/hectare respectively. According to fourth advance estimate for 2018-19, issued by Rajasthan's Department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

## Millers/Processors Margin

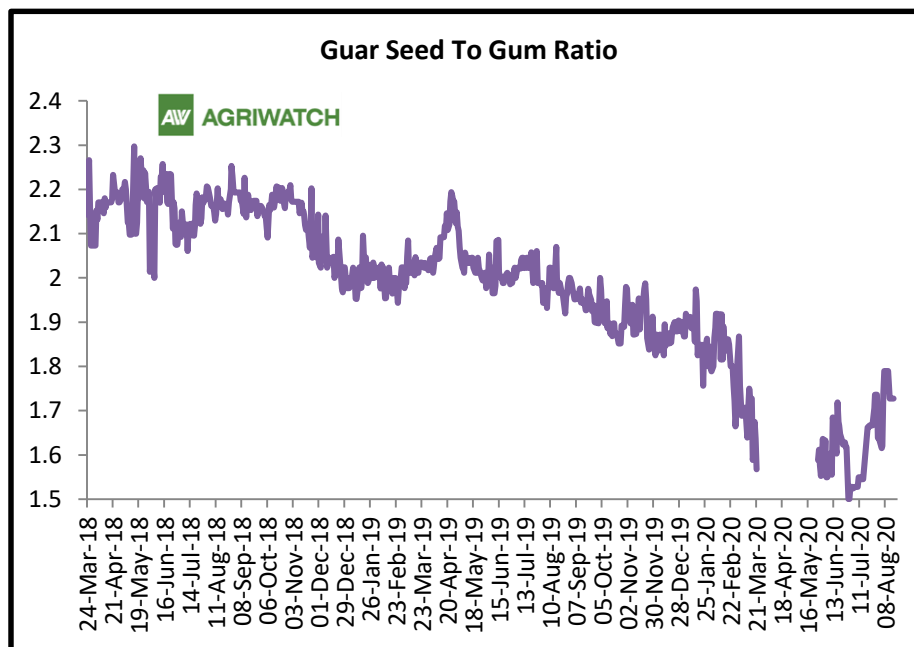
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As seen in the chart, the average crush margin of guar seed have improved as compared to post-COVID lockdown, average crush margin increased to Rs. +16/quintal in Aug'20 compared to Rs. -18/quintal in July'20. Increase in prices of Churi have supported 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

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<b>Week On Week Exports</b>	<b>Quantity in MT</b>	<b>Average FoB (\$/T)</b>
01-08 Aug-2020	3722	1567
9-16 Aug-2020	2406	1691
17-24 Aug-2020	3206	1967
25-31 Aug-2020	3492	2112
Total	12826	1834

Source:Trade

## Technical Analysis (Guar Seed)

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Commodity: Guar Seed  
Contract: Nov.

Exchange: NCDEX  
Expiry: Nov. 20, 2020

### Guar Seed (Oct. Daily Chart)



### Technical Commentary:

- Guar seed posted gains on buying support, during the week.
- RSI and stochastic are rising 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	Nov.	3800	3700	4121	4300	4400
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Nov.	BUY	Above 4100	4200	4300	4040

## Technical Analysis (Guar Gum)

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Commodity: Guar Gum  
Contract: Nov.

Exchange: NCDEX  
Expiry: Nov. 20, 2020

### Guar Gum (Nov. Daily Chart)



### Technical Commentary:

- Guar gum posted gains 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	Nov.	6000	5800	6337	6680	6991
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Nov.	BUY	Above 6300	6500	6600	6180

### Guar Seed & Gum Prices at Key Spot Markets

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## Guar by – Products Weekly Average Prices:

Commodity	Centre	25th Sep to 01st Oct 2020	18th Sep to 24th Sep 2020	Change
Churi	Jodhpur	2033	2017	17
Korma	Jodhpur	3038	3025	13
Churi	Sri-Ganganagar	1788	1775	13
Korma	Sri-Ganganagar	2903	2906	-3
Prices in Rs/75kg				

## Guar Export Weekly Average Prices:

Commodity	Variety	25th Sep to 01st Oct 2020	18th Sep to 24th Sep 2020	Change
Guargum Split		842	879	-37
Guargum Powder	200 Mesh 5000 CPS	1059	1078	-19
	200 Mesh 3500 CPS	1019	1019	-1
Guargum Meal	40%	407	408	0
	50%	543	544	0
Prices in \$/MT				

## Guar Seed Weekly Average Prices:

Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			25th Sep to 01st Oct 2020	18th Sep to 24th Sep 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3738	3831	-94
		Jodhpur(Delivery)	3924	4023	-98
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	-	-
		Sri-Ganganagar (Delivery)	-	-	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	3733	3730	3
		Bikaner (Delivery)	3920	3917	4
		Nokha(Loose)	0	0	Unch
		Nokha (Delivery)	0	0	Unch
		Khajuwala (Loose)	3688	3800	-113
		Khajuwala (Delivery)	3872	3990	-118
		Lunkaransar (Loose)	3708	3765	-57



	Hanumangarh	Hanumangarh (Loose)	1806	0	-
		Hanumangarh (Delivery)	1897	0	-
		Nohar (Loose)	3730	3769	-39
		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)	3751	3693	58
		Adampur (Delivery)	3939	3878	61
	Bhiwani	Bhiwani (Delivery)	3908	3997	-88
		Siwani (Loose)	3913	3928	-15
	Sirsa	Sirsa (Loose)	3663	3660	3
		Dhabwali (Loose)	3655	3643	13
		Dhabwali (Delivery)	3838	3825	13
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3713	3717	-4
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	0	0	Unch
	Rajkot	Rajkot (Loose)	2738	3619	-881
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6217	6400	-183
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	6267	6460	-193
Haryana	Bhiwani	Bhiwani	6154	6060	94
	Sirsa	Sirsa	6070	6150	-80
		Dhabwali	6110	6200	-90
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6117	6200	-83

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			25th Sep to 01st Oct 2020	18th Sep to 24th Sep 2020	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	-	-	-
		Rawla	-	-	-
		Gharsana	-	-	-

		Raisinghnagar	-	-	-
	Bikaner	Bikaner	1750	1450	300
		Nokha	0	0	Unch
		Khajuwala	1250	1350	-100
		Lunkaransar	550	800	-250
	Hanumangarh	Hanumangarh	1700	0	-
		Nohar	900	745	155
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	0	0	Unch
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	1650	1350	300
	Bhiwani	Bhiwani	2600	7700	-5100
		Siwani	3400	2900	500
	Sirsa	Sirsa	6600	2200	4400
		Dhabwali	2250	725	1525
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	0	0	Unch
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	0	0	Unch
	Rajkot	Rajkot	180	100	80
	Jamnagar	Dhrol	0	0	Unch
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			-	-	-

## Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			1-Oct-20	24-Sep-20	1-Sep-20	1-Oct-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3750	3850	3950	3960
		Jodhpur(Delivery)	3938	4043	4148	4158
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3700	3600	3900	3700
		Sri-Ganganagar (Delivery)	3850	3750	4050	3850
		Rawla (Loose)	NR	0	0	3620
		Gharsana (Loose)	NR	0	0	0
		Raisinghnagar (Loose)	NA	0	0	3600

	<b>Bikaner</b>	Bikaner (Loose)	3775	3700	3850	3700
		Bikaner (Delivery)	3964	3885	4043	3885
		Nokha(Loose)	NA	0	0	3775
		Nokha (Delivery)	NA	0	0	3964
		Khajuwala (Loose)	3850	3750	3750	3745
		Khajuwala (Delivery)	4043	3938	3938	3932
		Lunkaransar (Loose)	3700	3725	3825	3700
	<b>Hanumangarh</b>	Hanumangarh (Loose)	Closed	0	0	3700
		Hanumangarh (Delivery)	Closed	0	0	3885
		Nohar (Loose)	3750	3800	3800	3700
		Pilibanga (Loose)	NA	3650	0	3610
	<b>Nagaur</b>	Nagaur (Loose)	NR	0	0	3700
	<b>Churu</b>	Churu (Delivery)	NA	0	0	3900
	<b>Alwar</b>	Alwar (Loose)	NA	0	0	3600
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3780	3700	3770	3700
		Adampur (Delivery)	3969	3885	3959	3885
	<b>Bhiwani</b>	Bhiwani (Delivery)	4000	4000	4030	3950
		Siwani (Loose)	3990	3900	3980	3840
	<b>Sirsa</b>	Sirsa (Loose)	3700	3650	3790	3720
		Dhabwali (Loose)	3625	3640	3700	3700
		Dhabwali (Delivery)	3806	3822	3885	3885
		Ellanabad (Loose)	NR	0	0	3600
	<b>Fatehabad</b>	Fatehabad (Loose)	3750	3750	3800	3700
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	NA	0	0	0
	<b>Patan</b>	Patan (Loose)	NA	0	0	0
	<b>Rajkot</b>	Rajkot (Loose)	3700	3600	3730	3670
	<b>Jamnagar</b>	Dhrol (Loose)	NA	0	0	0
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NA	0	0	0
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	6300	6400	6600	7550
	<b>Alwar</b>	Alwar	NA	0	0	7500
	<b>Hanumangarh</b>	Nohar	6200	6500	6600	7600
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	6200	6250	6470	7700
	<b>Sirsa</b>	Sirsa	6150	6200	6500	7350
		Dhabwali	6150	6200	6550	7500
		Ellanabad	NR	0	0	7200
	<b>Fatehabad</b>	Fatehabad	6200	6200	6550	7500



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