

# 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**

**Mostly firm sentiments witnessed in the in the guar seed and guar gum fresh buying by the processors but the gains were limited on subdued domestic and overseas demand in guar gum. A limited demand is visible 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 3 to 269 as on 09<sup>th</sup> October 2020 compared to 266 previous week and 856 compared to 11th 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:**

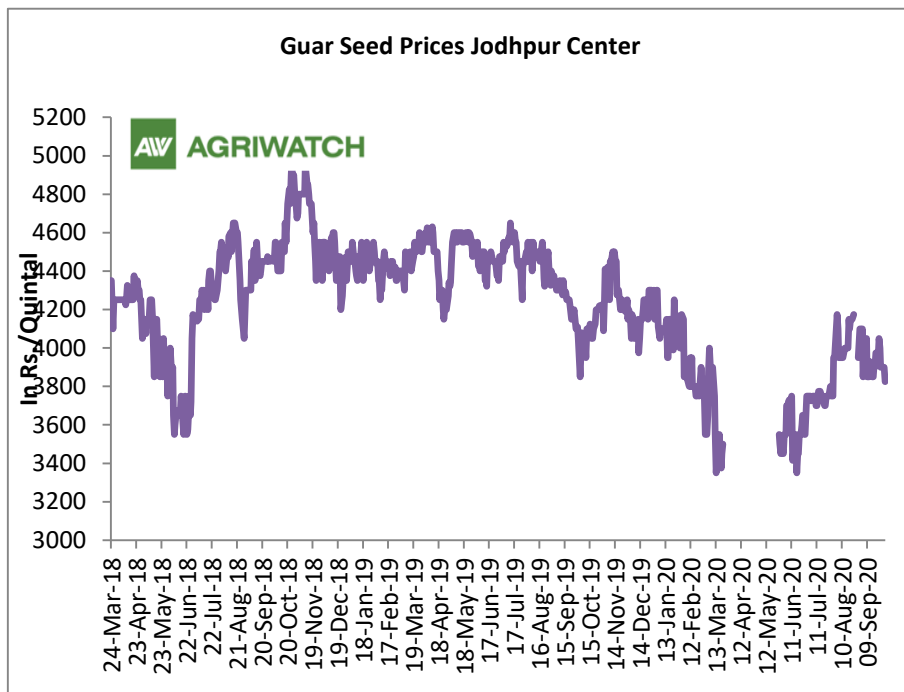
**Weekly Call- : Market participants are advised to BUY Guar seed future October contract Above 4050 levels for a target of 4150 with a stop loss at 3990.**

## Outlook:-

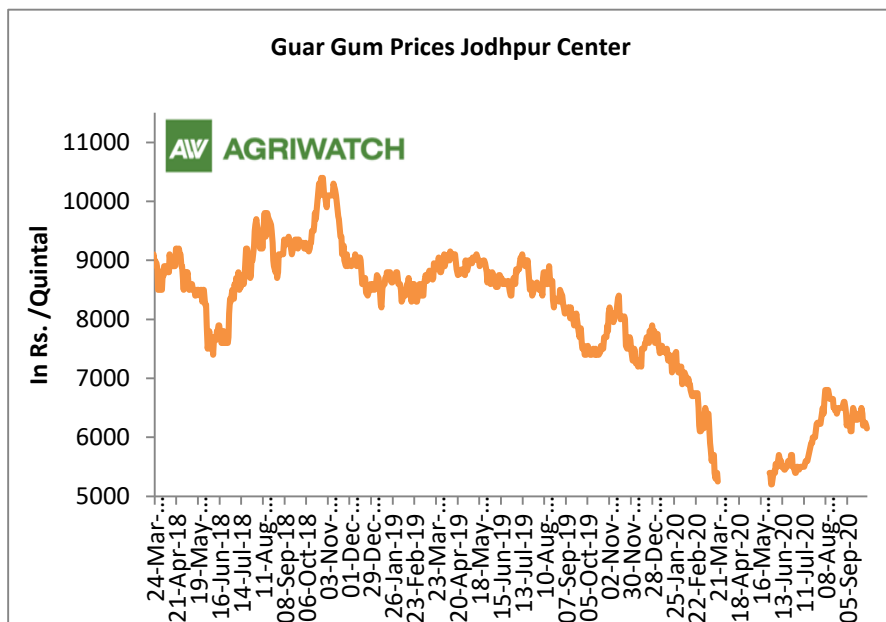
[\(Back to Table of Contents\)](#)

## Domestic Front

- The guar seed prices have slightly fell from the August levels but well above June 2020. Currently the seed prices have much recovered from June 2020. The seed prices are hovering around Rs 3,900/Qtl in Jodhpur.



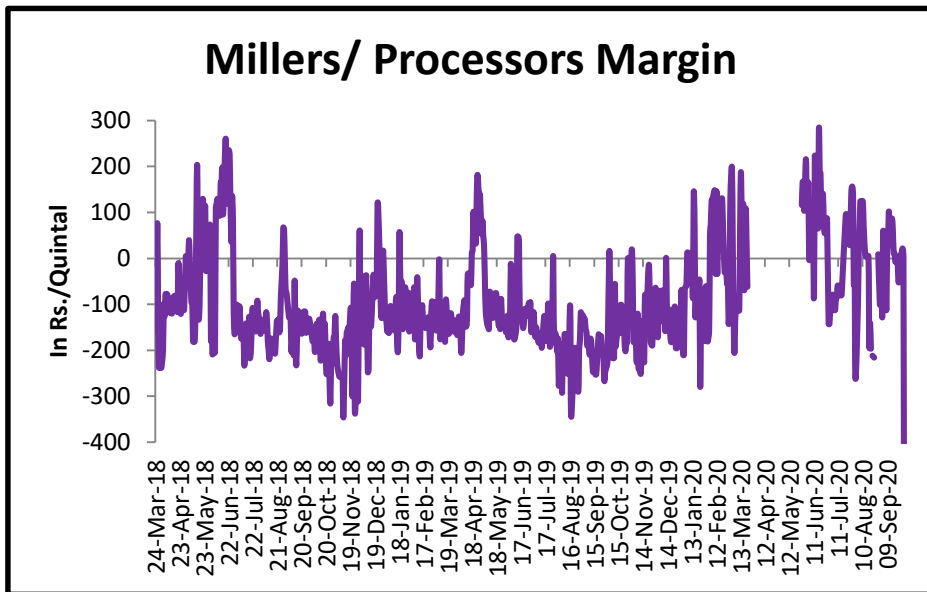
- Guar gum prices too fell to around Rs 6,200/Qtl in the last week of September 2020 from the same period in August 2020.



## Millers/Processors Margin

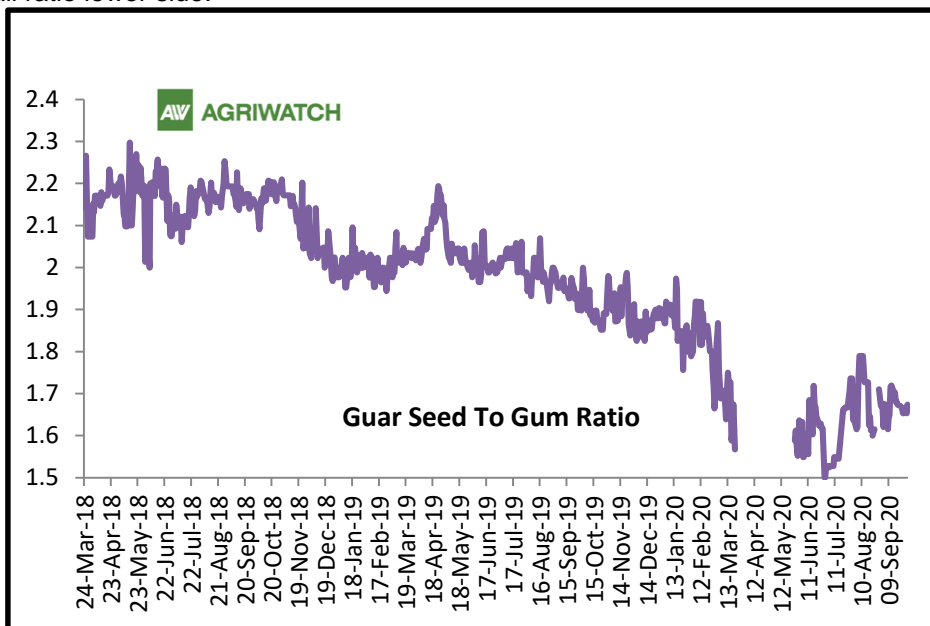
[\(Back to Table of Contents\)](#)

As seen in the chart, the average crush margin of guar seed have fell in September as compared to August'20, the average crush margin fell to Rs. -31.7/quintal in Sept'20 compared to Rs. -15/quintal in Aug'20. Decline in the guar product prices like gum, churi and korma have pressured the processors' margin.



## Guar Seed to Gum Ratio

Ratio of guar seed to gum stood at 1.66 in September compared to 1.69 in August'20. Overall, poor demand of gum from domestic markets has kept the overall ratio lower side.





Guar Gum Weekly Export

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

<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)

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

Commodity: Guar Seed  
Contract: Nov.

Exchange: NCDEX  
Expiry: Nov. 20, 2020

### Guar Seed (Nov. Daily Chart)



### Technical Commentary:

- Guar seed fell on selling pressure in the market, 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	Nov.	3871	3700	4072	4300	4400
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Nov.	BUY	Above 4050	4150	4150	3990

## Technical Analysis (Guar Gum)

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

Commodity: Guar Gum  
Contract: Nov.

Exchange: NCDEX  
Expiry: Nov. 20, 2020

### Guar Gum (Nov. Daily Chart)



### Technical Commentary:

- Guar gum fell on selling pressure in the market.
- RSI and stochastic are falling in the neutral region.
- Prices closed below 18-day EMA.
- Prices are expected to losses in near-term.

### Strategy: SELL

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Nov.	5982	6700	6166	6600	6916
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Nov.	<b>SELL</b>	Below 6200	5900	5800	6380

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

Guar by – Products Weekly Average Prices:				
Commodity	Centre	03rd Oct to 08th Oct 2020	25th Sep to 01st Oct 2020	Change
Churi	Jodhpur	2075	2033	42
Korma	Jodhpur	3038	3038	Unch
Churi	Sri-Ganganagar	1725	1788	-63
Korma	Sri-Ganganagar	2888	2903	-15
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	03rd Oct to 08th Oct 2020	25th Sep to 01st Oct 2020	Change
Guargum Split		847	842	5
Guargum Powder	200 Mesh 5000 CPS	1065	1059	6
	200 Mesh 3500 CPS	1024	1019	6
Guargum Meal	40%	410	407	2
	50%	546	543	3
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			03rd Oct to 08th Oct 2020	25th Sep to 01st Oct 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3763	3738	25
		Jodhpur(Delivery)	3951	3924	26
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	-	-
		Sri-Ganganagar (Delivery)	-	-	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	3798	3733	65
		Bikaner (Delivery)	3988	3920	68
		Nokha(Loose)	760	0	760
		Nokha (Delivery)	798	0	798
		Khajuwala (Loose)	3760	3688	73
		Khajuwala (Delivery)	3948	3872	76



		Lunkaransar (Loose)	3792	3708	83
	Hanumangarh	Hanumangarh (Loose)	3538	3613	-76
		Hanumangarh (Delivery)	3714	3793	-79
		Nohar (Loose)	3729	3730	-1
		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)	3745	3751	-6
		Adampur (Delivery)	3932	3939	-6
	Bhiwani	Bhiwani (Delivery)	4015	3908	107
		Siwani (Loose)	3901	3913	-12
	Sirsa	Sirsa (Loose)	3729	3663	66
		Dhabwali (Loose)	3686	3655	31
		Dhabwali (Delivery)	3871	3838	33
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3642	3713	-71
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	3040	0	3040
	Rajkot	Rajkot (Loose)	3719	2738	982
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6308	6217	92
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	6238	6267	-29
Haryana	Bhiwani	Bhiwani	6295	6154	141
	Sirsa	Sirsa	6183	6070	113
		Dhabwali	6233	6110	123
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6088	6117	-28

### Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			03rd Oct to 08th Oct 2020	25th Sep to 01st Oct 2020	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	-	-	-
		Rawla	-	-	-

		Gharsana	-	-	-
		Raisinghnagar	-	-	-
	Bikaner	Bikaner	1950	1750	200
		Nokha	250	0	250
		Khajuwala	2300	1250	1050
		Lunkaransar	580	550	30
	Hanumangarh	Hanumangarh	6300	1700	4600
		Nohar	850	900	-50
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	0	0	Unch
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	3400	1650	1750
	Bhiwani	Bhiwani	5200	2600	2600
		Siwani	1975	3400	-1425
	Sirsa	Sirsa	20700	6600	14100
		Dhabwali	5500	2250	3250
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	250	0	250
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	55	0	55
	Rajkot	Rajkot	920	180	740
	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			8-Oct-20	1-Oct-20	8-Sep-20	8-Oct-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3800	3750	3900	-
		Jodhpur(Delivery)	3990	3938	4095	-
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3750	3700	3800	-
		Sri-Ganganagar (Delivery)	3900	3850	3950	-
		Rawla (Loose)	0	0	0	-
		Gharsana (Loose)	0	0	0	-

		Raisinghnagar (Loose)	NA	0	0	-
	Bikaner	Bikaner (Loose)	3840	3775	3710	-
		Bikaner (Delivery)	4032	3964	3896	-
		Nokha(Loose)	NA	0	0	-
		Nokha (Delivery)	NA	0	0	-
		Khajuwala (Loose)	3800	3850	3750	-
		Khajuwala (Delivery)	3990	4043	3938	-
		Lunkaransar (Loose)	3800	3700	3700	-
	Hanumangarh	Hanumangarh (Loose)	3500	Closed	0	-
		Hanumangarh (Delivery)	3675	Closed	0	-
		Nohar (Loose)	3750	3750	3700	-
		Pilibanga (Loose)	0	0	3650	-
	Nagaur	Nagaur (Loose)	0	0	0	-
	Churu	Churu (Delivery)	0	0	0	-
	Alwar	Alwar (Loose)	0	0	0	-
Haryana	Hisar	Adampur (Loose)	3750	3780	3650	-
		Adampur (Delivery)	3938	3969	3833	-
	Bhiwani	Bhiwani (Delivery)	3950	4000	3900	-
		Siwani (Loose)	3920	3990	3850	-
	Sirsa	Sirsa (Loose)	3735	3700	3700	-
		Dhabwali (Loose)	3720	3625	3650	-
		Dhabwali (Delivery)	3906	3806	3833	-
		Ellanabad (Loose)	NR	0	0	-
	Fatehabad	Fatehabad (Loose)	3650	3750	3700	-
Gujarat	Banaskantha	Deesa (Loose)	0	0	0	-
	Patan	Patan (Loose)	3705	0	0	-
	Rajkot	Rajkot (Loose)	3675	3700	3600	-
	Jamnagar	Dhrol (Loose)	0	0	0	-
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	0	-
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6350	6300	6300	-
	Alwar	Alwar	0	0	0	-
	Hanumangarh	Nohar	6300	6200	6350	-
Haryana	Bhiwani	Bhiwani	6150	6200	5870	-
	Sirsa	Sirsa	6200	6150	6200	-
		Dhabwali	6250	6150	6200	-
		Ellanabad	NR	0	0	-
	Fatehabad	Fatehabad	6100	6200	6150	-



#### 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.