



Guar Weekly Research Report

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Guar Seed Fundamental Analysis

Executive Summary

Mostly weak sentiments are witnessed in the in the guar seed and guar gum on sluggish local and overseas. Need based buying is featured among the guar seed processors. However, the fall is limited with some visible demand from processors followed by overseas demand in guar gum and domestic demand from food industry in recent days. Strength in 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 13 to 282 as on 18th October 2020 compared to 269 previous week and 851 compared to 18th 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 witnessed mild improved in the month of September-20 by 8% compared to previous month. India exported around 13,879 tonnes of guar gum at an average FoB of US \$ 1708 per tonne in the month of September-20 compared to 12,826 tonnes in August-20 at an average FoB of US \$ 1823 per tonne. Of the total 3,311 tonnes have been exported to US, 2,095 tonnes to Germany and 2,076 tonnes to Russia. Exports are expected to remain under pressure in October-20 on stronger Indian Rupee against US dollar.

Export of guar split have fell in the month of September-20. Exports in the month of September-20 are down by around 5% compared to previous month. India exported around 625 tonnes of guar split in the month of September-20 at an average FoB of US \$ 950 per tonne compared to 660 tonnes in August-20 at an average FoB of US \$ 117 per tonne. Of the total quantity, around 500 tonnes have been exported to US and 120 tonnes to China.

Previous Updates:

Export of guar gum feel 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.

Recommendation:

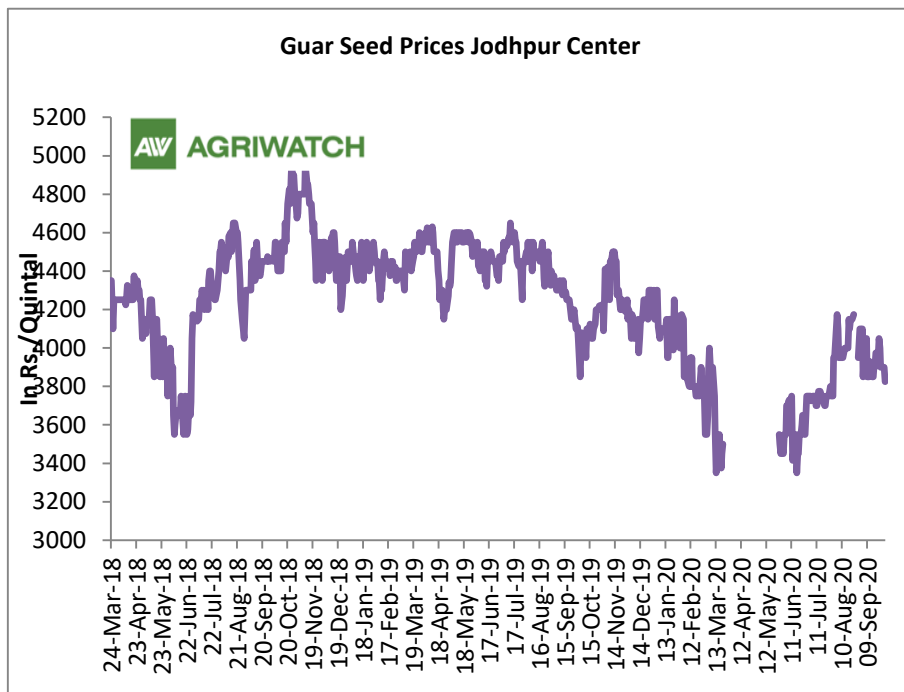
Weekly Call- : Market participants are advised to BUY Guar seed future October contract Above 4050 levels for a target of 4150 with a stop loss at 3990.

Outlook:-

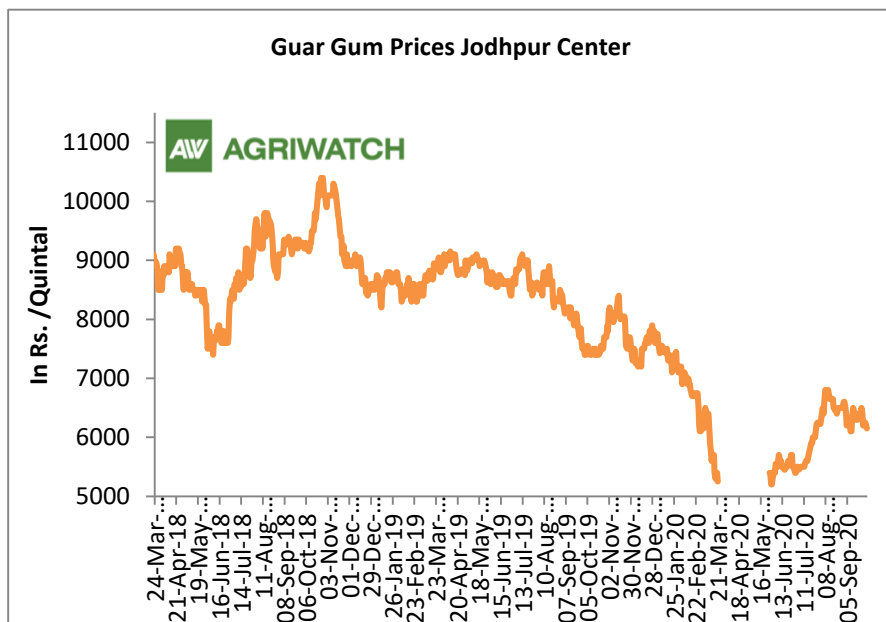
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Domestic Front

- 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.



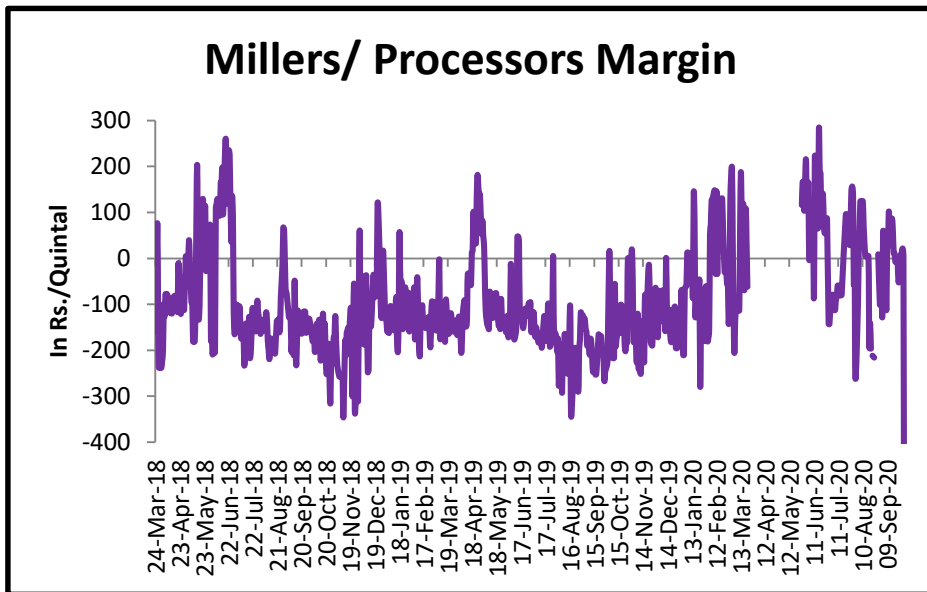
- Guar gum prices too fell to around Rs 6,200/Qtl in the last week of September 2020 from the same period in August 2020.



Millers/Processors Margin

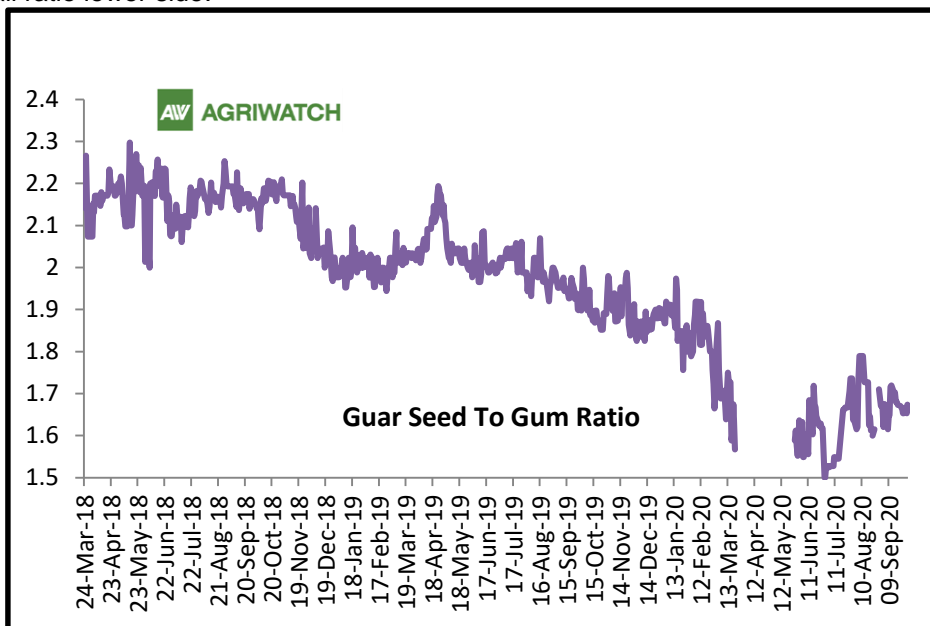
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As seen in the chart, the average crush margin of guar seed have fell in September as compared to August'20, the average crush margin fell to Rs. -31.7/quintal in Sept'20 compared to Rs. -15/quintal in Aug'20. Decline in the guar product prices like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

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Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08 Sep-2020	3504	1696
9-16 Sep-2020	3397	1630
17-24 Sep-2020	3986	1727
25-31 Sep-2020	2992	1795
Total	13879	1712

Source:Trade

Technical Analysis (Guar Seed)

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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 losses in near-term.

Strategy: SELL

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Nov.	3871	3785	4032	4187	
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Nov.	SELL	Below 4050	3950	3850	4010

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 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.	5600	5400	6006	6600	6916
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Nov.	SELL	Below 6020	5850	5750	6122

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

Guar by – Products Weekly Average Prices:				
Commodity	Centre	09th Oct to 15th Oct 2020	03rd Oct to 08th Oct 2020	Change
Churi	Jodhpur	2071	2075	-4
Korma	Jodhpur	3038	3038	Unch
Churi	Sri-Ganganagar	1719	1725	-6
Korma	Sri-Ganganagar	2888	2888	Unch
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	09th Oct to 15th Oct 2020	03rd Oct to 08th Oct 2020	Change
Guargum Split		844	847	-2
Guargum Powder	200 Mesh 5000 CPS	1072	1065	7
	200 Mesh 3500 CPS	1015	1024	-9
Guargum Meal	40%	403	410	-7
	50%	546	546	0
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			09th Oct to 15th Oct 2020	03rd Oct to 08th Oct 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3746	3763	-17
		Jodhpur(Delivery)	3933	3951	-18
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	-	-
		Sri-Ganganagar (Delivery)	-	-	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	3778	3798	-21
		Bikaner (Delivery)	3966	3988	-22
		Nokha(Loose)	3763	760	3003
		Nokha (Delivery)	3951	798	3153
		Khajuwala (Loose)	3810	3760	50
		Khajuwala (Delivery)	4001	3948	53

		Lunkaransar (Loose)	3767	3792	-25
	Hanumangarh	Hanumangarh (Loose)	3692	3538	154
		Hanumangarh (Delivery)	3876	3714	162
		Nohar (Loose)	3683	3729	-46
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	2480	0	-
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3729	3745	-16
		Adampur (Delivery)	3916	3932	-17
	Bhiwani	Bhiwani (Delivery)	4048	4015	33
		Siwani (Loose)	3848	3901	-53
	Sirsa	Sirsa (Loose)	3708	3729	-21
		Dhabwali (Loose)	3668	3686	-19
		Dhabwali (Delivery)	3851	3871	-20
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3617	3642	-25
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	3626	3040	586
	Rajkot	Rajkot (Loose)	3701	3719	-18
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6192	6308	-117
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	6196	6238	-42
Haryana	Bhiwani	Bhiwani	6223	6295	-72
	Sirsa	Sirsa	6117	6183	-67
		Dhabwali	6133	6233	-100
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6172	6088	83

Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			09th Oct to 15th Oct 2020	03rd Oct to 08th Oct 2020	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	-	-	-
		Rawla	-	-	-

		Gharsana	-	-	-
		Raisinghnagar	-	-	-
	Bikaner	Bikaner	3300	1950	1350
		Nokha	1600	250	1350
		Khajuwala	1050	2300	-1250
		Lunkaransar	1500	580	920
	Hanumangarh	Hanumangarh	6400	6300	100
		Nohar	950	850	100
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	1250	0	1250
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	4100	3400	700
	Bhiwani	Bhiwani	5700	5200	500
		Siwani	2250	1975	275
	Sirsa	Sirsa	24200	20700	3500
		Dhabwali	7100	5500	1600
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	1150	250	900
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	84	55	29
	Rajkot	Rajkot	830	920	-90
	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			15-Oct-20	8-Oct-20	15-Sep-20	15-Oct-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3800	3800	3700	3950
		Jodhpur(Delivery)	3990	3990	3885	4148
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3700	3750	Closed	3750
		Sri-Ganganagar (Delivery)	3850	3900	Closed	3900
		Rawla (Loose)	0	0	0	3625
		Gharsana (Loose)	0	0	0	3630

		Raisinghnagar (Loose)	3710	0	0	3700
	Bikaner	Bikaner (Loose)	3780	3840	Closed	3700
		Bikaner (Delivery)	3969	4032	Closed	3885
		Nokha(Loose)	3800	NA	0	3700
		Nokha (Delivery)	3990	NA	0	3885
		Khajuwala (Loose)	3850	3800	NR	3700
		Khajuwala (Delivery)	4043	3990	NR	3885
		Lunkaransar (Loose)	3750	3800	3800	3650
		Hanumangarh	Hanumangarh (Loose)	3750	3500	0
	Hanumangarh (Delivery)		3938	3675	0	3833
	Nohar (Loose)		3675	3750	3700	3700
	Pilibanga (Loose)		0	0	0	3640
	Nagaur	Nagaur (Loose)	3710	0	0	3660
	Churu	Churu (Delivery)	0	0	0	3900
	Alwar	Alwar (Loose)	0	0	0	3600
Haryana	Hisar	Adampur (Loose)	3725	3750	3750	3670
		Adampur (Delivery)	3911	3938	3938	3854
	Bhiwani	Bhiwani (Delivery)	4175	3950	4000	3825
		Siwani (Loose)	3850	3920	3900	3860
	Sirsa	Sirsa (Loose)	3770	3735	3715	3700
		Dhabwali (Loose)	3700	3720	3625	3650
		Dhabwali (Delivery)	3885	3906	3806	3833
		Ellanabad (Loose)	0	0	0	0
	Fatehabad	Fatehabad (Loose)	3600	3650	3750	3650
Gujarat	Banaskantha	Deesa (Loose)	NA	0	0	3550
	Patan	Patan (Loose)	NA	3705	0	3500
	Rajkot	Rajkot (Loose)	3650	3675	3675	0
	Jamnagar	Dhrol (Loose)	NA	0	0	0
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6150	6350	6300	7500
	Alwar	Alwar	0	0	0	7500
	Hanumangarh	Nohar	6200	6300	6400	7500
Haryana	Bhiwani	Bhiwani	6300	6150	6170	7500
	Sirsa	Sirsa	6100	6200	6200	7650
		Dhabwali	6100	6250	6200	7450
		Ellanabad	0	0	0	0



	Fatehabad	Fatehabad	6100	6100	6200	7450
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