



## Guar Weekly Research Report

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## Guar Seed Fundamental Analysis

### **Executive Summary**

**Mostly firm sentiments witnessed in the guar seed market at the current price levels, in anticipation of improvement in guar gum demand in medium-term. Need based buying is featured among the guar seed processors. Strength in Rupee against the US dollar and lower 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 287 as on 23rd October 2020 compared to 282 previous week and 830 compared to 25th 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:**

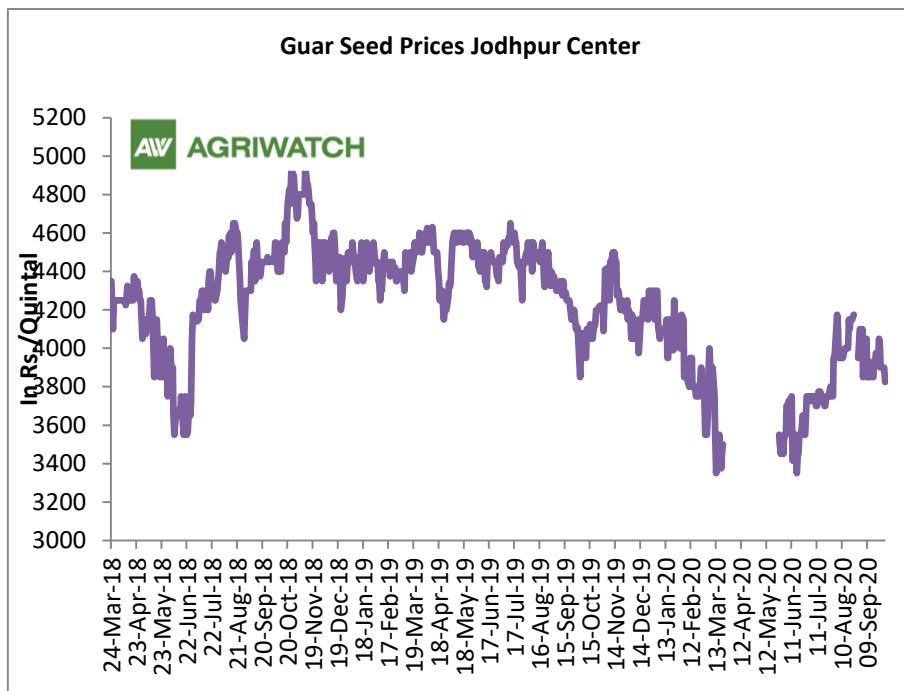
**Weekly Call- : Market participants are advised to BUY Guar seed future November contract Above 4250 levels for a target of 4350 with a stop loss at 4190.**

**Outlook:-**

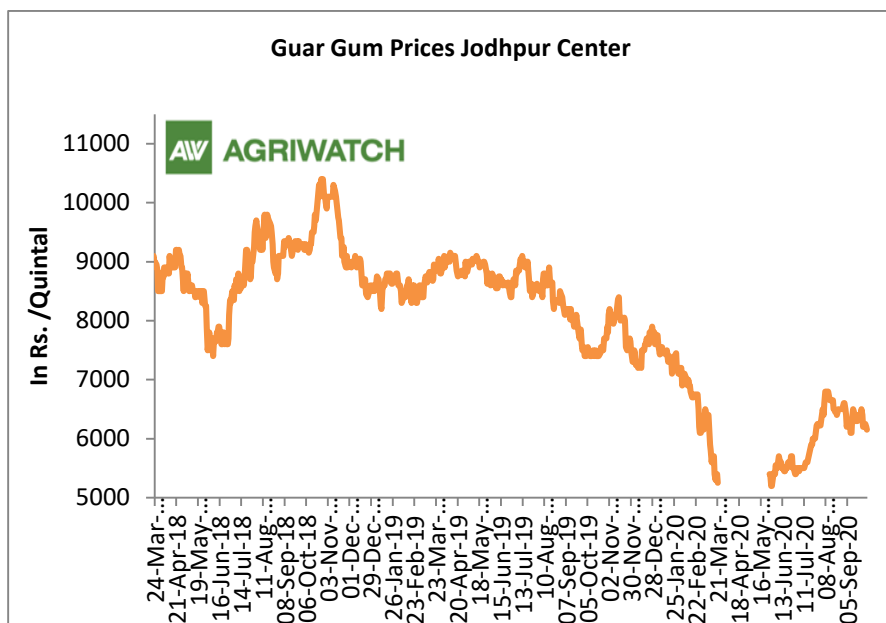
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**Domestic Front**

- 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.



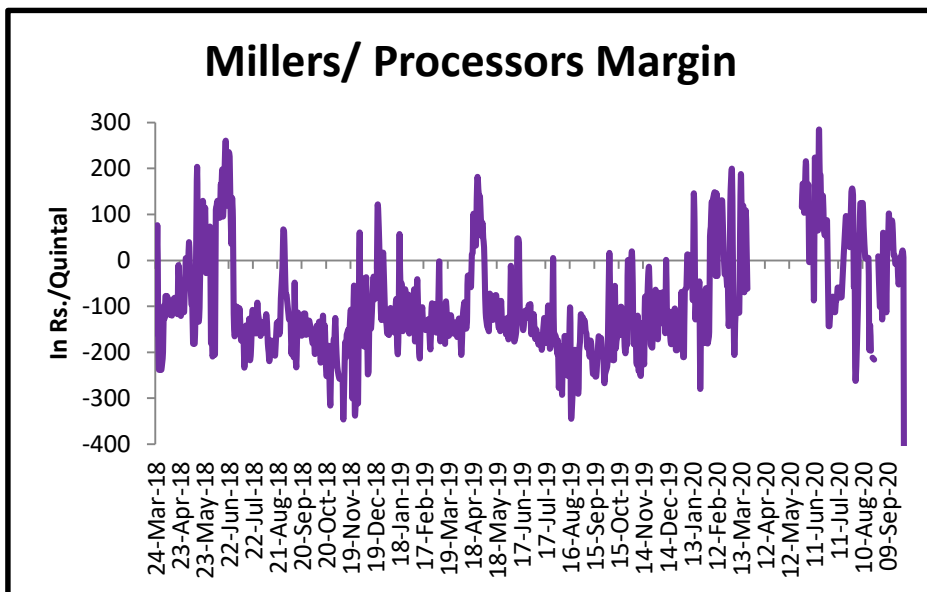
- Guar gum prices too fell to around Rs 6,200/Qtl in the last week of September 2020 from the same period in August 2020.



## Millers/Processors Margin

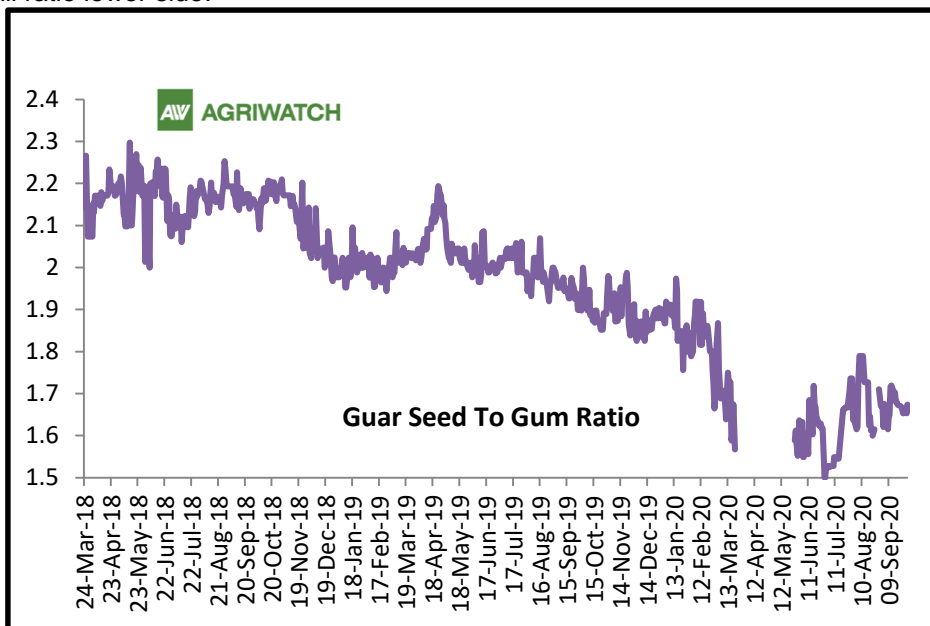
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As seen in the chart, the average crush margin of guar seed have fell in September as compared to August'20, the average crush margin fell to Rs. -31.7/quintal in Sept'20 compared to Rs. -15/quintal in Aug'20. Decline in the guar product prices like 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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<b>Week On Week Exports</b>	<b>Quantity in MT</b>	<b>Average FoB (\$/T)</b>
01-08 Sep-2020	3504	1696
9-16 Sep-2020	3397	1630
17-24 Sep-2020	3986	1727
25-31 Sep-2020	2992	1795
<b>Total</b>	<b>13879</b>	<b>1712</b>

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 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.	3960	3750	4275	4650	4850
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Nov.	BUY	Above 4250	4350	4450	4190

## 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 feature gains the in near-term.

### Strategy: BUY

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Nov.	5824	5522	6585	6991	7500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Nov.	BUY	Above 6575	6675	6775	6515

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

Guar by – Products Weekly Average Prices:				
Commodity	Centre	16th Oct to 22nd Oct 2020	09th Oct to 15th Oct 2020	Change
Churi	Jodhpur	2050	2071	-21
Korma	Jodhpur	3038	3038	Unch
Churi	Sri-Ganganagar	1688	1719	-31
Korma	Sri-Ganganagar	2888	2888	Unch
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	16th Oct to 22nd Oct 2020	09th Oct to 15th Oct 2020	Change
Guargum Split		830	844	-14
Guargum Powder	200 Mesh 5000 CPS	1103	1072	31
	200 Mesh 3500 CPS	966	1015	-49
Guargum Meal	40%	368	403	-35
	50%	545	546	-2
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			16th Oct to 22nd Oct 2020	09th Oct to 15th Oct 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3779	3746	33
		Jodhpur(Delivery)	3968	3933	35
	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)	3841	3778	63
		Bikaner (Delivery)	4033	3966	67
		Nokha(Loose)	3817	3763	54
		Nokha (Delivery)	4008	3951	57
		Khajuwala (Loose)	3830	3810	20
		Khajuwala (Delivery)	4022	4001	21



		Lunkaransar (Loose)	3804	3767	38
	Hanumangarh	Hanumangarh (Loose)	3710	3692	18
		Hanumangarh (Delivery)	3896	3876	19
		Nohar (Loose)	2483	3683	-1200
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	3027	2480	547
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3795	3729	66
		Adampur (Delivery)	3985	3916	69
	Bhiwani	Bhiwani (Delivery)	4023	4048	-25
		Siwani (Loose)	3908	3848	59
	Sirsa	Sirsa (Loose)	3853	3708	144
		Dhabwali (Loose)	3780	3668	113
		Dhabwali (Delivery)	3969	3851	118
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3717	3617	100
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	2914	3626	-712
	Rajkot	Rajkot (Loose)	3756	3701	55
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6238	6192	46
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	4129	6196	-2067
Haryana	Bhiwani	Bhiwani	6210	6223	-13
	Sirsa	Sirsa	6203	6117	87
		Dhabwali	6175	6133	42
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6233	6172	62

### Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			16th Oct to 22nd Oct 2020	09th Oct to 15th Oct 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	5600	3300	2300
		Nokha	3600	1600	2000
		Khajuwala	1050	1050	Unch
		Lunkaransar	1650	1500	150
	Hanumangarh	Hanumangarh	1450	6400	-4950
		Nohar	650	950	-300
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	1300	1250	50
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	2450	4100	-1650
	Bhiwani	Bhiwani	10100	5700	4400
		Siwani	2400	2250	150
	Sirsa	Sirsa	17000	24200	-7200
		Dhabwali	9450	7100	2350
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	800	1150	-350
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	42	84	-42
	Rajkot	Rajkot	420	830	-410
	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			22-Oct-20	15-Oct-20	22-Sep-20	22-Oct-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3900	3800	3830	3950
		Jodhpur(Delivery)	4095	3990	4022	4148
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3925	3700	3600	3750
		Sri-Ganganagar (Delivery)	4075	3850	3750	3900
		Rawla (Loose)	0	0	0	3680
		Gharsana (Loose)	0	0	0	3700
		Raisinghnagar (Loose)	0	3710	0	NR

	<b>Bikaner</b>	Bikaner (Loose)	4020	3780	3700	3750
		Bikaner (Delivery)	4221	3969	3885	3938
		Nokha (Loose)	3925	3800	0	3725
		Nokha (Delivery)	4121	3990	0	3911
		Khajuwala (Loose)	3900	3850	3800	3700
		Khajuwala (Delivery)	4095	4043	3990	3885
		Lunkaransar (Loose)	4000	3750	3750	3800
	<b>Hanumangarh</b>	Hanumangarh (Loose)	Closed	3750	0	3670
		Hanumangarh (Delivery)	Closed	3938	0	3854
		Nohar (Loose)	0	3675	3750	3730
		Pilibanga (Loose)	0	0	3635	0
	<b>Nagaur</b>	Nagaur (Loose)	0	3710	0	3500
	<b>Churu</b>	Churu (Delivery)	0	0	0	3900
	<b>Alwar</b>	Alwar (Loose)	0	0	0	3600
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	3950	3725	3680	3700
		Adampur (Delivery)	4148	3911	3864	3885
	<b>Bhiwani</b>	Bhiwani (Delivery)	4150	4175	3950	3800
		Siwani (Loose)	4030	3850	3900	3875
	<b>Sirsa</b>	Sirsa (Loose)	4040	3770	Closed	3760
		Dhabwali (Loose)	3900	3700	Closed	3700
		Dhabwali (Delivery)	4095	3885	Closed	3885
		Ellanabad (Loose)	0	0	0	0
	<b>Fatehabad</b>	Fatehabad (Loose)	3850	3600	3700	3600
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	0	0	0	0
	<b>Patan</b>	Patan (Loose)	NA	0	0	3575
	<b>Rajkot</b>	Rajkot (Loose)	3815	3650	NR	3575
	<b>Jamnagar</b>	Dhrol (Loose)	0	0	0	0
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	0	0	0	0
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	6550	6150	6400	7400
	<b>Alwar</b>	Alwar	0	0	0	7500
	<b>Hanumangarh</b>	Nohar	0	6200	6400	7500
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	6500	6300	5820	7000
	<b>Sirsa</b>	Sirsa	6550	6100	Closed	7400
		Dhabwali	6300	6100	Closed	7400
		Ellanabad	0	0	0	0
	<b>Fatehabad</b>	Fatehabad	6550	6100	6200	7400



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