

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 gum posted gains on some demand during the week under review. The overseas guar gum demand which is already weak is expected to further go down with the second lockdown in Europe which will eventually hit the crude oil demand.

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 9 to 296 as on 30th October 2020 compared to 287 previous week and 822 compared to 01st November 2019. Total number of oilrigs was recorded at 1,400 in October'20 compared to 3,392 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 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.

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.

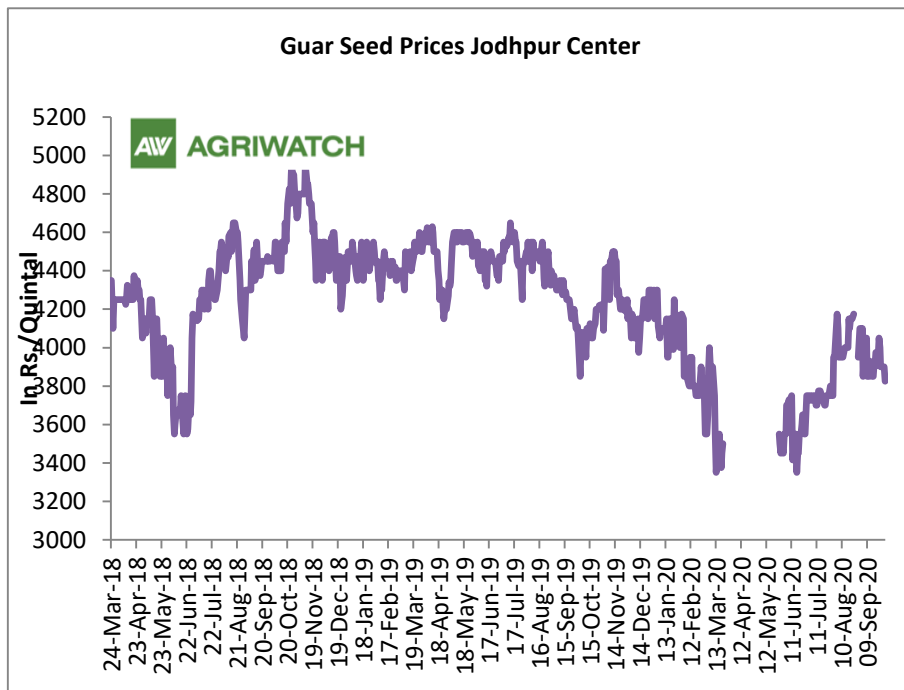
Domestic Guar Seed Market Summary

Outlook:-

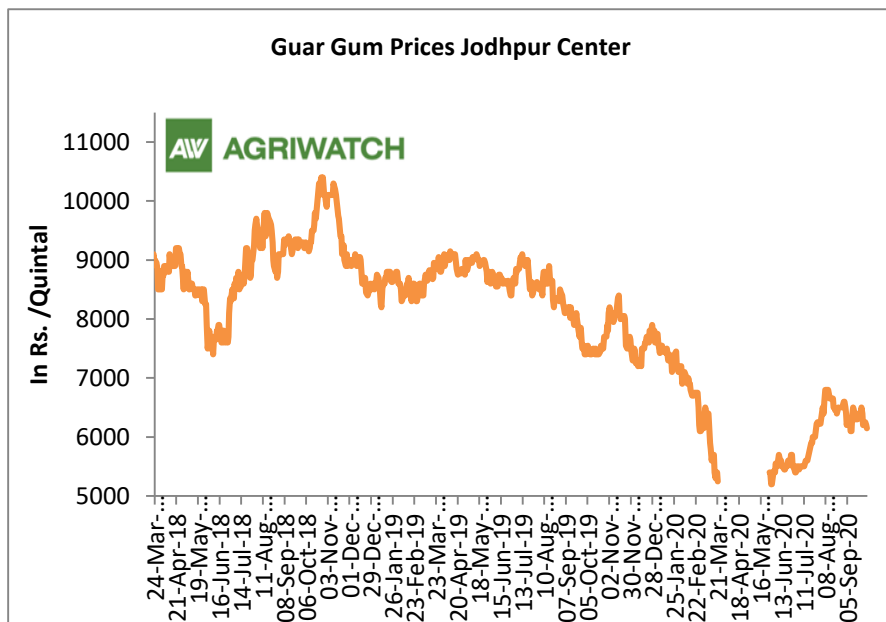
[\(Back to Table of Contents\)](#)

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.



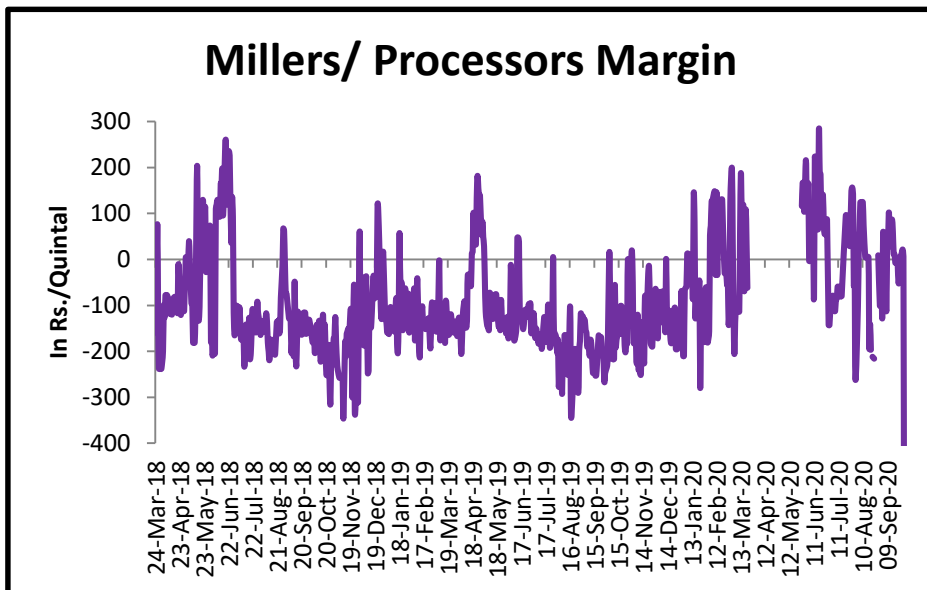
- Guar gum prices too fell to around Rs 6,200/Qtl in the last week of September 2020 from the same period in August 2020.



Millers/Processors Margin

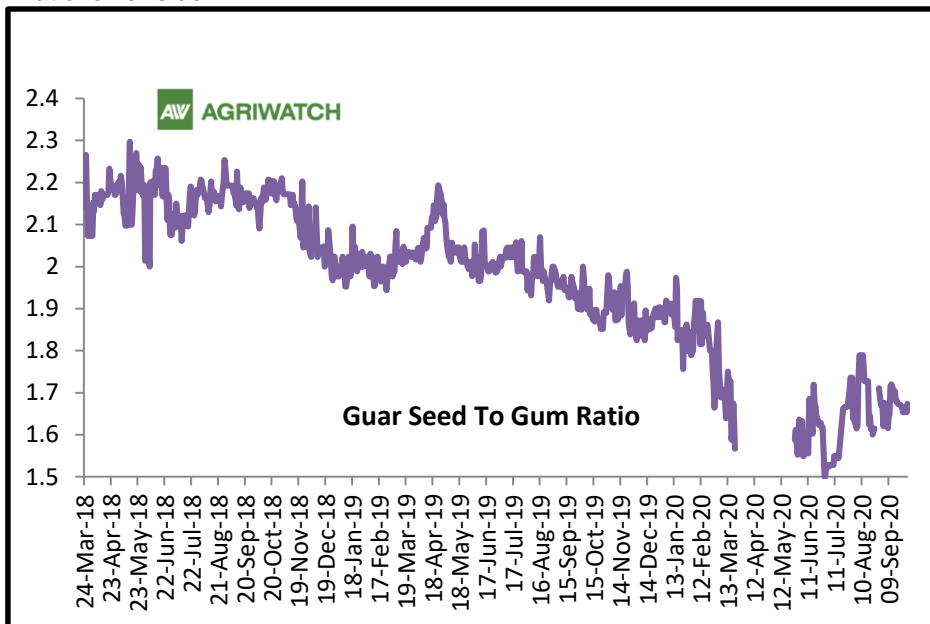
[\(Back to Table of Contents\)](#)

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](#)

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

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 \(Guar Seed\)](#)

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

Commodity: Guar Seed
Contract: Dec.

Exchange: NCDEX
Expiry: Dec. 20, 2020

Guar Seed (Dec. Daily Chart)



Technical Commentary:

- Guar seed extended previous week's gain, during the week.
- RSI and stochastic are rising in the neutral region.
- Prices closed above 18-day EMA.
- Prices are expected to witness correction in near-term.

Strategy: BUY

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Dec.	4000	3900	4327	4600	4700
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Dec.	SELL	Below 4335	4235	4135	4395

Technical Analysis (Guar Gum)

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

Commodity: Guar Gum
Contract: Dec.

Exchange: NCDEX
Expiry: Dec. 20, 2020

Guar Gum (Dec. 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 witness correction in near-term.

Strategy: **SELL**

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Dec.	6300	6150	6744	7000	7150
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Dec.	SELL	Below 6750	6550	6450	6870

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

Guar by – Products Weekly Average Prices:				
Commodity	Centre	23rd Oct to 29th Oct 2020	16th Oct to 22nd Oct 2020	Change
Churi	Jodhpur	2050	2050	Unch
Korma	Jodhpur	3038	3038	Unch
Churi	Sri-Ganganagar	1688	1688	Unch
Korma	Sri-Ganganagar	2888	2888	Unch
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	23rd Oct to 29th Oct 2020	16th Oct to 22nd Oct 2020	Change
Guargum Split		826	830	-4
Guargum Powder	200 Mesh 5000 CPS	1097	1103	-6
	200 Mesh 3500 CPS	962	966	-5
Guargum Meal	40%	366	368	-2
	50%	542	545	-3
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			23rd Oct to 29th Oct 2020	16th Oct to 22nd Oct 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3920	3779	141
		Jodhpur(Delivery)	4116	3968	148
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	-	-
		Sri-Ganganagar (Delivery)	-	-	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	4000	3841	159
		Bikaner (Delivery)	4200	4033	167
		Nokha(Loose)	3955	3817	138
		Nokha (Delivery)	4153	4008	145
		Khajuwala (Loose)	4041	3830	211
		Khajuwala (Delivery)	4243	4022	222
		Lunkaransar (Loose)	4008	3804	204

	Hanumangarh	Hanumangarh (Loose)	3992	3710	282
		Hanumangarh (Delivery)	4192	3896	296
		Nohar (Loose)	0	2483	-2483
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	0	3027	-3027
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3925	3795	130
		Adampur (Delivery)	4121	3985	137
	Bhiwani	Bhiwani (Delivery)	4263	4023	240
		Siwani (Loose)	4034	3908	127
	Sirsa	Sirsa (Loose)	3973	3853	120
		Dhabwali (Loose)	3896	3780	116
		Dhabwali (Delivery)	4091	3969	122
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3817	3717	100
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	3814	2914	900
	Rajkot	Rajkot (Loose)	642	3756	-3114
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6670	6238	433
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	4129	-4129
Haryana	Bhiwani	Bhiwani	6627	6210	417
	Sirsa	Sirsa	6583	6203	380
		Dhabwali	6517	6175	342
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6467	6233	233

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			23rd Oct to 29th Oct 2020	16th Oct to 22nd Oct 2020	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	-	-	-
		Rawla	-	-	-
		Gharsana	-	-	-

		Raisinghnagar	-	-	-
	Bikaner	Bikaner	6800	5600	1200
		Nokha	2850	3600	-750
		Khajuwala	1400	1050	350
		Lunkaransar	2950	1650	1300
	Hanumangarh	Hanumangarh	2500	1450	1050
		Nohar	0	650	-650
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	0	1300	-1300
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	3550	2450	1100
	Bhiwani	Bhiwani	18500	10100	8400
		Siwani	2200	2400	-200
	Sirsa	Sirsa	10200	17000	-6800
		Dhabwali	5550	9450	-3900
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	600	800	-200
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	86	42	44
	Rajkot	Rajkot	170	420	-250
	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			29-Oct-20	22-Oct-20	29-Sep-20	29-Oct-19
Rajasthan	Jodhpur	Jodhpur (Loose)	Closed	3900	3750	Closed
		Jodhpur(Delivery)	Closed	4095	3938	Closed
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3900	3925	3650	Closed
		Sri-Ganganagar (Delivery)	4050	4075	3800	Closed
		Rawla (Loose)	0	0	0	3770
		Gharsana (Loose)	0	0	0	0
		Raisinghnagar (Loose)	3950	0	0	3875
	Bikaner	Bikaner (Loose)	3970	4020	3725	Closed

		Bikaner (Delivery)	4169	4221	3911	Closed
		Nokha(Loose)	3900	3925	0	3825
		Nokha (Delivery)	4095	4121	0	4016
		Khajuwala (Loose)	4000	3900	3500	3800
		Khajuwala (Delivery)	4200	4095	3675	3990
		Lunkaransar (Loose)	3950	4000	3700	3850
	Hanumangarh	Hanumangarh (Loose)	4000	Closed	Closed	3800
		Hanumangarh (Delivery)	4200	Closed	Closed	3990
		Nohar (Loose)	0	0	3750	3800
		Pilibanga (Loose)	0	0	3600	0
	Nagaur	Nagaur (Loose)	0	0	0	Closed
	Churu	Churu (Delivery)	0	0	0	4100
	Alwar	Alwar (Loose)	0	0	0	3800
Haryana	Hisar	Adampur (Loose)	4000	3950	3750	3800
		Adampur (Delivery)	4200	4148	3938	3990
	Bhiwani	Bhiwani (Delivery)	4400	4150	3900	Closed
		Siwani (Loose)	3980	4030	3910	3975
	Sirsa	Sirsa (Loose)	3935	4040	3650	3875
		Dhabwali (Loose)	3900	3900	3650	3800
		Dhabwali (Delivery)	4095	4095	3833	3990
		Ellanabad (Loose)	0	0	0	0
	Fatehabad	Fatehabad (Loose)	3750	3850	3700	NR
Gujarat	Banaskantha	Deesa (Loose)	0	0	0	0
	Patan	Patan (Loose)	4000	NA	0	0
	Rajkot	Rajkot (Loose)	0	3815	3700	0
	Jamnagar	Dhrol (Loose)	0	0	0	0
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	Closed	6550	6200	Closed
	Alwar	Alwar	0	0	0	7700
	Hanumangarh	Nohar	0	0	6250	7700
Haryana	Bhiwani	Bhiwani	6850	6500	6100	Closed
	Sirsa	Sirsa	6550	6550	6100	7650
		Dhabwali	6500	6300	6100	7700
		Ellanabad	0	0	0	0
	Fatehabad	Fatehabad	6550	6550	6100	NR



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