

Guar Weekly Research Report

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Guar Seed Fundamental Analysis

Executive Summary

Mixed sentiments witnessed in the seed market on varied factors in various market centers while guar gum featured firm tone on some local and overseas demand.

Second lockdown in Europe is again a concern on demand in the crude oil, a major guar gum demand driver.

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 300 as on 06th November 2020 compared to 296 previous week and 517 compared to 06th 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:

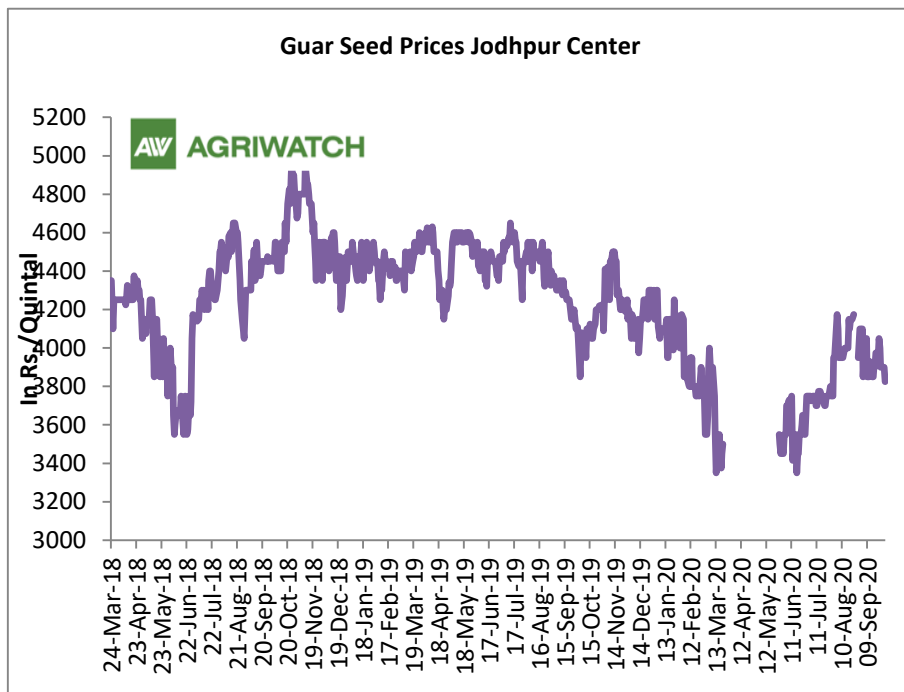
Weekly Call- : Market participants are advised to BUY Guar seed future December contract Above 4270 levels for a target of 4370 with a stop loss at 4210.

Outlook:-

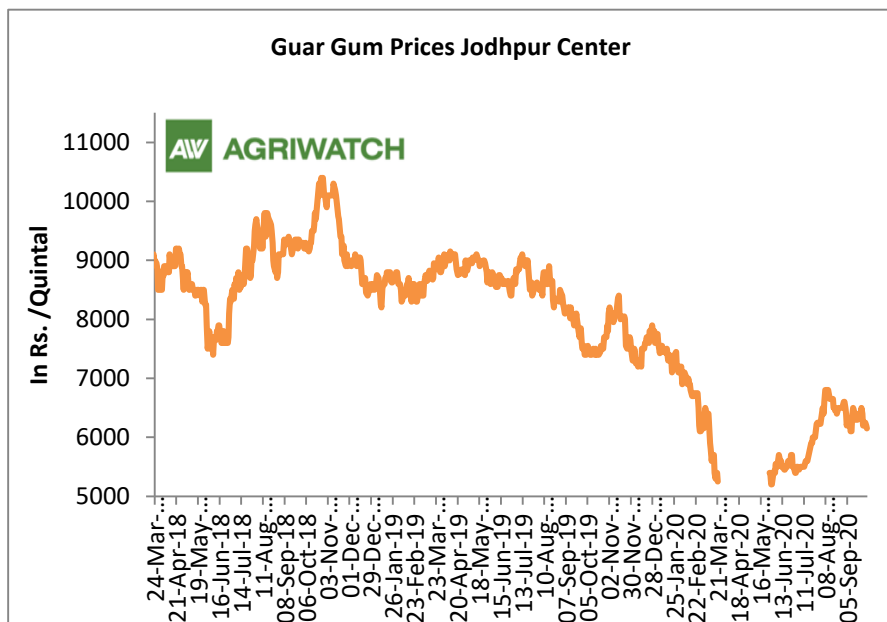
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Domestic Front

- 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.



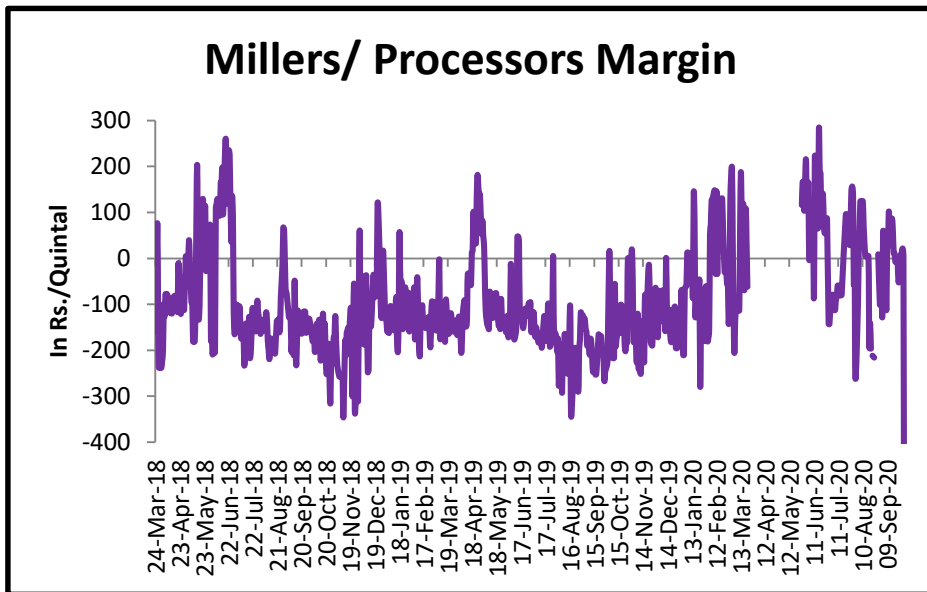
- Guar gum prices too fell to around Rs 6,200/Qtl in the last week of September 2020 from the same period in August 2020.



Millers/Processors Margin

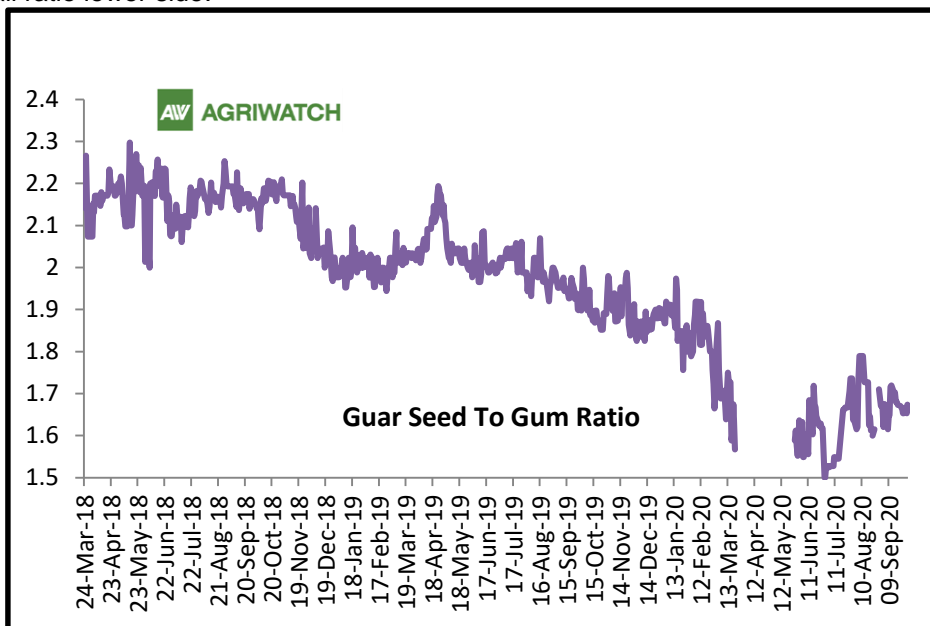
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As seen in the chart, the average crush margin of guar seed have fell in September as compared to August'20, the average crush margin fell to Rs. -31.7/quintal in Sept'20 compared to Rs. -15/quintal in Aug'20. Decline in the guar product prices like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

Exchange: NCDEX

Expiry: Dec. 20, 2020

Guar Seed (Dec. Daily Chart)



Technical Commentary:

- Guar seed fell on selling pressure in the market, during the week.
- RSI and stochastic are falling in the neutral region.
- Prices closed above 18-day EMA.
- Prices are expected to witness gains in near-term.

Strategy: BUY

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Dec.	3950	3850	4281	4600	4700
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Dec.	BUY	Above 4270	4370	4470	4210

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: Dec.

Exchange: NCDEX
Expiry: Dec. 20, 2020

Guar Gum (Dec. Daily Chart)



Technical Commentary:

- Guar gum fell on selling pressure in the market.
- RSI and stochastic are falling 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 Gum	NCDEX	Dec.	6200	6100	6589	7000	7200
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Dec.	SELL	Below 6595	6495	6395	6655

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices:				
Commodity	Centre	30th Oct to 05th Oct 2020	23rd Oct to 29th Oct 2020	Change
Churi	Jodhpur	2100	2050	50
Korma	Jodhpur	3038	3038	Unch
Churi	Sri-Ganganagar	1775	1688	87
Korma	Sri-Ganganagar	2888	2888	Unch
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	30th Oct to 05th Oct 2020	23rd Oct to 29th Oct 2020	Change
Guargum Split		846	826	20
Guargum Powder	200 Mesh 5000 CPS	1106	1097	9
	200 Mesh 3500 CPS	994	962	32
Guargum Meal	40%	376	366	10
	50%	542	542	0
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			30th Oct to 05th Oct 2020	23rd Oct to 29th Oct 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3958	3920	38
		Jodhpur(Delivery)	4156	4116	40
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	-	-
		Sri-Ganganagar (Delivery)	-	-	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	3982	4000	-18
		Bikaner (Delivery)	4181	4200	-19
		Nokha(Loose)	4004	3955	49
		Nokha (Delivery)	4204	4153	52

		Khajuwala (Loose)	3980	4041	-61
		Khajuwala (Delivery)	4179	4243	-64
		Lunkaransar (Loose)	3967	4008	-41
	Hanumangarh	Hanumangarh (Loose)	3992	3992	0
		Hanumangarh (Delivery)	4191	4192	0
		Nohar (Loose)	1970	0	1970
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	1925	0	1925
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3988	3925	63
		Adampur (Delivery)	4187	4121	66
	Bhiwani	Bhiwani (Delivery)	4145	4263	-118
		Siwani (Loose)	4040	4034	6
	Sirsa	Sirsa (Loose)	3945	3973	-28
		Dhabwali (Loose)	3950	3896	54
		Dhabwali (Delivery)	4148	4091	57
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3800	3817	-17
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	3819	3814	5
	Rajkot	Rajkot (Loose)	0	642	-642
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6667	6670	-3
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	3183	0	3183
Haryana	Bhiwani	Bhiwani	6733	6627	107
	Sirsa	Sirsa	6588	6583	4
		Dhabwali	6658	6517	142
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6600	6467	133

Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			30th Oct to 05th Oct 2020	23rd Oct to 29th Oct 2020	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch

	Sri-Ganganagar	Sri-Ganganagar	-	-	-
		Rawla	-	-	-
		Gharsana	-	-	-
		Raisinghnagar	-	-	-
	Bikaner	Bikaner	6200	6800	-600
		Nokha	3650	2850	800
		Khajuwala	2200	1400	800
		Lunkaransar	3600	2950	650
	Hanumangarh	Hanumangarh	1150	2500	-1350
		Nohar	400	0	400
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	920	0	920
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	2000	3550	-1550
	Bhiwani	Bhiwani	24500	18500	6000
		Siwani	2500	2200	300
	Sirsa	Sirsa	5500	10200	-4700
		Dhabwali	3550	5550	-2000
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	350	600	-250
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	200	86	114
	Rajkot	Rajkot	0	170	-170
	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			5-Nov-20	29-Oct-20	6-Oct-20	5-Nov-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3950	Closed	3750	4260
		Jodhpur(Delivery)	4148	Closed	3938	4473
	Sri-Ganganagar	Sri-Ganganagar(Loose)	Closed	3900	3650	3750
		Sri-Ganganagar (Delivery)	Closed	4050	3800	3900
		Rawla (Loose)	Closed	0	0	4070

		Gharsana (Loose)	Closed	0	0	4130
		Raisinghnagar (Loose)	Closed	3950	0	3950
	Bikaner	Bikaner (Loose)	4000	3970	3800	4050
		Bikaner (Delivery)	4200	4169	3990	4253
		Nokha(Loose)	4025	3900	0	4100
		Nokha (Delivery)	4226	4095	0	4305
		Khajuwala (Loose)	4000	4000	3800	4050
		Khajuwala (Delivery)	4200	4200	3990	4253
		Lunkaransar (Loose)	3950	3950	3800	4100
	Hanumangarh	Hanumangarh (Loose)	3950	4000	3625	4140
		Hanumangarh (Delivery)	4148	4200	3806	4347
		Nohar (Loose)	0	0	3750	4200
		Pilibanga (Loose)	0	0	0	4120
	Nagaur	Nagaur (Loose)	0	0	0	4000
	Churu	Churu (Delivery)	0	0	0	4300
	Alwar	Alwar (Loose)	0	0	0	4000
Haryana	Hisar	Adampur (Loose)	3950	4000	3750	4100
		Adampur (Delivery)	4148	4200	3938	4305
	Bhiwani	Bhiwani (Delivery)	4150	4400	4000	4150
		Siwani (Loose)	4070	3980	3910	4160
	Sirsa	Sirsa (Loose)	3955	3935	3700	4135
		Dhabwali (Loose)	3975	3900	3680	4100
		Dhabwali (Delivery)	4174	4095	3864	4305
		Ellanabad (Loose)	0	0	0	0
	Fatehabad	Fatehabad (Loose)	3850	3750	3650	3980
Gujarat	Banaskantha	Deesa (Loose)	0	0	0	0
	Patan	Patan (Loose)	3755	4000	3650	3955
	Rajkot	Rajkot (Loose)	0	0	3730	4000
	Jamnagar	Dhrol (Loose)	0	0	0	0
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6700	Closed	6325	8200
	Alwar	Alwar	0	0	0	8200
	Hanumangarh	Nohar	0	0	6200	8000
Haryana	Bhiwani	Bhiwani	6725	6850	6350	7900
	Sirsa	Sirsa	6600	6550	6200	8250
		Dhabwali	6725	6500	6250	8100



		Ellanabad	0	0	0	0
	Fatehabad	Fatehabad	6600	6550	6100	8100

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