

Guar Weekly Research Report

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Guar Seed Fundamental Analysis

Executive Summary

Guar seed fell on weak demand from processors followed by the slack in overseas demand for the guar gum from the consuming sectors.

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 12 to 312 as on 13th November 2020 compared to 300 previous week and 806 compared to 15th 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:

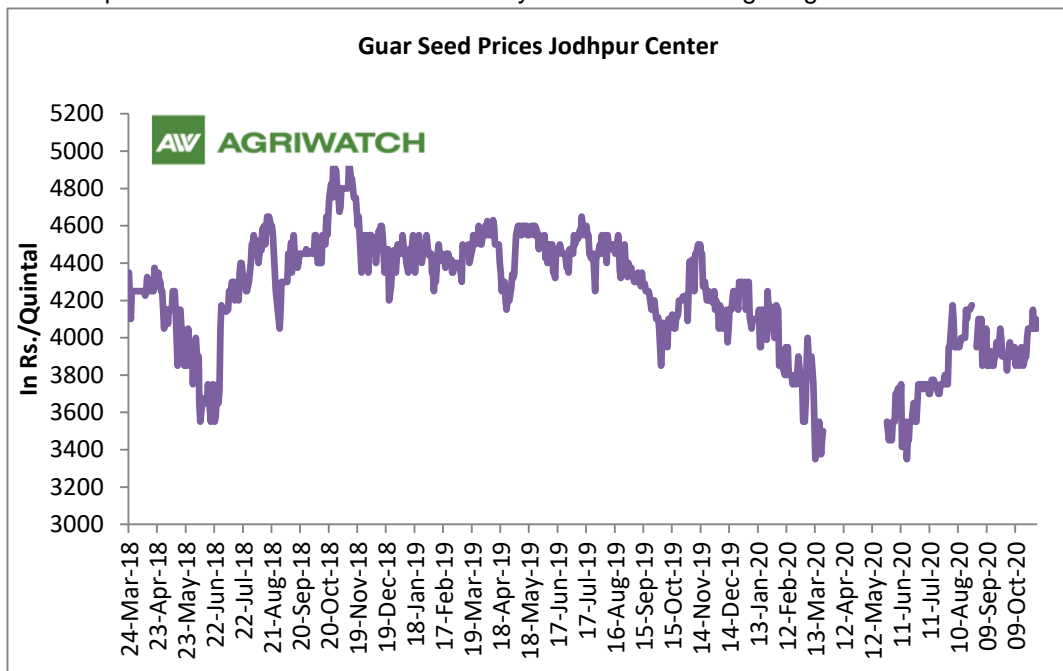
Weekly Call- : Market participants are advised to SELL Guar seed future December contract Below 4170 levels for a target of 3970 with a stop loss at 4290.

Outlook:-

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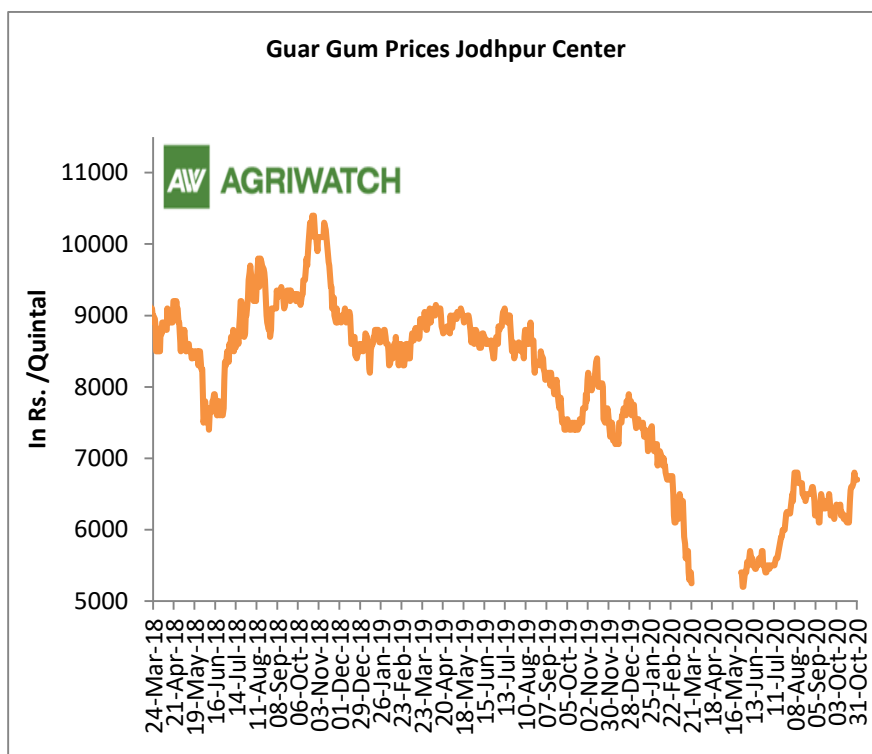
Domestic Front

- The guar seed prices showed mild signs of recovery in October compared to the prices in the month September. Besides limited demand from processors after COVID followed by weak demand in guar gum remained bearish for the market.
- Stockists and the processors are the major buyers of the new seed.
- The average guar seed loose prices in Jodhpur have slightly improved and was quoted at Rs 3,963 a quintal in October compared to Rs 3,934 a quintal in September.
- Similarly, the average guar gum prices have slightly gains to around Rs 6,384 a quintal in October compared to Rs 6,321 per quintal in September.



- The production estimate for guar seed this year fell by around 45% compared to the previous season.
- Lower production is attributed to the decline in the yield potential due to the moisture stress during the crop development period.

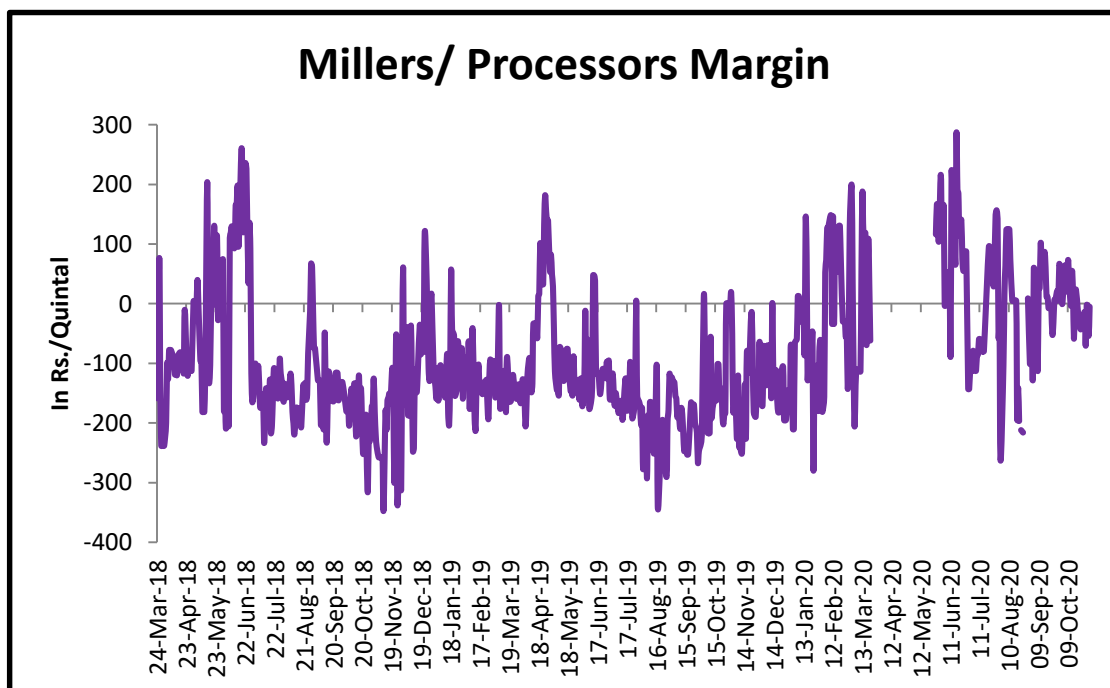
- Guar gum prices improved to around Rs 6,384/Qtl in October 2020 compared to Rs 6,321/Qtl in September 2020.



Millers/Processors Margin

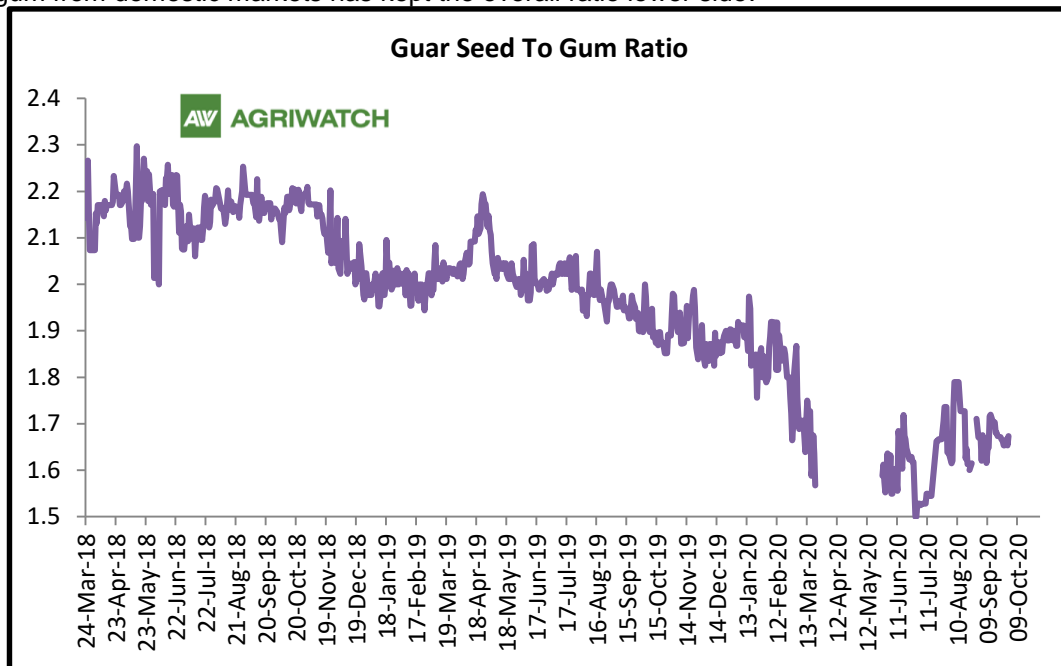
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As seen in the chart, the average crush margin of guar seed have improved in October'20 as compared to September'20, the average crush margin improved to Rs. +3.59/quintal in Sept'20 compared to Rs. -31.7/quintal in Aug'20. Decline in the guar product prices like gum, churi and korma have pressured the processors' margin.



Guar Seed to Gum Ratio

The average monthly Ratio of guar seed to gum stood at 1.67 in October'20 compared to 1.66 in September'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 losses in near-term.

Strategy: SELL

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Dec.	4066	3800	4165	4400	4600
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Dec.	SELL	Below 4170	3970	3870	4290

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.	6100	5900	6413	6760	6916
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Dec.	SELL	Below 6420	6220	6120	6540

Guar by – Products Weekly Average Prices:

Commodity	Centre	06th Oct to 12th Oct 2020	30th Oct to 05th Oct 2020	Change
Churi	Jodhpur	2200	2100	100
Korma	Jodhpur	3038	3038	Unch
Churi	Sri-Ganganagar	1950	1775	175
Korma	Sri-Ganganagar	2888	2888	Unch
Prices in Rs/75kg				

Guar Export Weekly Average Prices:

Commodity	Variety	06th Oct to 12th Oct 2020	30th Oct to 05th Oct 2020	Change
Guargum Split		903	846	56
Guargum Powder	200 Mesh 5000 CPS	1145	1106	39
	200 Mesh 3500 CPS	1078	994	84
Guargum Meal	40%	404	376	28
	50%	552	542	11
Prices in \$/MT				

Guar Seed Weekly Average Prices:

Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			06th Oct to 12th Oct 2020	30th Oct to 05th Oct 2020	
Guar Seed					
Rajasthan	Jodhpur	Jodhpur (Loose)	3850	3958	-108
		Jodhpur(Delivery)	4043	4156	-114
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	-	-
		Sri-Ganganagar (Delivery)	-	-	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	3922	3982	-60
		Bikaner (Delivery)	4118	4181	-63
		Nokha(Loose)	3925	4004	-79
		Nokha (Delivery)	4121	4204	-83
		Khajuwala (Loose)	3933	3980	-47
		Khajuwala (Delivery)	4130	4179	-49
		Lunkaransar (Loose)	3900	3967	-67

	Hanumangarh	Hanumangarh (Loose)	3880	3992	-112
		Hanumangarh (Delivery)	4074	4191	-117
		Nohar (Loose)	0	1970	-1970
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	0	1925	-1925
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3888	3988	-99
		Adampur (Delivery)	4083	4187	-104
	Bhiwani	Bhiwani (Delivery)	3996	4145	-149
		Siwani (Loose)	4002	4040	-38
	Sirsa	Sirsa (Loose)	3846	3945	-99
		Dhabwali (Loose)	3844	3950	-106
		Dhabwali (Delivery)	3960	4148	-188
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3804	3800	4
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	3809	3819	-10
	Rajkot	Rajkot (Loose)	0	0	Unch
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6470	6667	-197
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	3183	-3183
Haryana	Bhiwani	Bhiwani	6452	6733	-282
	Sirsa	Sirsa	6500	6588	-88
		Dhabwali	6570	6658	-88
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6483	6600	-117

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			06th Oct to 12th Oct 2020	30th Oct to 05th Oct 2020	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	-	-	-
		Rawla	-	-	-
		Gharsana	-	-	-

		Raisinghnagar	-	-	-
	Bikaner	Bikaner	6300	6200	100
		Nokha	3600	3650	-50
		Khajuwala	1250	2200	-950
		Lunkaransar	2200	3600	-1400
	Hanumangarh	Hanumangarh	1000	1150	-150
		Nohar	0	400	-400
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	0	920	-920
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	2450	2000	450
	Bhiwani	Bhiwani	16200	24500	-8300
		Siwani	2500	2500	Unch
	Sirsa	Sirsa	3800	5500	-1700
		Dhabwali	2000	3550	-1550
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	300	350	-50
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	613	200	413
	Rajkot	Rajkot	0	0	Unch
	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			12-Nov-20	5-Nov-20	13-Oct-20	12-Nov-19
Rajasthan	Jodhpur	Jodhpur (Loose)	Closed	3950	3700	Closed
		Jodhpur(Delivery)	Closed	4148	3885	Closed
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3850	Closed	3700	4000
		Sri-Ganganagar (Delivery)	4000	Closed	3850	4150
		Rawla (Loose)	3850	Closed	0	4000
		Gharsana (Loose)	3800	Closed	0	4050
		Raisinghnagar (Loose)	3820	Closed	3710	4075
	Bikaner	Bikaner (Loose)	3900	4000	3760	4100

		Bikaner (Delivery)	4095	4200	3948	4305
		Nokha(Loose)	3900	4025	3725	4100
		Nokha (Delivery)	4095	4226	3911	4305
		Khajuwala (Loose)	Closed	4000	3800	4050
		Khajuwala (Delivery)	Closed	4200	3990	4253
		Lunkaransar (Loose)	3850	3950	3750	4170
	Hanumangarh	Hanumangarh (Loose)	closed	3950	3700	4150
		Hanumangarh (Delivery)	closed	4148	3885	4358
		Nohar (Loose)	NR	0	3650	4050
		Pilibanga (Loose)	NA	0	0	0
	Nagaur	Nagaur (Loose)	Closed	0	3720	4025
	Churu	Churu (Delivery)	NA	0	0	4300
	Alwar	Alwar (Loose)	NA	0	0	4000
Haryana	Hisar	Adampur (Loose)	3850	3950	3700	4080
		Adampur (Delivery)	4043	4148	3885	4284
	Bhiwani	Bhiwani (Delivery)	3900	4150	4050	Closed
		Siwani (Loose)	3950	4070	3850	4230
	Sirsa	Sirsa (Loose)	3800	3955	3725	4100
		Dhabwali (Loose)	3820	3975	3680	4025
		Dhabwali (Delivery)	3820	4174	3864	4226
		Ellanabad (Loose)	NR	0	0	0
	Fatehabad	Fatehabad (Loose)	3800	3850	3600	4050
Gujarat	Banaskantha	Deesa (Loose)	NA	0	0	0
	Patan	Patan (Loose)	Closed	3755	3625	0
	Rajkot	Rajkot (Loose)	NA	0	3700	3975
	Jamnagar	Dhrol (Loose)	NA	0	0	0
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	Closed	6700	6150	Closed
	Alwar	Alwar	NA	0	0	8100
	Hanumangarh	Nohar	NR	0	6200	7800
Haryana	Bhiwani	Bhiwani	6500	6725	6250	Closed
	Sirsa	Sirsa	6400	6600	6100	8050
		Dhabwali	6500	6725	6125	8050
		Ellanabad	NR	0	0	0
	Fatehabad	Fatehabad	6400	6600	6150	8050



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