

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**

Executive Summary

Domestic Guar Seed Market Summary

Guar seed extended losses on slack in demand from processors followed by the fall 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 2 to 310 as on 20th November 2020 compared to 312 previous week and 803 on 22nd November 2019. Total number of oilrigs were recorded at 1,400 in October'20 compared to 3,392 in the corresponding period in last year.

India's guar gum exports slightly improved in the month of October 2020 by 3% to 14,331 tonnes compared to 13,879 tonnes during September 2020 at an average FoB of US \$ 1785 per tonne in the month of October compared to US \$ 1708 per tonne in the month of September 2020. **However, the gum shipments were down 24% in October 2020 compared to 19,027 tonnes during the same period last year.** Of the total exported quantity, around 7,983 tonnes is bought US (4,986 tonnes), Germany (1,831 tonnes) and China (1,165 tonnes).

India's guar split exports surged in the month of October 2020 by 449% to 3,438 tonnes compared to 625 tonnes during September 2020 at an average FoB of US \$ 1,408 per tonne in the month of October compared to US \$ 1,327 per tonne in the month of September 2020. **Further, the gum shipments were up 70% in October 2020 compared to 2,020 tonnes during the same period last year.** Of the total exported quantity, around 2,292 tonnes is bought US (1,495 tonnes), Nepal (5,98 tonnes) and UK (1,99 tonnes).

Previous Updates:

Export of guar gum have slightly improved in the month of October-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.

Recommendation:

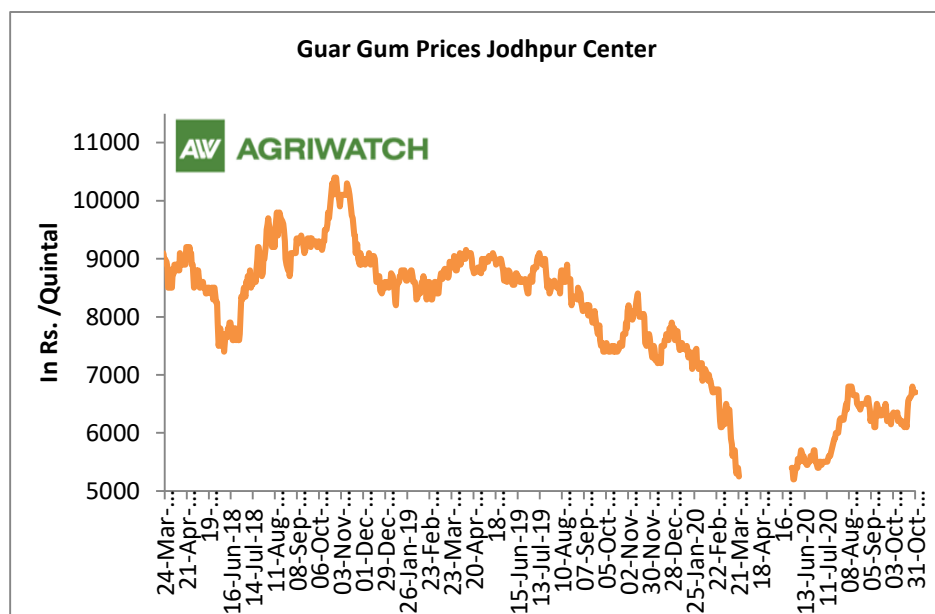
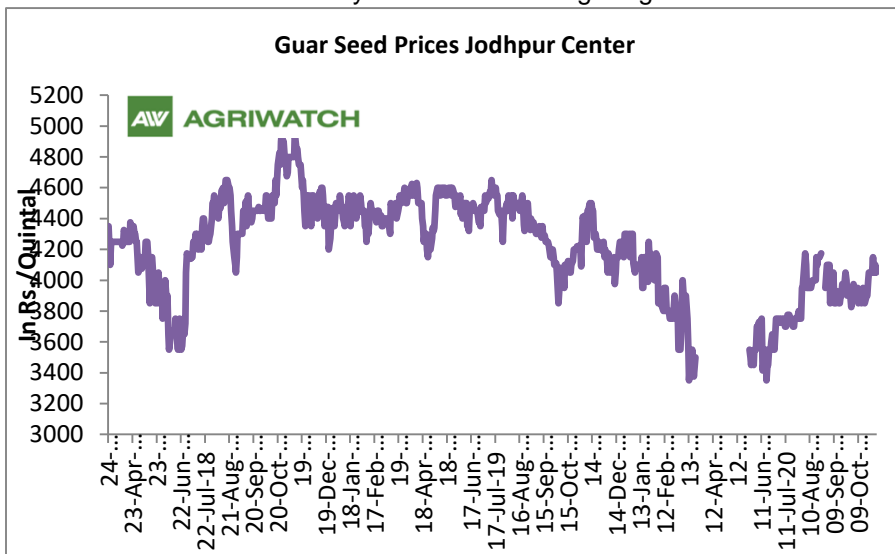
Weekly Call- : Market participants are advised to SELL Guar seed future December contract Below 3980 levels for a target of 3880 with a stop loss at 4040.

Outlook:-

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

Domestic Front

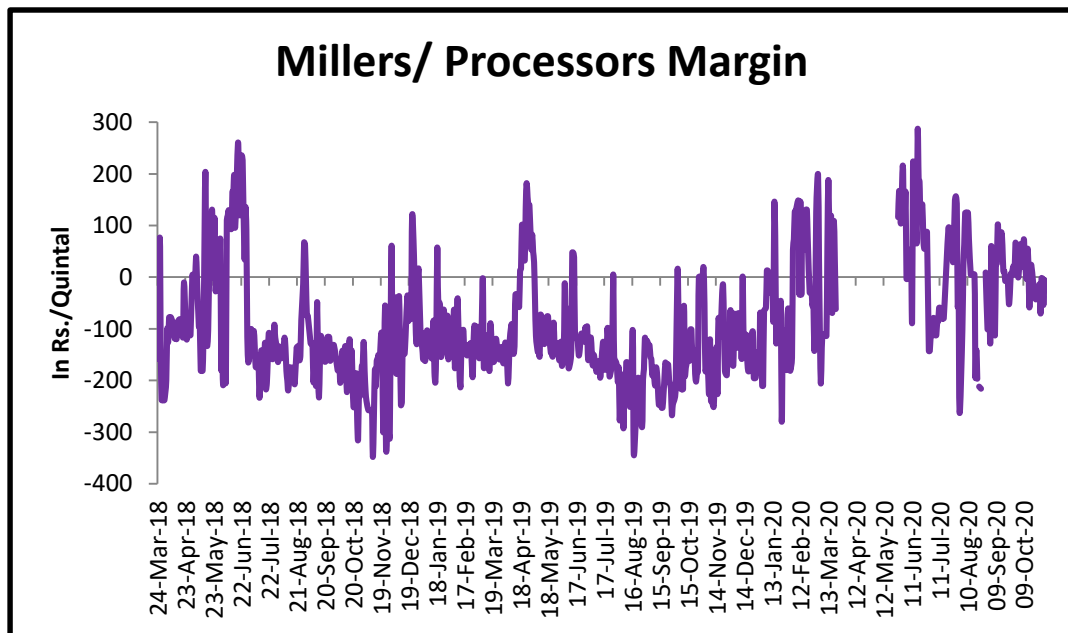
- The guar seed prices showed mild signs of recovery in October compared to the prices in the month September. Besides limited demand from processors after COVID followed by weak demand in guar gum remained bearish for the market.
- Stockists and the processors are the major buyers of the new seed.
- 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

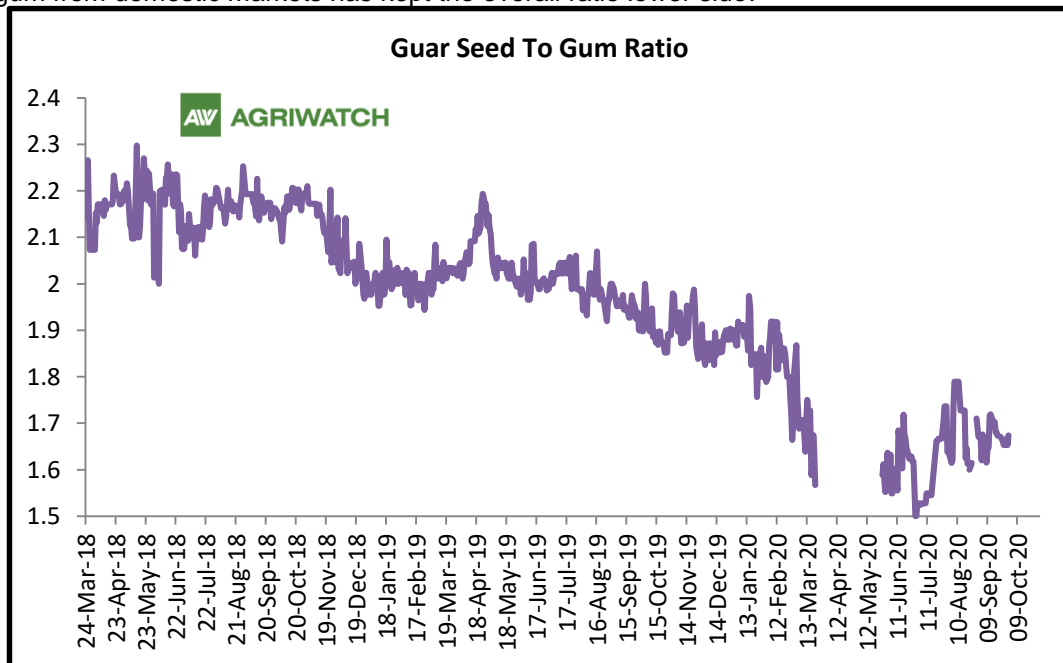
[\(Back to Table of Contents\)](#)

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

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

Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08 Oct-2020	3277	1851
9-16 Oct-2020	3700	1688
17-24 Oct-2020	3929	1849
25-31 Oct-2020	3882	1746
Total	14788	1784

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 losses on selling pressure in the market, during the week.
- RSI and stochastic are falling in the neutral region.
- Prices closed below 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.	3700	3600	3967	4250	4350
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Dec.	SELL	Below 3980	3880	3780	4040

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 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 feature losses in near-term.

Strategy: SELL

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Dec.	5700	5600	6007	6400	6500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Dec.	SELL	Below 6010	5910	5810	6070

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

Guar by – Products Weekly Average Prices:				
Commodity	Centre	13th Oct to 19th Oct 2020	06th Oct to 12th Oct 2020	Change
Churi	Jodhpur	2195	2200	-5
Korma	Jodhpur	3049	3038	11
Churi	Sri-Ganganagar	1943	1950	-7
Korma	Sri-Ganganagar	2895	2888	7
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	13th Oct to 19th Oct 2020	06th Oct to 12th Oct 2020	Change
Guargum Split		900	903	-2
Guargum Powder	200 Mesh 5000 CPS	1142	1145	-3
	200 Mesh 3500 CPS	1075	1078	-3
Guargum Meal	40%	403	404	-1
	50%	551	552	-1
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			13th Oct to 19th Oct 2020	06th Oct to 12th Oct 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	4000	3850	150
		Jodhpur(Delivery)	4200	4043	158
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3800	#N/A	-
		Sri-Ganganagar (Delivery)	3950	#N/A	-
		Rawla (Loose)	3875	#N/A	-
		Gharsana (Loose)	3850	#N/A	-
		Raisinghnagar (Loose)	3840	#N/A	-
	Bikaner	Bikaner (Loose)	3890	3922	-32
		Bikaner (Delivery)	4085	4118	-33
		Nokha(Loose)	3825	3925	-100
		Nokha (Delivery)	4016	4121	-105
		Khajuwala (Loose)	3875	3933	-58
		Khajuwala (Delivery)	4069	4130	-61

		Lunkaransar (Loose)	3888	3900	-13
	Hanumangarh	Hanumangarh (Loose)	3800	3880	-80
		Hanumangarh (Delivery)	3990	4074	-84
		Nohar (Loose)	0	0	Unch
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	0	0	Unch
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3825	3888	-63
		Adampur (Delivery)	4016	4083	-67
	Bhiwani	Bhiwani (Delivery)	3960	3996	-36
		Siwani (Loose)	3950	4002	-52
	Sirsa	Sirsa (Loose)	3800	3846	-46
		Dhabwali (Loose)	3788	3844	-57
		Dhabwali (Delivery)	3977	3960	17
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3725	3804	-79
Gujarat	Banaskantha	Deesa (Loose)	#DIV/0!	0	-
	Patan	Patan (Loose)	3775	3809	-34
	Rajkot	Rajkot (Loose)	#DIV/0!	0	-
	Jamnagar	Dhrol (Loose)	#DIV/0!	0	-
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6200	6470	-270
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	6267	6452	-185
	Sirsa	Sirsa	6267	6500	-233
		Dhabwali	6350	6570	-220
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6233	6483	-250

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			13th Oct to 19th Oct 2020	06th Oct to 12th 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	2800	6300	-3500
		Nokha	2600	3600	-1000
		Khajuwala	1300	1250	50
		Lunkaransar	800	2200	-1400
	Hanumangarh	Hanumangarh	475	1000	-525
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	0	0	Unch
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	1400	2450	-1050
	Bhiwani	Bhiwani	1900	16200	-14300
		Siwani	900	2500	-1600
	Sirsa	Sirsa	4550	3800	750
		Dhabwali	1300	2000	-700
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	150	300	-150
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	78	613	-535
	Rajkot	Rajkot	0	0	Unch
	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			19-Nov-20	12-Nov-20	20-Oct-20	19-Nov-19
Rajasthan	Jodhpur	Jodhpur (Loose)	4000	0	3750	4125
		Jodhpur(Delivery)	4200	0	3938	4331
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3750	3850	3725	4000
		Sri-Ganganagar (Delivery)	3900	4000	3875	4150
		Rawla (Loose)	3900	3850	0	3950
		Gharsana (Loose)	3850	3800	0	4130
		Raisinghnagar (Loose)	3840	3820	3720	4060
	Bikaner	Bikaner (Loose)	3900	3900	3775	4050

		Bikaner (Delivery)	4095	4095	3964	4253
		Nokha(Loose)	3825	3900	3850	4000
		Nokha (Delivery)	4016	4095	4043	4200
		Khajuwala (Loose)	3850	Closed	3800	4020
		Khajuwala (Delivery)	4043	Closed	3990	4221
		Lunkaransar (Loose)	3875	3850	3775	4050
	Hanumangarh	Hanumangarh (Loose)	3750	0	Closed	4025
		Hanumangarh (Delivery)	3938	0	Closed	4226
		Nohar (Loose)	0	0	3725	4000
		Pilibanga (Loose)	0	0	0	0
	Nagaur	Nagaur (Loose)	0	0	3780	3950
	Churu	Churu (Delivery)	0	0	0	4300
	Alwar	Alwar (Loose)	0	0	0	4000
Haryana	Hisar	Adampur (Loose)	3800	3850	3770	4065
		Adampur (Delivery)	3990	4043	3959	4268
	Bhiwani	Bhiwani (Delivery)	3950	3900	3950	4250
		Siwani (Loose)	3950	3950	3870	4130
	Sirsa	Sirsa (Loose)	3800	3800	3800	4065
		Dhabwali (Loose)	3775	3820	3725	4000
		Dhabwali (Delivery)	3964	4011	3911	4200
		Ellanabad (Loose)	0	0	0	0
	Fatehabad	Fatehabad (Loose)	3650	3800	3700	4000
Gujarat	Banaskantha	Deesa (Loose)	Closed	0	0	0
	Patan	Patan (Loose)	3775	0	3655	4075
	Rajkot	Rajkot (Loose)	NA	0	3725	3940
	Jamnagar	Dhrol (Loose)	NA	0	0	0
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6200	0	6100	8000
	Alwar	Alwar	0	0	0	8200
	Hanumangarh	Nohar	0	0	6150	7800
Haryana	Bhiwani	Bhiwani	6200	6500	6050	7800
	Sirsa	Sirsa	6250	6400	6150	8050
		Dhabwali	6350	6500	6175	7900
		Ellanabad	0	0	0	0
	Fatehabad	Fatehabad	6200	6400	6150	7900



Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2020 Indian Agribusiness Systems Ltd.