

# Guar Weekly Research Report

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**Executive Summary****Domestic Guar Seed Market Summary**

**Guar seed extended losses on subdued 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 10 to 320 as on 25th November 2020 compared to 310 previous week and 802 on 27th 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 guar split 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:**

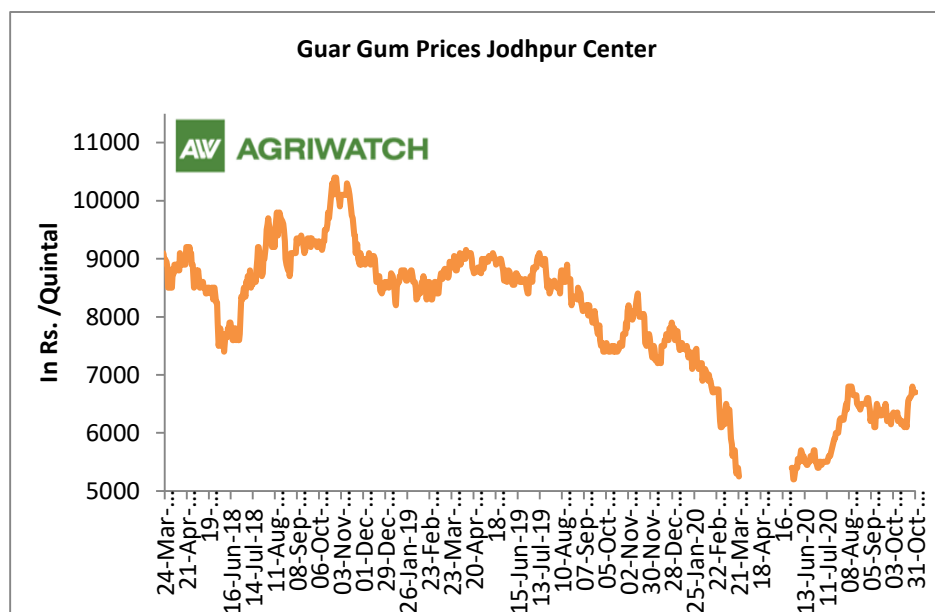
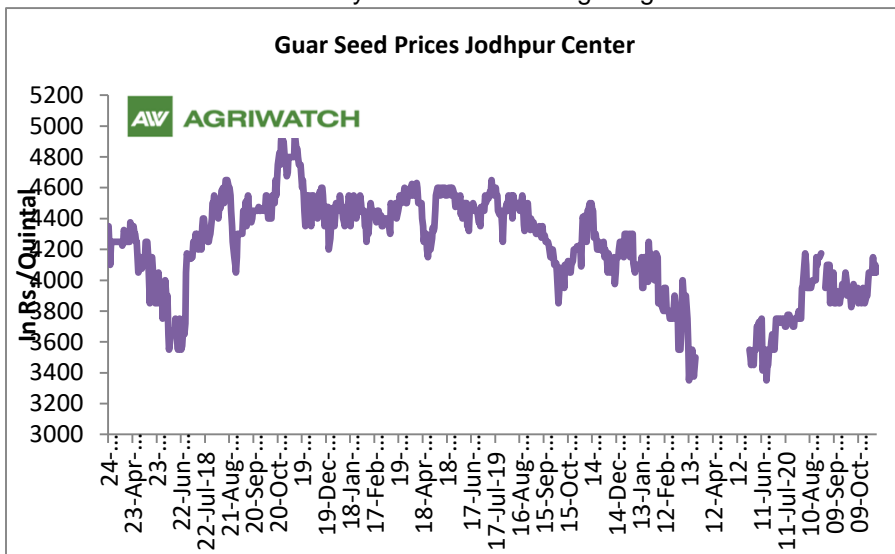
**Weekly Call- : Market participants are advised to SELL Guar seed future December contract Below 3970 levels for a target of 3870 with a stop loss at 4030.**

## Outlook:-

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### Domestic Front

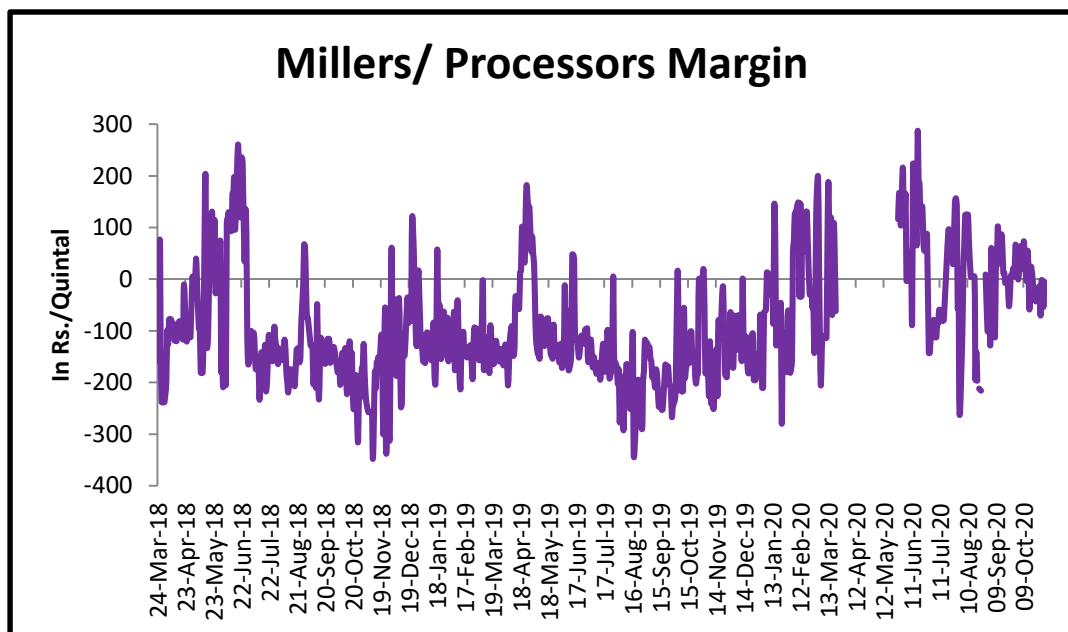
- The guar seed prices showed mild signs of recovery in October compared to the prices in the month September. Besides limited demand from processors after COVID followed by weak demand in guar gum remained bearish for the market.
- Stockists and the processors are the major buyers of the new seed.
-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

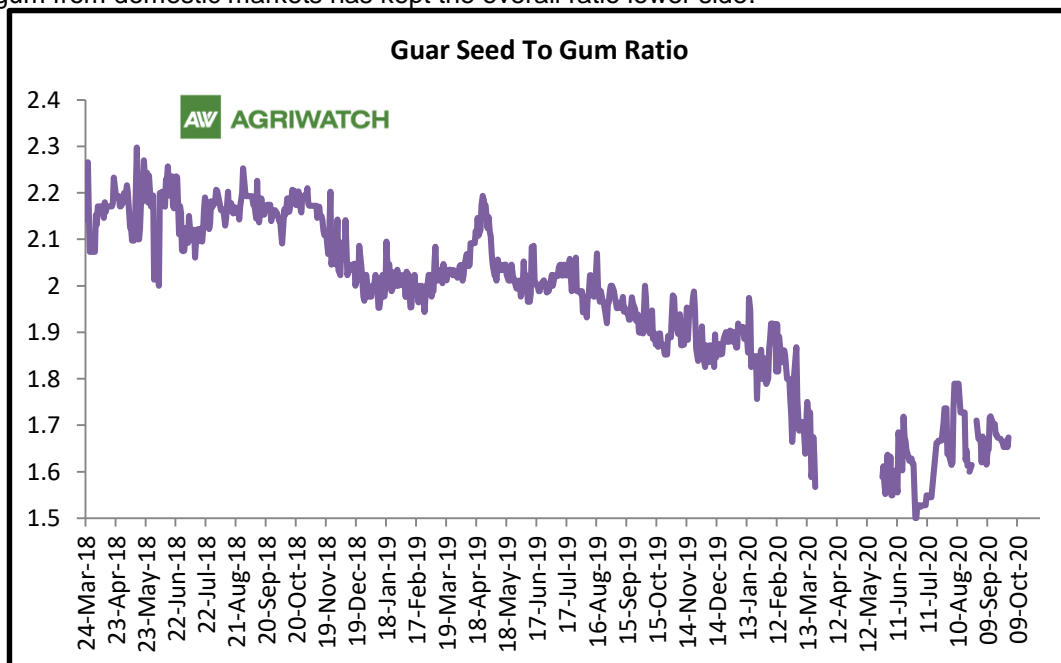
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As seen in the chart, the average crush margin of guar seed have improved in October'20 as compared to September'20, the average crush margin improved to Rs. +3.59/quintal in Sept'20 compared to Rs. -31.7/quintal in Aug'20. Decline in the guar product 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 Oct-2020	3277	1851
9-16 Oct-2020	3700	1688
17-24 Oct-2020	3929	1849
25-31 Oct-2020	3882	1746
<b>Total</b>	<b>14788</b>	<b>1784</b>

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 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	3500	3961	4300	4500
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Dec.	<b>SELL</b>	Below 3970	3870	3770	4030

## 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 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.	5600	5500	5931	6300	6500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Dec.	<b>SELL</b>	Below 5940	5840	5740	6000

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices:				
Commodity	Centre	20th Oct to 26th Oct 2020	13th Oct to 19th Oct 2020	Change
Churi	Jodhpur	2175	2195	-20
Korma	Jodhpur	3094	3049	45
Churi	Sri-Ganganagar	1913	1943	-30
Korma	Sri-Ganganagar	2925	2895	30
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	20th Oct to 26th Oct 2020	13th Oct to 19th Oct 2020	Change
Guargum Split		905	900	5
Guargum Powder	200 Mesh 5000 CPS	1149	1142	7
	200 Mesh 3500 CPS	1081	1075	6
Guargum Meal	40%	405	403	2
	50%	554	551	3
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			20th Oct to 26th Oct 2020	13th Oct to 19th Oct 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3708	4000	-292
		Jodhpur(Delivery)	3894	4200	-306
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	3800	-
		Sri-Ganganagar (Delivery)	-	3950	-
		Rawla (Loose)	-	3875	-
		Gharsana (Loose)	-	3850	-
		Raisinghnagar (Loose)	-	3840	-
	Bikaner	Bikaner (Loose)	3771	3890	-119
		Bikaner (Delivery)	3959	4085	-125
		Nokha(Loose)	3754	3825	-71
		Nokha (Delivery)	3942	4016	-74
		Khajuwala (Loose)	3750	3875	-125

		Khajuwala (Delivery)	3938	4069	-131
		Lunkaransar (Loose)	3708	3888	-179
	Hanumangarh	Hanumangarh (Loose)	3730	3800	-70
		Hanumangarh (Delivery)	3917	3990	-74
		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)	3735	3825	-90
		Adampur (Delivery)	3922	4016	-95
	Bhiwani	Bhiwani (Delivery)	3875	3960	-85
		Siwani (Loose)	3885	3950	-65
	Sirsa	Sirsa (Loose)	3694	3800	-106
		Dhabwali (Loose)	3684	3788	-103
		Dhabwali (Delivery)	3868	3977	-109
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3610	3725	-115
Gujarat	Banaskantha	Deesa (Loose)	1863	#DIV/0!	-
	Patan	Patan (Loose)	3099	3775	-676
	Rajkot	Rajkot (Loose)	0	#DIV/0!	-
	Jamnagar	Dhrol (Loose)	0	#DIV/0!	-
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6050	6200	-150
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	6038	6267	-229
	Sirsa	Sirsa	6017	6267	-250
		Dhabwali	6125	6350	-225
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6070	6233	-163



Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			20th Oct to 26th Oct 2020	13th Oct to 19th Oct 2020	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	-	-	-
		Rawla	-	-	-
		Gharsana	-	-	-
		Raisinghnagar	-	-	-
	Bikaner	Bikaner	5600	2800	2800
		Nokha	8400	2600	5800
		Khajuwala	2600	1300	1300
		Lunkaransar	1350	800	550
	Hanumangarh	Hanumangarh	700	475	225
		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	2200	1400	800
	Bhiwani	Bhiwani	1800	1900	-100
		Siwani	1500	900	600
	Sirsa	Sirsa	5300	4550	750
		Dhabwali	1750	1300	450
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	250	150	100
Gujarat	Banaskantha	Deesa	280	0	280
	Patan	Patan	784	78	706
	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			26-Nov-20	19-Nov-20	27-Oct-20	26-Nov-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3650	4000	4000	4050
		Jodhpur(Delivery)	3833	4200	4200	4253
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3650	3750	4000	3900
		Sri-Ganganagar (Delivery)	3800	3900	4150	4050
		Rawla (Loose)	NR	3900	0	3800
		Gharsana (Loose)	3650	3850	0	3980
		Raisinghnagar (Loose)	3770	3840	4030	3900
	Bikaner	Bikaner (Loose)	3715	3900	4100	3900
		Bikaner (Delivery)	3901	4095	4305	4095
		Nokha(Loose)	3725	3825	3950	3825
		Nokha (Delivery)	3911	4016	4148	4016
		Khajuwala (Loose)	3700	3850	4150	3900
		Khajuwala (Delivery)	3885	4043	4358	4095
		Lunkaransar (Loose)	3600	3875	4010	3850
	Hanumangarh	Hanumangarh (Loose)	3700	3750	4040	3950
		Hanumangarh (Delivery)	3885	3938	4242	4148
		Nohar (Loose)	0	0	0	3900
		Pilibanga (Loose)	0	0	0	0
	Nagaur	Nagaur (Loose)	0	0	0	3800
	Churu	Churu (Delivery)	0	0	0	4200
	Alwar	Alwar (Loose)	0	0	0	3900
Haryana	Hisar	Adampur (Loose)	3660	3800	3900	4000
		Adampur (Delivery)	3843	3990	4095	4200
	Bhiwani	Bhiwani (Delivery)	3800	3950	4250	4100

		Siwani (Loose)	3830	3950	4100	4000
	Sirsa	Sirsa (Loose)	3686	3800	4050	NA
		Dhabwali (Loose)	3650	3775	3950	3925
		Dhabwali (Delivery)	3833	3964	4148	4121
		Ellanabad (Loose)	0	0	0	0
	Fatehabad	Fatehabad (Loose)	3550	3650	3900	NA
Gujarat	Banaskantha	Deesa (Loose)	3700	0	0	0
	Patan	Patan (Loose)	3685	3775	3835	4000
	Rajkot	Rajkot (Loose)	0	0	0	3925
	Jamnagar	Dhrol (Loose)	0	0	0	0
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	5900	6200	6800	7550
	Alwar	Alwar	0	0	0	7800
	Hanumangarh	Nohar	0	0	0	7800
Haryana	Bhiwani	Bhiwani	5890	6200	6750	7900
	Sirsa	Sirsa	5850	6250	6650	NA
		Dhabwali	6000	6350	6600	7600
		Ellanabad	0	0	0	0
	Fatehabad	Fatehabad	6000	6200	6600	NA

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