

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

Guar seed and guar gum continued downtrend on dull demand from processors followed by the fall in overseas demand for the guar gum from the consuming sectors.

Improved demand in crude and forecast of increase in the demand in the same is likely to increase in the rig counts in near-term and subsequently lead to rise in guar gum 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 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:

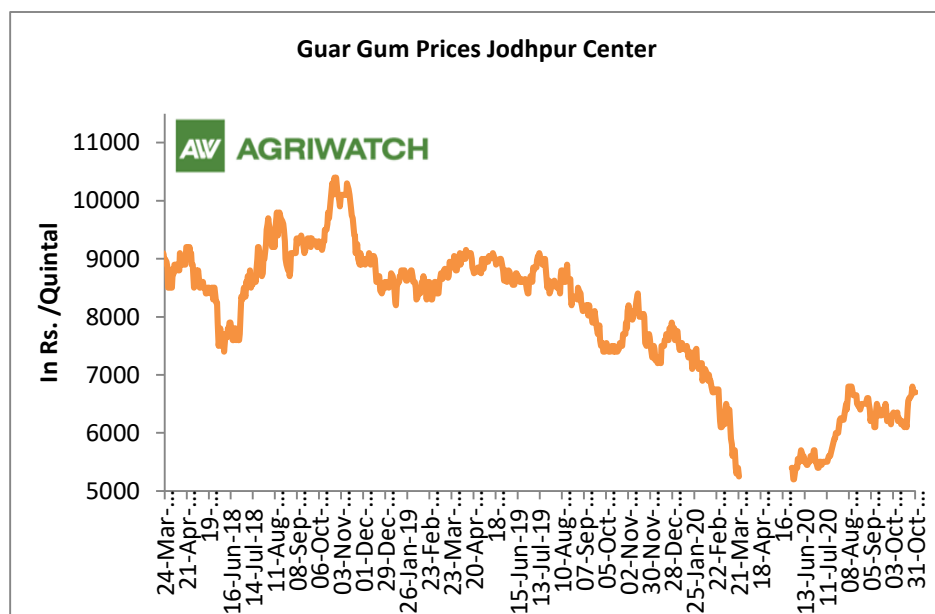
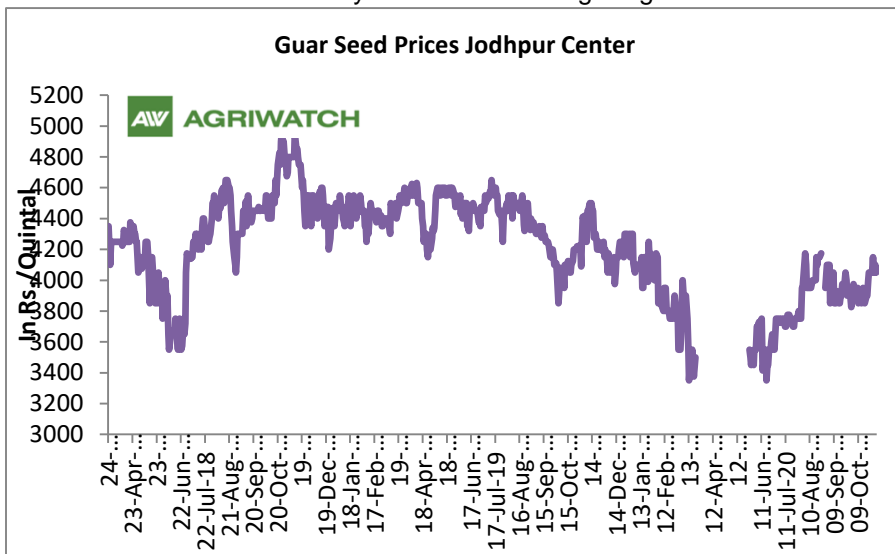
Weekly Call- : Market participants are advised to SELL Guar seed future January contract Below 3915 levels for a target of 3815 with a stop loss at 3975.

Outlook:-

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Domestic Front

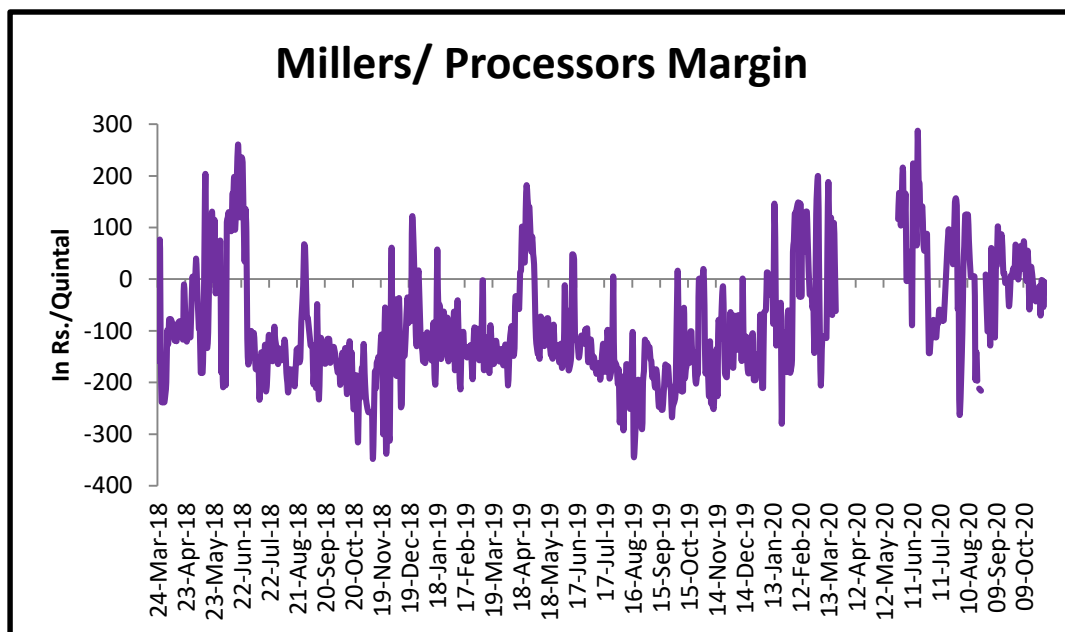
- The guar seed prices showed mild signs of recovery in October compared to the prices in the month September. Besides limited demand from processors after COVID followed by weak demand in guar gum remained bearish for the market.
- Stockists and the processors are the major buyers of the new seed.
-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

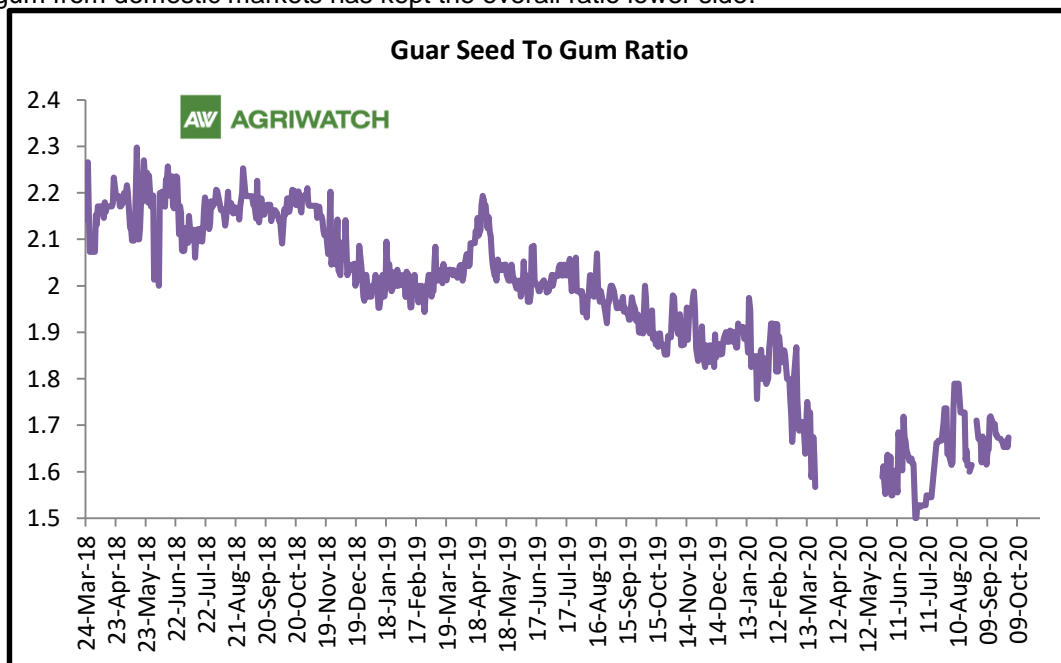
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As seen in the chart, the average crush margin of guar seed have improved in October'20 as compared to September'20, the average crush margin improved to Rs. +3.59/quintal in Sept'20 compared to Rs. -31.7/quintal in Aug'20. Decline in the guar product 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
Total	14788	1784

Source:Trade

Technical Analysis (Guar Seed)

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Commodity: Guar Seed
Contract: Jan.

Exchange: NCDEX
Expiry: Jan. 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	Jan.	3600	3500	3909	4200	4300
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Jan.	SELL	Below 3915	3815	3715	3975

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: Jan.

Exchange: NCDEX
Expiry: Jan. 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	Jan.	5500	5400	5811	6100	6200
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Jan.	SELL	Below 5815	5715	5615	5875

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

Guar by – Products Weekly Average Prices:				
Commodity	Centre	27th Nov to 03rd Dec 2020	20th Nov to 26th Nov 2020	Change
Churi	Jodhpur	2163	2175	-13
Korma	Jodhpur	3085	3094	-9
Churi	Sri-Ganganagar	1901	1913	-13
Korma	Sri-Ganganagar	2913	2925	-13
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	27th Nov to 03rd Dec 2020	20th Nov to 26th Nov 2020	Change
Guargum Split		887	905	-18
Guargum Powder	200 Mesh 5000 CPS	1135	1149	-13
	200 Mesh 3500 CPS	1068	1081	-13
Guargum Meal	40%	406	405	1
	50%	553	554	-1
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			27th Nov to 03rd Dec 2020	20th Nov to 26th Nov 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3665	3708	-43
		Jodhpur(Delivery)	3848	3894	-46
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	-	-
		Sri-Ganganagar (Delivery)	-	-	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	3720	3771	-51

		Bikaner (Delivery)	3906	3959	-53
		Nokha(Loose)	3700	3754	-54
		Nokha (Delivery)	3885	3942	-57
		Khajuwala (Loose)	3678	3750	-73
		Khajuwala (Delivery)	3861	3938	-76
		Lunkaransar (Loose)	3688	3708	-21
	Hanumangarh	Hanumangarh (Loose)	3721	3730	-9
		Hanumangarh (Delivery)	3907	3917	-10
		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)	617	0	617
Haryana	Hisar	Adampur (Loose)	3750	3735	15
		Adampur (Delivery)	3938	3922	16
	Bhiwani	Bhiwani (Delivery)	3867	3875	-8
		Siwani (Loose)	3856	3885	-29
	Sirsa	Sirsa (Loose)	3708	3694	14
		Dhabwali (Loose)	3676	3684	-8
		Dhabwali (Delivery)	3787	3868	-81
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3575	3610	-35
Gujarat	Banaskantha	Deesa (Loose)	3716	1863	1854
	Patan	Patan (Loose)	3671	3099	572
	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	5925	6050	-125
	Alwar	Alwar	1017	0	1017
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	6000	6038	-38
	Sirsa	Sirsa	5870	6017	-147
		Dhabwali	6015	6125	-110
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	5960	6070	-110

Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Weekly Arrivals (Quintals)	Change
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Guar Seed			27th Nov to 03rd Dec 2020	20th Nov to 26th Nov 2020	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	-	-	-
		Rawla	-	-	-
		Gharsana	-	-	-
		Raisinghnagar	-	-	-
	Bikaner	Bikaner	3100	5600	-2500
		Nokha	8000	8400	-400
		Khajuwala	1600	2600	-1000
		Lunkaransar	1350	1350	Unch
	Hanumangarh	Hanumangarh	925	700	225
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	0	0	Unch
	Churu	Churu	0	0	Unch
	Alwar	Alwar	100	0	100
Haryana	Hisar	Adampur	1600	2200	-600
	Bhiwani	Bhiwani	2700	1800	900
		Siwani	1500	1500	Unch
	Sirsa	Sirsa	4600	5300	-700
		Dhabwali	1750	1750	Unch
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	250	250	Unch
Gujarat	Banaskantha	Deesa	320	280	40
	Patan	Patan	824	784	40
	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			3-Dec-20	26-Nov-20	3-Nov-20	3-Dec-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3625	3650	3900	4050
		Jodhpur(Delivery)	3806	3833	4095	4253
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3650	3650	3850	3850
		Sri-Ganganagar (Delivery)	3800	3800	4000	4000
		Rawla (Loose)	0	0	0	3940
		Gharsana (Loose)	3700	3650	0	0
		Raisinghnagar (Loose)	3620	3770	3960	3840
	Bikaner	Bikaner (Loose)	3630	3715	3970	3860
		Bikaner (Delivery)	3812	3901	4169	4053
		Nokha(Loose)	3650	3725	4000	3800
		Nokha (Delivery)	3833	3911	4200	3990
		Khajuwala (Loose)	3650	3700	4000	3800
		Khajuwala (Delivery)	3833	3885	4200	3990
		Lunkaransar (Loose)	3650	3600	3950	3875
	Hanumangarh	Hanumangarh (Loose)	3650	3700	4000	3900
		Hanumangarh (Delivery)	3833	3885	4200	4095
		Nohar (Loose)	0	0	3960	3900
		Pilibanga (Loose)	0	0	0	3905
	Nagaur	Nagaur (Loose)	0	0	3870	3600
	Churu	Churu (Delivery)	0	0	0	4200
	Alwar	Alwar (Loose)	3700	0	0	3900
Haryana	Hisar	Adampur (Loose)	3700	3660	3950	3880
		Adampur (Delivery)	3885	3843	4148	4074
	Bhiwani	Bhiwani (Delivery)	3900	3800	4050	4000
		Siwani (Loose)	3820	3830	4030	3980
	Sirsa	Sirsa (Loose)	3636	3686	3900	3880
		Dhabwali (Loose)	3650	3650	3925	3865
		Dhabwali (Delivery)	3650	3833	4121	4058
		Ellanabad (Loose)	0	0	0	0
	Fatehabad	Fatehabad (Loose)	3600	3550	3800	3850
Gujarat	Banaskantha	Deesa (Loose)	3625	3700	0	0
	Patan	Patan (Loose)	3610	3685	3820	3800

	Rajkot	Rajkot (Loose)	0	0	0	3750
	Jamnagar	Dhrol (Loose)	0	0	0	0
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	5800	5900	6600	7500
	Alwar	Alwar	6100	0	0	7500
	Hanumangarh	Nohar	0	0	6400	7500
Haryana	Bhiwani	Bhiwani	6000	5890	6650	7850
	Sirsa	Sirsa	5750	5850	6550	7600
		Dhabwali	6000	6000	6650	7375
		Ellanabad	0	0	0	0
	Fatehabad	Fatehabad	5900	6000	6600	7500

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