

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

Guar seed and guar gum extended losses 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 15 to 338 as on 11th December 2020 compared to 323 previous week and 799 on 13th December 2019. Total number of oilrigs were recorded at 1,242 in November'20 compared to 4,050 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.

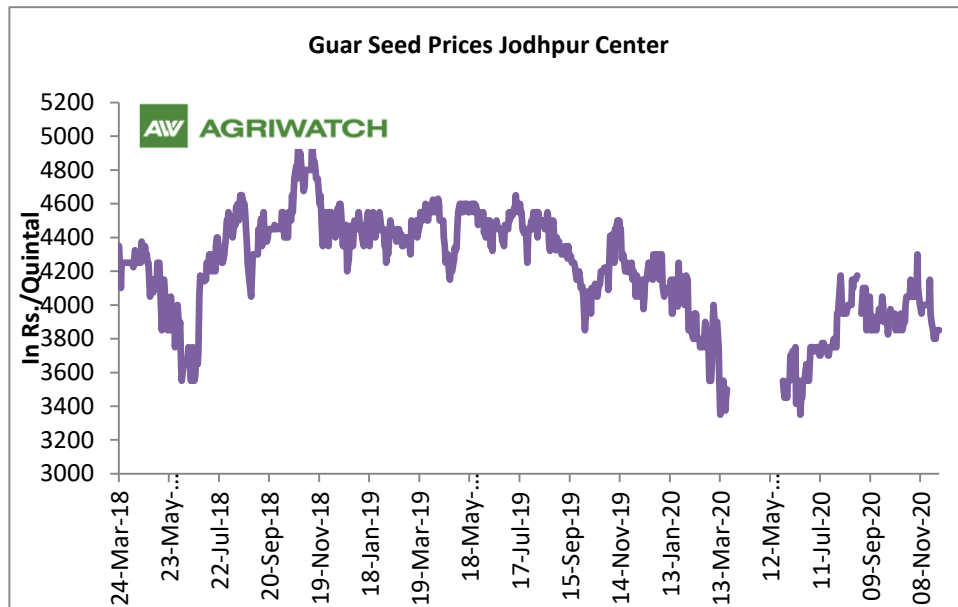
Export of guar split have fell in the month of September-20. Exports in the month of September-20 are down by around 5% compared to previous month. India exported around 625 tonnes of guar split in the month of September-20 at an average FoB of US \$ 950 per tonne compared to 660 tonnes in August-20 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:

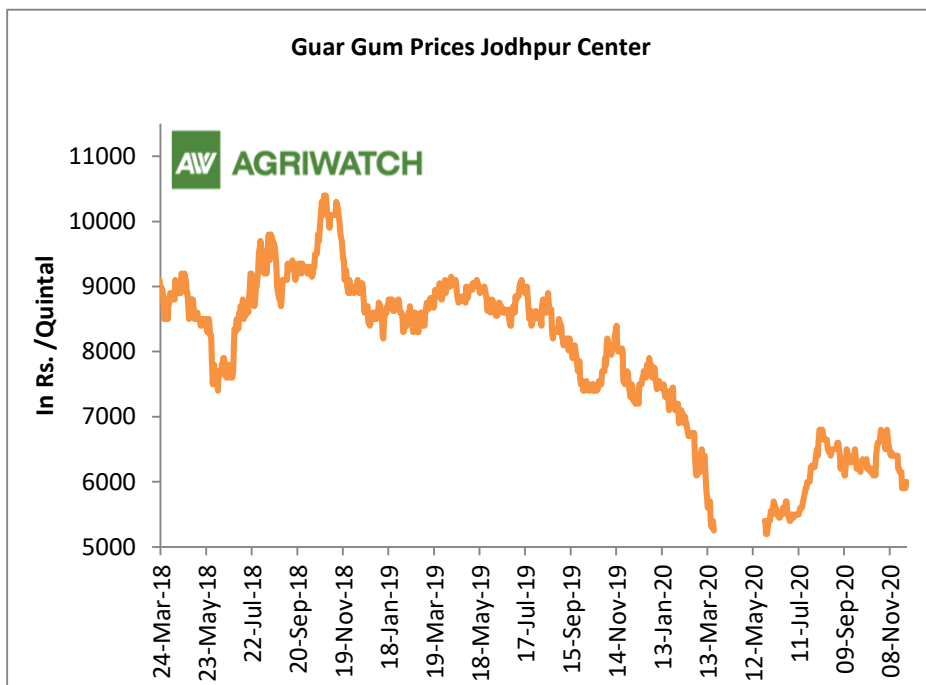
Weekly Call- : Market participants are advised to BUY Guar seed future January contract Below 3930 levels for a target of 4030 with a stop loss at 3870.

Outlook:-[\(Back to Table of Contents\)](#)Domestic Front

- The guar seed prices witnessed mild gains in November compared to the prices in the month October. 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 3,973 a quintal in November compared to Rs 3,963 a quintal in October.
- However, the average guar gum prices have slightly fell to around Rs 6,306 a quintal in November compared to Rs 6,384 per quintal in October.
- 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.



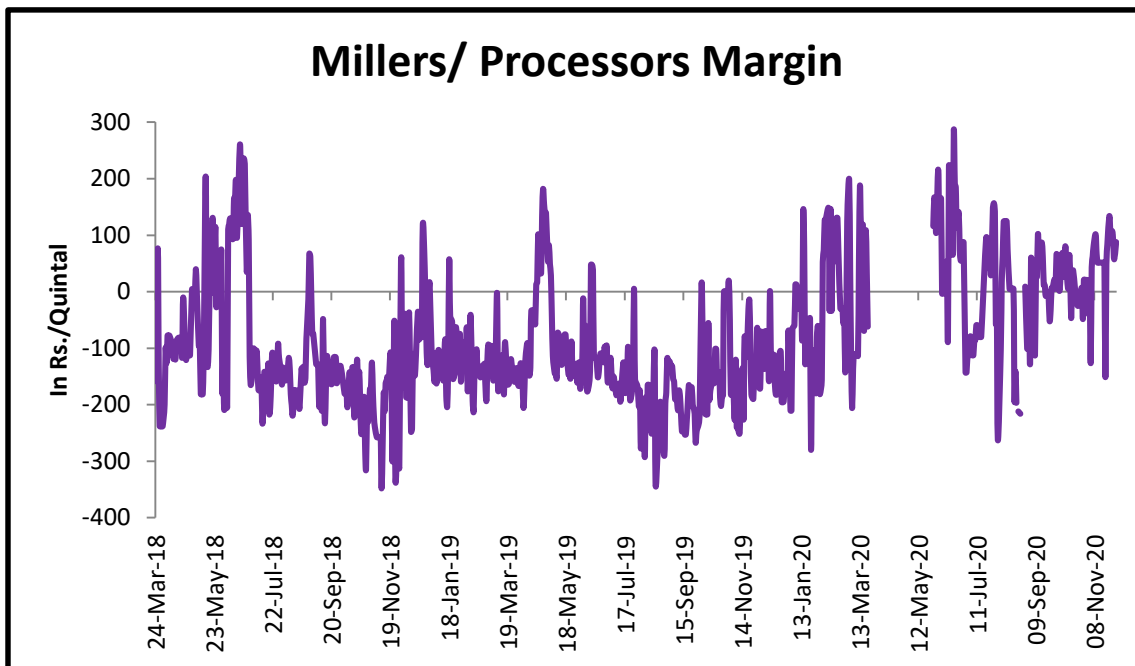
- However, the average guar gum prices have slightly fell to around Rs 6,306 a quintal in November 2020 compared to Rs 6,384 per quintal in October 2020.



Millers/Processors Margin

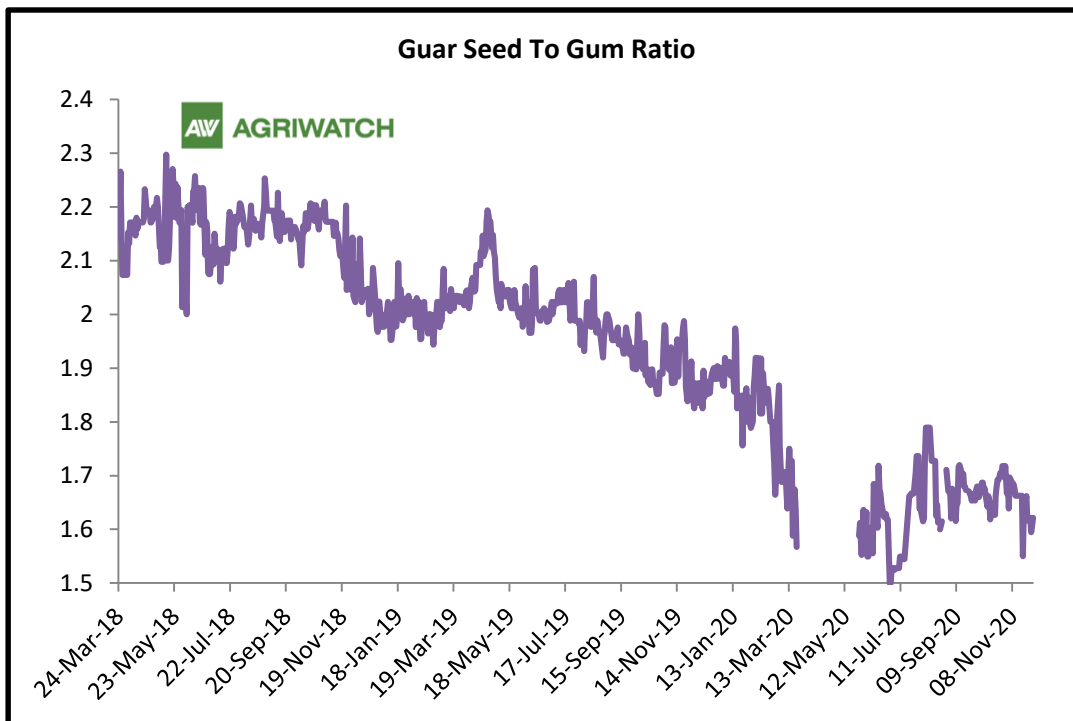
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As seen in the chart, the average crush margin of guar seed have improved in November'20 as compared to October'20, the average crush margin improved to Rs. +47/quintal in November'20 compared to Rs. +17/quintal in October'20. Increase in the guar product prices like churi and korma have slightly pushed up the processors' margin.



Guar Seed to Gum Ratio

The average monthly Ratio of guar seed to gum stood almost same at 1.65 in November'20 compared to 1.67 in October'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 rebound on buying support in the market.
- RSI and stochastic are rising in the neutral region.
- Prices closed below 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	Jan.	3600	3500	3938	4200	4300
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Jan.	BUY	3930	4030	4130	3870

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: Jan.

Exchange: NCDEX
Expiry: Jan. 20, 2020

Guar Gum (Jan. Daily Chart)



Technical Commentary:

- Guar gum rebound on buying interest in the market.
- RSI and stochastic are rising in the neutral region.
- Prices closed below 18-day EMA.
- Prices are expected to feature gains in near-term.

Strategy: BUY

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Jan.	5700	5600	6061	6400	6500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Jan.	BUY	6050	6150	6250	5990

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

Guar by – Products Weekly Average Prices:				
Commodity	Centre	04th Dec to 10th Dec 2020	27th Nov to 03rd Dec 2020	Change
Churi	Jodhpur	2100	2175	-75
Korma	Jodhpur	3025	3094	-69
Churi	Sri-Ganganagar	1838	1913	-75
Korma	Sri-Ganganagar	2850	2925	-75
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	04th Dec to 10th Dec 2020	27th Nov to 03rd Dec 2020	Change
Guargum Split		795	905	-110
Guargum Powder	200 Mesh 5000 CPS	1067	1149	-82
	200 Mesh 3500 CPS	999	1081	-82
Guargum Meal	40%	407	405	1
	50%	542	554	-12
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			04th Dec to 10th Dec 2020	27th Nov to 03rd Dec 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3651	3708	-57
		Jodhpur(Delivery)	3834	3894	-60
	Sri-Ganganagar	Sri-Ganganagar(Loose)	#N/A	#N/A	-
		Sri-Ganganagar (Delivery)	#N/A	#N/A	-
		Rawla (Loose)	#N/A	#N/A	-
		Gharsana (Loose)	#N/A	#N/A	-
		Raisinghnagar (Loose)	#N/A	#N/A	-
	Bikaner	Bikaner (Loose)	3670	3771	-101
		Bikaner (Delivery)	3854	3959	-106
		Nokha(Loose)	3670	3754	-84
		Nokha (Delivery)	3854	3942	-88
		Khajuwala (Loose)	3665	3750	-85
		Khajuwala (Delivery)	3848	3938	-89

	Hanumangarh	Lunkaransar (Loose)	3680	3708	-28
		Hanumangarh (Loose)	3658	3730	-72
		Hanumangarh (Delivery)	3841	3917	-76
		Nohar (Loose)	0	0	Unch
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	600	0	600
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3726	3735	-9
		Adampur (Delivery)	3912	3922	-9
	Bhiwani	Bhiwani (Delivery)	3820	3875	-55
		Siwani (Loose)	3825	3885	-60
	Sirsa	Sirsa (Loose)	3662	3694	-32
		Dhabwali (Loose)	3683	3684	-1
		Dhabwali (Delivery)	3867	3868	-1
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3610	3610	Unch
Gujarat	Banaskantha	Deesa (Loose)	725	1863	-1138
	Patan	Patan (Loose)	3719	3099	620
	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	5885	6050	-165
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	5850	6038	-188
	Sirsa	Sirsa	5920	6017	-97
		Dhabwali	5990	6125	-135
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	5916	6070	-154

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			04th Dec to 10th Dec 2020	27th Nov to 03rd Dec 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	2450	5600	-3150
		Nokha	5300	8400	-3100
		Khajuwala	900	2600	-1700
		Lunkaransar	2150	1350	800
	Hanumangarh	Hanumangarh	1000	700	300
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	800	0	800
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	1900	2200	-300
	Bhiwani	Bhiwani	2000	1800	200
		Siwani	1150	1500	-350
	Sirsa	Sirsa	4100	5300	-1200
		Dhabwali	1925	1750	175
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	220	250	-30
Gujarat	Banaskantha	Deesa	0	280	-280
	Patan	Patan	671	784	-113
	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			10-Dec-20	3-Dec-20	10-Nov-20	10-Dec-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3675	3625	3850	3900
		Jodhpur(Delivery)	3859	3806	4043	4095
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3700	3650	3850	3800
		Sri-Ganganagar (Delivery)	3850	3800	4000	3950
		Rawla (Loose)	0	0	3850	3780
		Gharsana (Loose)	3750	3700	3900	3815

		Raisinghnagar (Loose)	3665	3620	3825	3775
	Bikaner	Bikaner (Loose)	3710	3630	3900	3750
		Bikaner (Delivery)	3896	3812	4095	3938
		Nokha(Loose)	3750	3650	3850	3700
		Nokha (Delivery)	3938	3833	4043	3885
		Khajuwala (Loose)	3650	3650	Closed	Closed
		Khajuwala (Delivery)	3833	3833	Closed	Closed
		Lunkaransar (Loose)	3700	3650	3900	3750
	Hanumangarh	Hanumangarh (Loose)	3650	3650	3850	3850
		Hanumangarh (Delivery)	3833	3833	4043	4043
		Nohar (Loose)	0	0	0	3799
		Pilibanga (Loose)	0	0	0	3775
	Nagaur	Nagaur (Loose)	0	0	0	3725
	Churu	Churu (Delivery)	0	0	0	4100
	Alwar	Alwar (Loose)	0	3700	0	3800
Haryana	Hisar	Adampur (Loose)	3700	3700	3880	3825
		Adampur (Delivery)	3885	3885	4074	4016
	Bhiwani	Bhiwani (Delivery)	3800	3900	4000	3900
		Siwani (Loose)	3860	3820	3970	3850
	Sirsa	Sirsa (Loose)	3695	3636	3800	3870
		Dhabwali (Loose)	3700	3650	Closed	3800
		Dhabwali (Delivery)	3885	3833	Closed	3990
		Ellanabad (Loose)	0	0	0	0
	Fatehabad	Fatehabad (Loose)	3600	3600	3800	3900
Gujarat	Banaskantha	Deesa (Loose)	NA	3625	0	0
	Patan	Patan (Loose)	3785	3610	3830	3660
	Rajkot	Rajkot (Loose)	0	0	0	3700
	Jamnagar	Dhrol (Loose)	0	0	0	0
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6025	5800	6450	7300
	Alwar	Alwar	0	6100	0	7400
	Hanumangarh	Nohar	0	0	0	8000
Haryana	Bhiwani	Bhiwani	5800	6000	6230	7100
	Sirsa	Sirsa	6100	5750	6450	7250
		Dhabwali	6150	6000	Closed	7250
		Ellanabad	0	0	0	0



	Fatehabad	Fatehabad	6000	5900	6400	7200
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