

Guar Weekly Research Report

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Executive Summary**Domestic Guar Seed Market Summary**

Guar seed and guar gum rebound on some local demand from processors in anticipation of increase the overseas guar gum demand.

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 8 to 346 as on 18th December 2020 compared to 338 previous week and 813 on 20th 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 fell in the month of November 2020 by 6% to 13414 tonnes compared to 14,331 tonnes during October 2020 at an average FoB of US \$ 1611 per tonne in the month of November compared to US \$ 1785 per tonne in the month of October 2020. However, the gum shipments were down 30% in November 2020 compared to the same period last year. Of the total exported quantity, around 3,639 tonnes is bought US, Russia (2,914 tonnes) and Germany (1,188 tonnes).

India's guar split exports improved in the month of November 2020 by 33% to 4557 tonnes compared to 3,438 tonnes during October 2020 at an average FoB of US \$ 1,390 per tonne in the month of November compared to US \$ 1,408 per tonne in the month of October 2020. Further, the guar split shipments were up 286% in November 2020 compared to the same period last year. Of the total exported quantity, around 1,152 tonnes is bought US, China (1,940 tonnes) and UK (4,84 tonnes)..

Previous Updates:

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).

Recommendation:

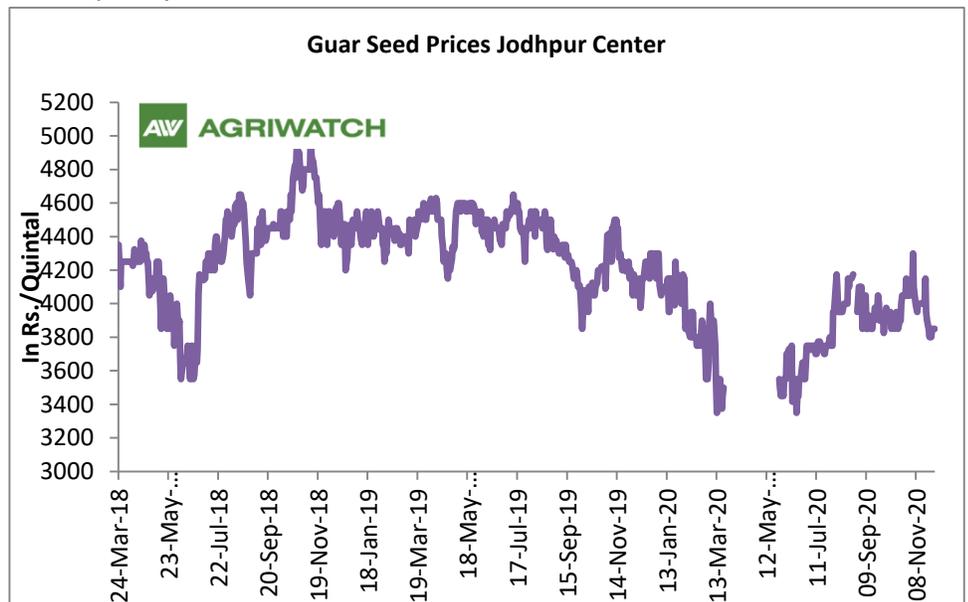
Weekly Call- : Market participants are advised to BUY Guar seed future January contract Below 3930 levels for a target of 4030 with a stop loss at 3870.

Outlook:-

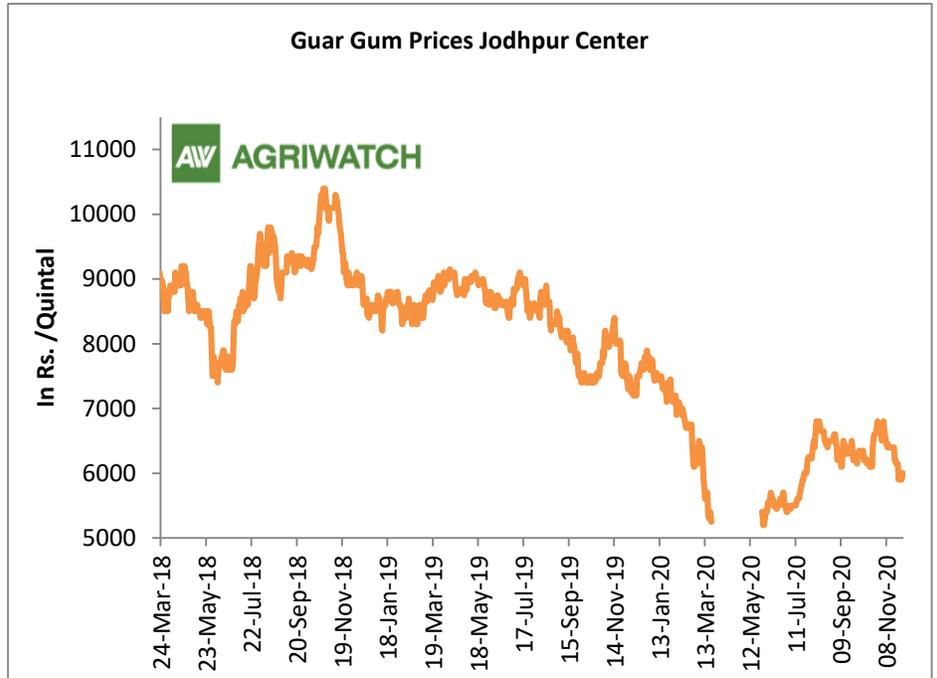
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Domestic Front

- 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.



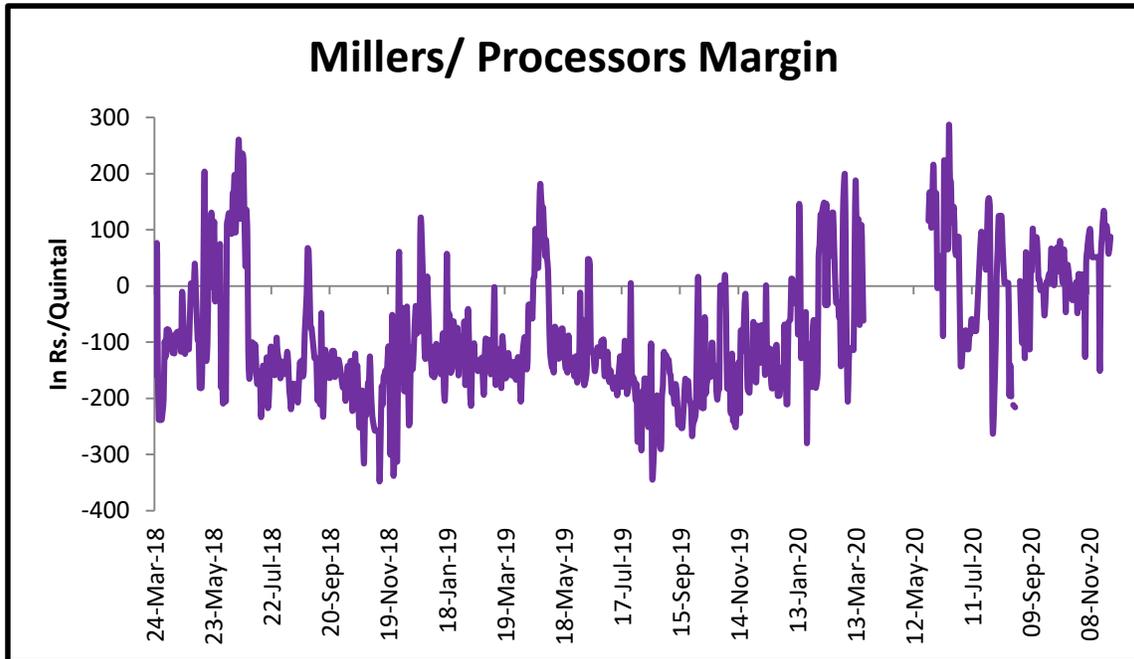
- However, the average guar gum prices have slightly fell to around Rs 6,306 a quintal in November 2020 compared to Rs 6,384 per quintal in October 2020.



Millers/Processors Margin

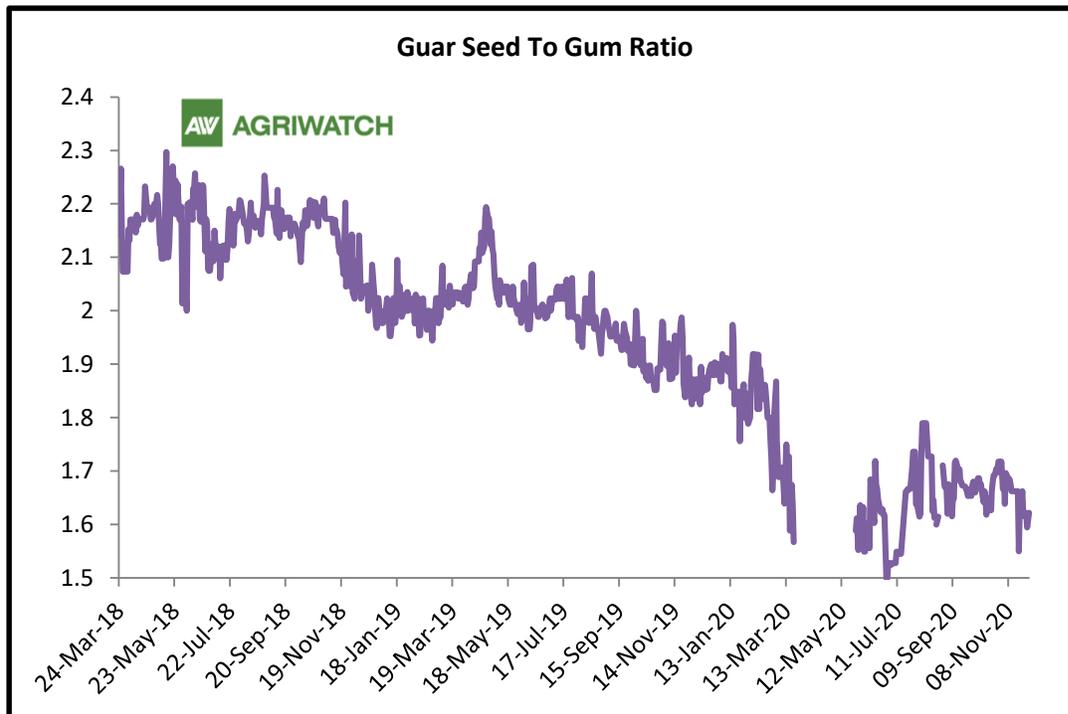
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As seen in the chart, the average crush margin of guar seed have improved in November'20 as compared to October'20, the average crush margin improved to Rs. +47/quintal in November'20 compared to Rs. +17/quintal in October'20. Increase in the guar 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 Nov-2020	2505	1850
9-16 Nov-2020	2779	1569
17-24 Nov-2020	4772	1436
25-31 Nov-2020	3358	1593
Total	13414	1612

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 could not sustain at higher levels in the market.
- 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.	3650	3550	3945	4250	4350
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Jan.	SELL	Below 3950	3850	3750	4010

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 failed to sustain at higher level 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.	5900	5800	6145	6450	6550
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Jan.	SELL	6150	6050	5950	6210

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices:				
Commodity	Centre	11th Dec to 17th Dec 2020	04th Dec to 10th Dec 2020	Change
Churi	Jodhpur	2100	2100	Unch
Korma	Jodhpur	3000	3025	-25
Churi	Sri-Ganganagar	1838	1838	Unch
Korma	Sri-Ganganagar	2850	2850	Unch
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	11th Dec to 17th Dec 2020	04th Dec to 10th Dec 2020	Change
Guargum Split		822	795	27
Guargum Powder	200 Mesh 5000 CPS	1094	1067	27
	200 Mesh 3500 CPS	1026	999	27
Guargum Meal	40%	408	407	1
	50%	544	542	1
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			11th Dec to 17th Dec 2020	04th Dec to 10th Dec 2020	
Guar Seed	Jodhpur	Jodhpur (Loose)	3704	3651	53
		Jodhpur(Delivery)	3889	3834	56
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	-	-
		Sri-Ganganagar (Delivery)	-	-	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	3759	3670	89
		Bikaner (Delivery)	3947	3854	94
		Nokha(Loose)	3763	3670	93

		Nokha (Delivery)	3952	3854	98
		Khajuwala (Loose)	3766	3665	101
		Khajuwala (Delivery)	3954	3848	106
		Lunkaransar (Loose)	3725	3680	45
	Hanumangarh	Hanumangarh (Loose)	3755	3658	97
		Hanumangarh (Delivery)	3943	3841	102
		Nohar (Loose)	0	0	Unch
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	1480	600	880
	Churu	Churu (Delivery)	0	0	Unch
Alwar	Alwar (Loose)	0	0	Unch	
Haryana	Hisar	Adampur (Loose)	3764	3726	38
		Adampur (Delivery)	3952	3912	40
	Bhiwani	Bhiwani (Delivery)	3875	3820	55
		Siwani (Loose)	3916	3825	91
	Sirsa	Sirsa (Loose)	3722	3662	60
		Dhabwali (Loose)	3738	3683	55
		Dhabwali (Delivery)	3925	3867	58
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3579	3610	-31
	Gujarat	Banaskantha	Deesa (Loose)	3644	725
Patan		Patan (Loose)	3159	3719	-560
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	6221	5885	336
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	6062	5850	212
	Sirsa	Sirsa	6225	5920	305
		Dhabwali	6283	5990	293
		Ellanabad	0	0	Unch
Fatehabad	Fatehabad	6167	5916	251	

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
			11th Dec to 17th Dec 2020	04th Dec to 10th Dec 2020	
Guar Seed					
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	-	-	-
		Rawla	-	-	-
		Gharsana	-	-	-
		Raisinghnagar	-	-	-
	Bikaner	Bikaner	3300	2450	850
		Nokha	5850	5300	550
		Khajuwala	2000	900	1100
		Lunkaransar	2700	2150	550
	Hanumangarh	Hanumangarh	1125	1000	125
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	1250	800	450
	Churu	Churu	0	0	Unch
Alwar	Alwar	0	0	Unch	
Haryana	Hisar	Adampur	2200	1900	300
	Bhiwani	Bhiwani	3000	2000	1000
		Siwani	1800	1150	650
	Sirsa	Sirsa	7300	4100	3200
		Dhabwali	1850	1925	-75
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	300	220	80
Gujarat	Banaskantha	Deesa	145	0	145
	Patan	Patan	438	671	-233
	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			17-Dec-20	10-Dec-20	17-Nov-20	17-Dec-19	
Rajasthan	Jodhpur	Jodhpur (Loose)	3750	3675	Closed	4000	
		Jodhpur(Delivery)	3938	3859	Closed	4200	
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3750	3700	3850	3850	
		Sri-Ganganagar (Delivery)	3900	3850	4000	4000	
		Rawla (Loose)	NR	0	3850	3700	
		Gharsana (Loose)	3700	3750	3850	3900	
		Raisinghnagar (Loose)	3725	3665	3840	3840	
		Bikaner (Loose)	3790	3710	3880	3900	
	Bikaner	Bikaner (Delivery)	3980	3896	4074	4095	
		Nokha(Loose)	3780	3750	3825	3700	
		Nokha (Delivery)	3969	3938	4016	3885	
		Khajuwala (Loose)	3750	3650	3900	3750	
		Khajuwala (Delivery)	3938	3833	4095	3938	
		Lunkaransar (Loose)	3750	3700	3900	3850	
		Hanumangarh	Hanumangarh (Loose)	3750	3650	3850	3800
	Hanumangarh (Delivery)		3938	3833	4043	3990	
	Nohar (Loose)		NR	0	0	3835	
	Pilibanga (Loose)		NA	0	0	3800	
	Nagaur	Nagaur (Loose)	3700	0	0	3650	
	Churu	Churu (Delivery)	NA	0	0	4000	
	Alwar	Alwar (Loose)	NR	0	0	3700	
	Haryana	Hisar	Adampur (Loose)	3750	3700	3850	3820
			Adampur (Delivery)	3938	3885	4043	4011
		Bhiwani	Bhiwani (Delivery)	3900	3800	3970	4050
Siwani (Loose)			3950	3860	3950	3960	
Sirsa		Sirsa (Loose)	3740	3695	3800	3855	
		Dhabwali (Loose)	3750	3700	3800	3870	
		Dhabwali (Delivery)	3938	3885	3990	4064	
		Ellanabad (Loose)	NR	0	0	0	

	Fatehabad	Fatehabad (Loose)	3500	3600	3800	3700
Gujarat	Banaskantha	Deesa (Loose)	NA	NA	0	0
	Patan	Patan (Loose)	3740	3785	0	3690
	Rajkot	Rajkot (Loose)	NA	0	0	0
	Jamnagar	Dhrol (Loose)	NA	0	0	3610
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6300	6025	Closed	7500
	Alwar	Alwar	NR	0	0	7300
	Hanumangarh	Nohar	NR	0	0	8000
Haryana	Bhiwani	Bhiwani	6150	5800	6350	7350
	Sirsa	Sirsa	6300	6100	6350	7400
		Dhabwali	6325	6150	6400	7500
		Ellanabad	NR	0	0	0
	Fatehabad	Fatehabad	6250	6000	6350	7200

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