

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 and guar gum fell on selling on weak demand from processors and exporters on decline in the oilrig counts.

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 348 as on 23rd December 2020 compared to 346 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:

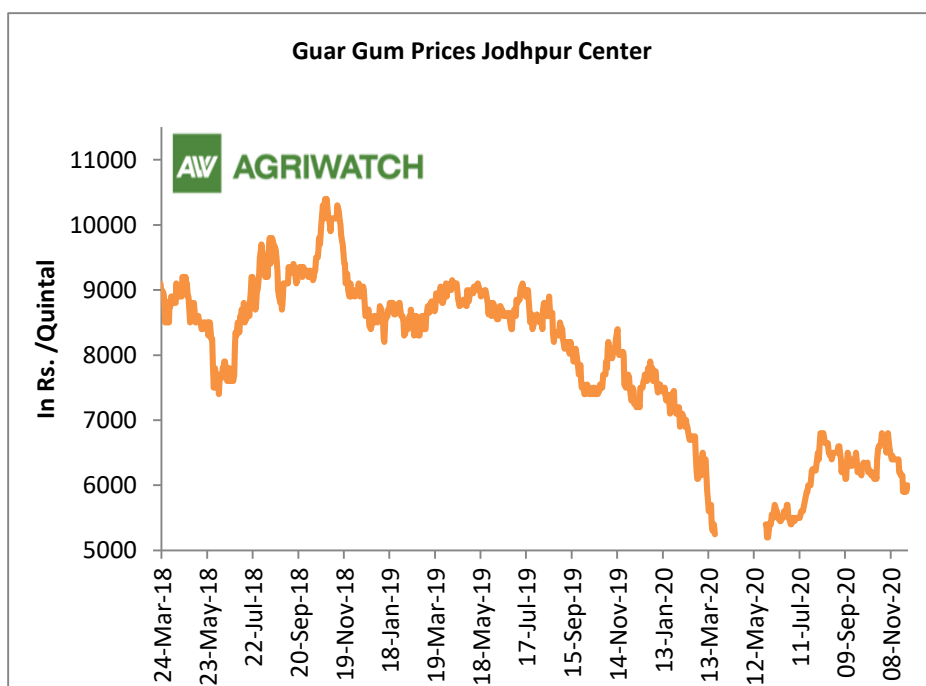
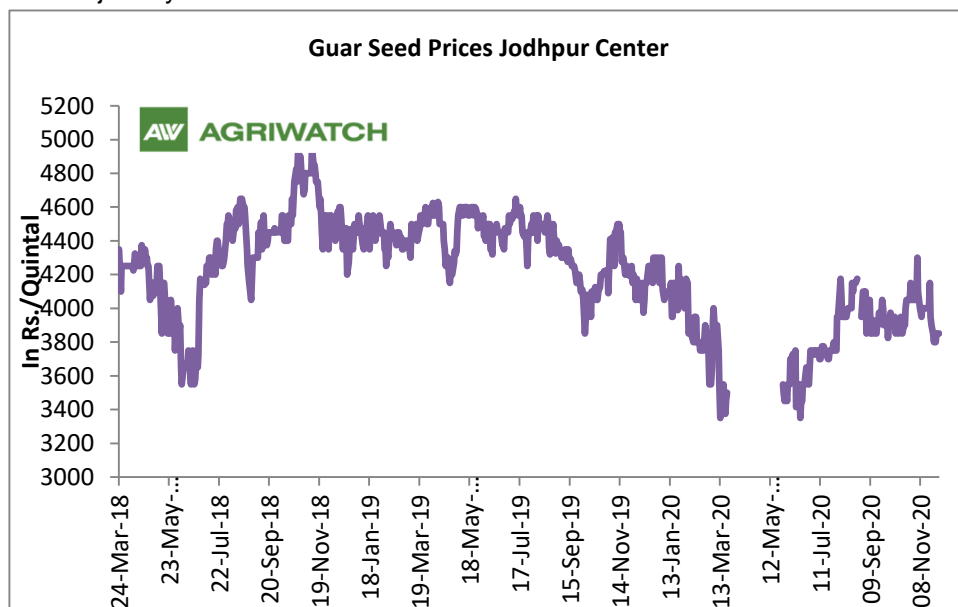
Weekly Call- : Market participants are advised to SELL Guar seed future January contract Below 3920 levels for a target of 3820 with a stop loss at 3980.

Outlook:-

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

Domestic Front

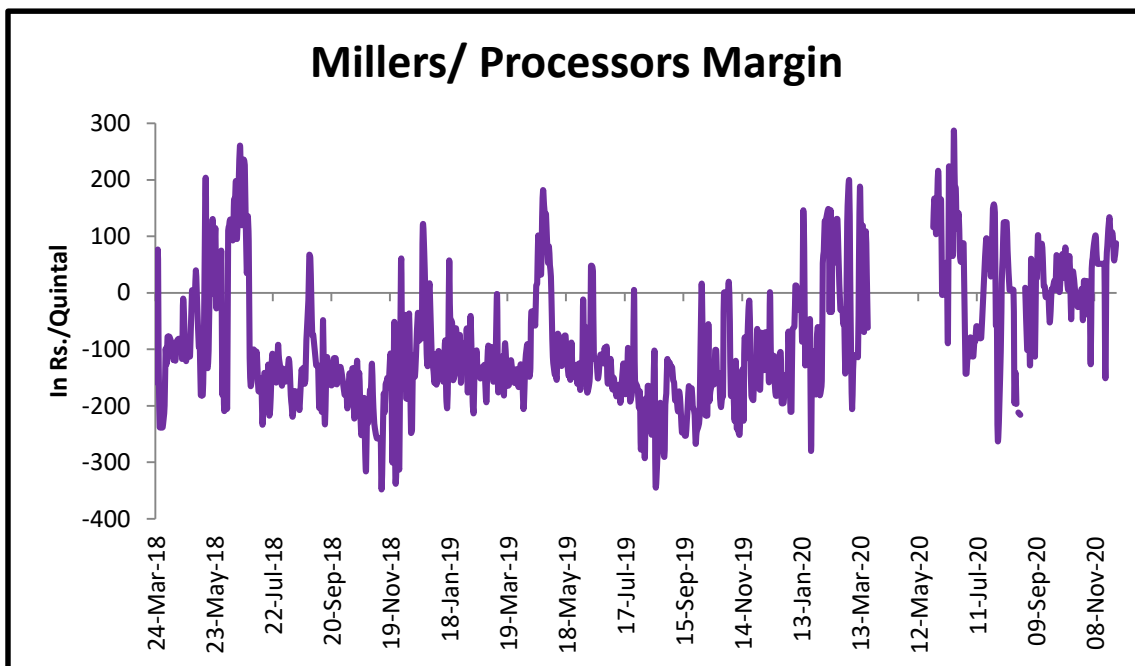
- The guar seed prices witnessed mild gains in November compared to the prices in the month October. Besides limited demand from processors after COVID followed by weak demand in guar gum remained bearish for the market.
- Stockists and the processors are the major buyers of the new seed.
- The average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

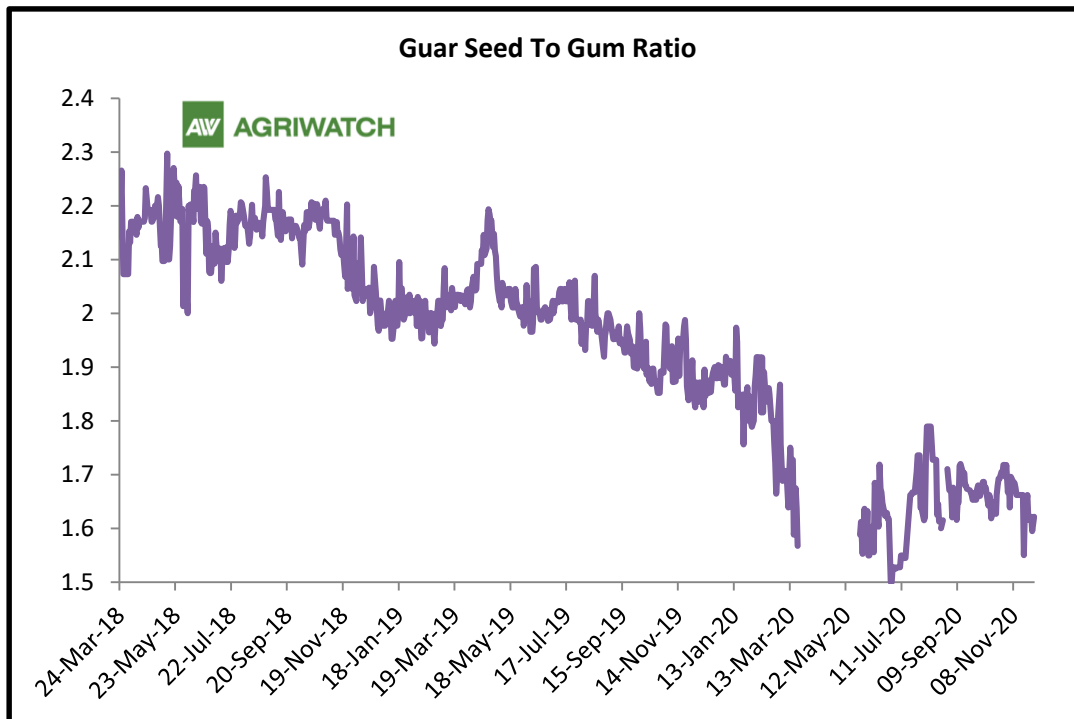
[\(Back to Table of Contents\)](#)

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

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

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)

(Back to Table of Contents)

Commodity: Guar Seed
Contract: Jan.

Exchange: NCDEX
Expiry: Jan. 20, 2020

Guar Seed (Dec. Daily Chart)



Technical Commentary:

- Guar seed edged-lower 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 witness losses in near-term.

Strategy: SELL

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Jan.	3550	3450	3915	4200	4300
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Jan.	SELL	Below 3920	3820	3720	3980

Technical Analysis (Guar Gum)

(Back to Table of Contents)

Commodity: Guar Gum
Contract: Jan.

Exchange: NCDEX
Expiry: Jan. 20, 2020

Guar Gum (Jan. Daily Chart)



Technical Commentary:

- Guar gum fell in sync with guar seed 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.	3650	3550	5987	6300	6400
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Jan.	SELL	Below 5960	5860	5760	6020

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

Guar by – Products Weekly Average Prices:				
Commodity	Centre	18th Dec to 24th Dec 2020	11th Dec to 17th Dec 2020	Change
Churi	Jodhpur	2100	2100	Unch
Korma	Jodhpur	3000	3000	Unch
Churi	Sri-Ganganagar	1838	1838	Unch
Korma	Sri-Ganganagar	2850	2850	Unch
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	18th Dec to 24th Dec 2020	11th Dec to 17th Dec 2020	Change
Guargum Split		855	822	33
Guargum Powder	200 Mesh 5000 CPS	1127	1094	33
	200 Mesh 3500 CPS	1059	1026	33
Guargum Meal	40%	407	408	0
	50%	543	544	-1
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			18th Dec to 24th Dec 2020	11th Dec to 17th Dec 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3671	3704	-33
		Jodhpur(Delivery)	3854	3889	-35
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	-	-
		Sri-Ganganagar (Delivery)	-	-	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	3722	3759	-38
		Bikaner (Delivery)	3908	3947	-39
		Nokha(Loose)	3725	3763	-38
		Nokha (Delivery)	3911	3952	-40
		Khajuwala (Loose)	3750	3766	-16
		Khajuwala (Delivery)	3938	3954	-17

		Lunkaransar (Loose)	3708	3725	-17
	Hanumangarh	Hanumangarh (Loose)	3709	3755	-46
		Hanumangarh (Delivery)	3895	3943	-48
		Nohar (Loose)	0	0	Unch
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	3670	1480	2190
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3730	3764	-34
		Adampur (Delivery)	3917	3952	-36
	Bhiwani	Bhiwani (Delivery)	3892	3875	17
		Siwani (Loose)	3880	3916	-36
	Sirsa	Sirsa (Loose)	3685	3722	-37
		Dhabwali (Loose)	3683	3738	-56
		Dhabwali (Delivery)	3867	3925	-59
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3546	3579	-33
Gujarat	Banaskantha	Deesa (Loose)	0	3644	-3644
	Patan	Patan (Loose)	3708	3159	549
	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	6096	6221	-125
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	6095	6062	33
	Sirsa	Sirsa	6108	6225	-117
		Dhabwali	6200	6283	-83
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6083	6167	-83

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			18th Dec to 24th Dec 2020	11th Dec to 17th Dec 2020	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	-	-	-
		Rawla	-	-	-

		Gharsana	-	-	-
		Raisinghnagar	-	-	-
	Bikaner	Bikaner	3350	3300	50
		Nokha	5700	5850	-150
		Khajuwala	2200	2000	200
		Lunkaransar	2400	2700	-300
	Hanumangarh	Hanumangarh	1050	1125	-75
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	3500	1250	2250
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	1900	2200	-300
	Bhiwani	Bhiwani	1200	3000	-1800
		Siwani	1900	1800	100
	Sirsa	Sirsa	8000	7300	700
		Dhabwali	2250	1850	400
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	300	300	Unch
Gujarat	Banaskantha	Deesa	0	145	-145
	Patan	Patan	678	438	240
	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			24-Dec-20	17-Dec-20	24-Nov-20	24-Dec-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3650	3750	3650	4050
		Jodhpur(Delivery)	3833	3938	3833	4253
	Sri-Ganganagar	Sri-Ganganagar(Loose)	NR	3750	3700	3950
		Sri-Ganganagar (Delivery)	NR	3900	3850	4100
		Rawla (Loose)	NR	0	0	3850
		Gharsana (Loose)	3700	3700	3700	NR
		Raisinghnagar (Loose)	3620	3725	3730	3900
	Bikaner	Bikaner (Loose)	3700	3790	3700	3890

		Bikaner (Delivery)	3885	3980	3885	4085
		Nokha(Loose)	3700	3780	3650	3850
		Nokha (Delivery)	3885	3969	3833	4043
		Khajuwala (Loose)	3750	3750	3700	3850
		Khajuwala (Delivery)	3938	3938	3885	4043
		Lunkaransar (Loose)	3650	3750	3600	3800
	Hanumangarh	Hanumangarh (Loose)	3680	3750	3750	3950
		Hanumangarh (Delivery)	3864	3938	3938	4148
		Nohar (Loose)	NR	0	0	3900
		Pilibanga (Loose)	NA	0	0	3910
	Nagaur	Nagaur (Loose)	3650	3700	0	3700
	Churu	Churu (Delivery)	NA	0	0	4100
	Alwar	Alwar (Loose)	NR	0	0	3800
Haryana	Hisar	Adampur (Loose)	3725	3750	3700	3860
		Adampur (Delivery)	3911	3938	3885	4053
	Bhiwani	Bhiwani (Delivery)	3850	3900	3850	4080
		Siwani (Loose)	3880	3950	3800	3975
	Sirsa	Sirsa (Loose)	3690	3740	3600	3870
		Dhabwali (Loose)	3640	3750	3625	3850
		Dhabwali (Delivery)	3822	3938	3806	4043
		Ellanabad (Loose)	NR	0	0	0
	Fatehabad	Fatehabad (Loose)	3600	3500	3600	3800
Gujarat	Banaskantha	Deesa (Loose)	NA	0	3750	0
	Patan	Patan (Loose)	3745	3740	3705	3820
	Rajkot	Rajkot (Loose)	NA	0	0	0
	Jamnagar	Dhrol (Loose)	NA	0	0	3555
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6000	6300	5900	7650
	Alwar	Alwar	NR	0	0	7500
	Hanumangarh	Nohar	NR	0	0	8100
Haryana	Bhiwani	Bhiwani	5950	6150	5950	7300
	Sirsa	Sirsa	6000	6300	5900	7500
		Dhabwali	6100	6325	6000	7500
		Ellanabad	NR	0	0	0
	Fatehabad	Fatehabad	6000	6250	6050	7500



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.