

Guar Weekly Research Report

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Executive Summary**Domestic Guar Seed Market Summary**

Mostly weak sentiments witnessed in the domestic guar seed and guar gum 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 3 to 351 as on 30th December 2020 compared to 348 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:

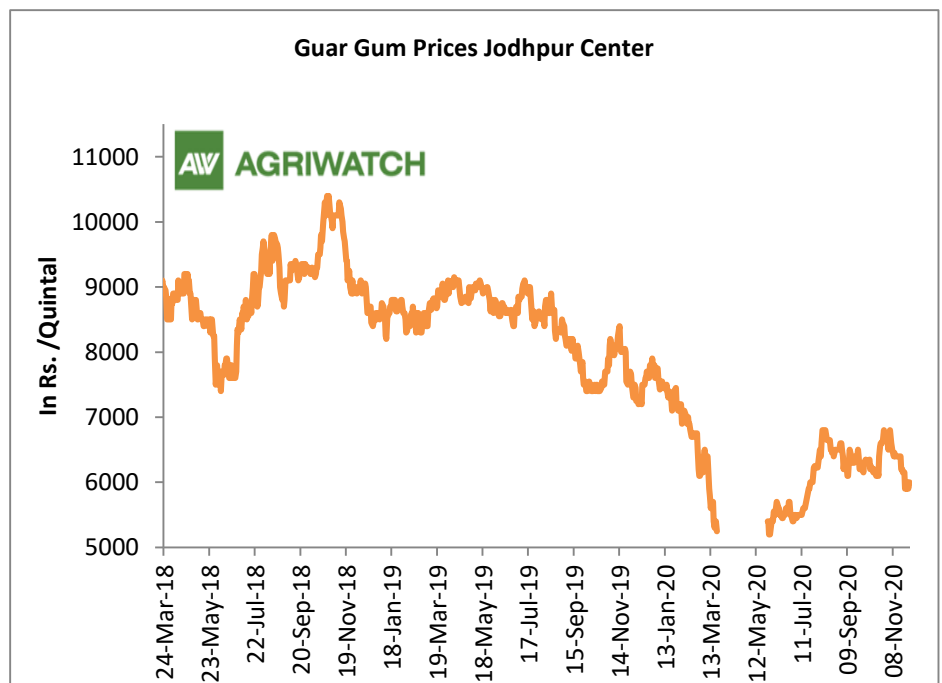
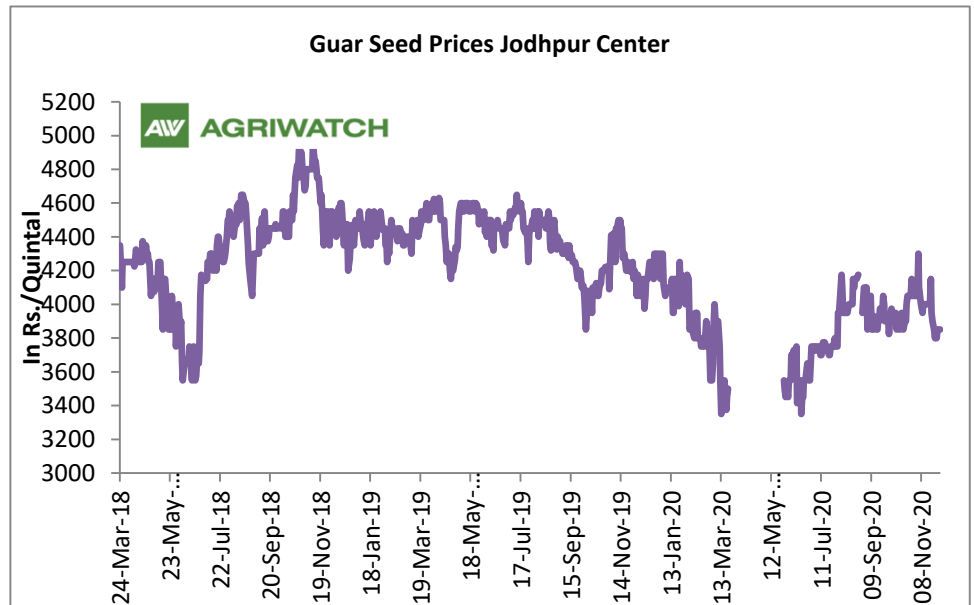
Weekly Call- : Market participants are advised to BUY Guar seed future February contract Above 4090 levels for a target of 4190 with a stop loss at 3930.

Outlook:-

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Domestic Front

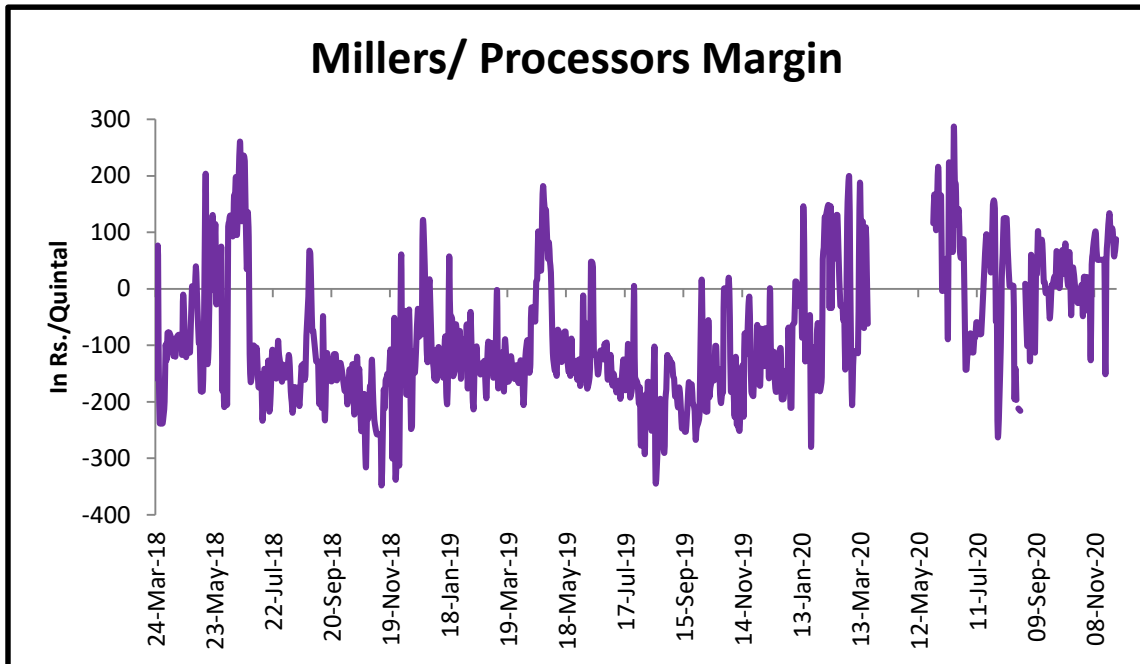
- The guar seed prices witnessed mild gains in November compared to the prices in the month October. Besides limited demand from processors after COVID followed by weak demand in guar gum remained bearish for the market.
- Stockists and the processors are the major buyers of the new seed.
- The average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

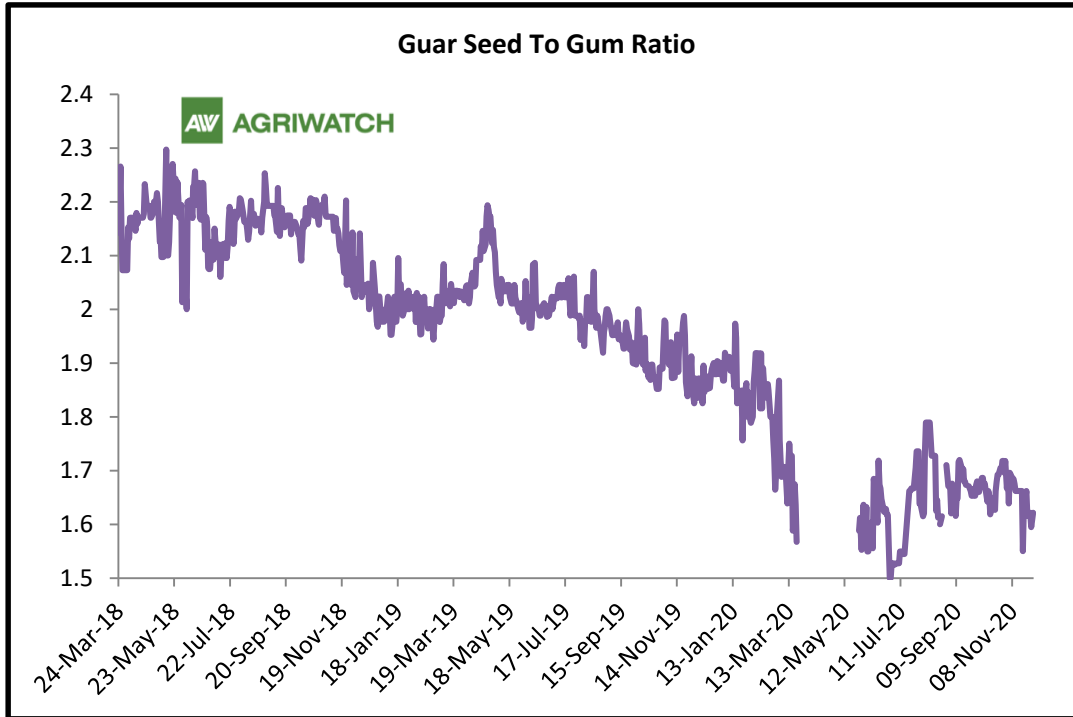
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As seen in the chart, the average crush margin of guar seed have improved in November'20 as compared to October'20, the average crush margin improved to Rs. +47/quintal in November'20 compared to Rs. +17/quintal in October'20. Increase in the guar 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: Feb.

Exchange: NCDEX
Expiry: Feb. 19, 2021

Guar Seed (Feb. Daily Chart)



Technical Commentary:

- Guar seed edged-up 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	Feb.	3600	3500	3997	4300	4400
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Feb.	BUY	Above 3990	4090	4190	3930

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: Feb.

Exchange: NCDEX
Expiry: Feb. 19, 2021



Technical Commentary:

- Guar gum ended slightly above previous week's level 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	Feb.	5700	5600	6087	6400	6500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Feb.	BUY	Above 6080	6180	6280	6016

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices:				
Commodity	Centre	25th Dec to 31st Dec 2020	18th Dec to 24th Dec 2020	Change
Churi	Jodhpur	2070	2100	-30
Korma	Jodhpur	3023	3000	23
Churi	Sri-Ganganagar	1838	1838	Unch
Korma	Sri-Ganganagar	2828	2850	-22
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	25th Dec to 31st Dec 2020	18th Dec to 24th Dec 2020	Change
Guargum Split		858	855	3
Guargum Powder	200 Mesh 5000 CPS	1131	1127	4
	200 Mesh 3500 CPS	1063	1059	4
Guargum Meal	40%	409	407	2
	50%	545	543	2
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			25th Dec to 31st Dec 2020	18th Dec to 24th Dec 2020	
Guar Seed	Jodhpur	Jodhpur (Loose)	3640	3704	-64
		Jodhpur(Delivery)	3822	3854	-32
	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)	3724	3722	2
		Bikaner (Delivery)	3910	3908	2
		Nokha(Loose)	3740	3725	15
		Nokha (Delivery)	3927	3911	16
		Khajuwala (Loose)	3713	3750	-38

		Khajuwala (Delivery)	3898	3938	-39
		Lunkaransar (Loose)	3692	3708	-16
	Hanumangarh	Hanumangarh (Loose)	3656	3709	-53
		Hanumangarh (Delivery)	3839	3895	-56
		Nohar (Loose)	0	0	Unch
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	3666	3670	-4
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3715	3730	-15
		Adampur (Delivery)	3901	3917	-16
	Bhiwani	Bhiwani (Delivery)	3890	3892	-2
		Siwani (Loose)	3866	3880	-14
	Sirsa	Sirsa (Loose)	3650	3685	-35
		Dhabwali (Loose)	3650	3683	-33
		Dhabwali (Delivery)	3833	3867	-34
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3580	3546	34
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	3731	3708	23
	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	5995	6096	-101
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	5991	6095	-104
	Sirsa	Sirsa	6000	6108	-108
		Dhabwali	6060	6200	-140
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6000	6083	-83

Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
			25th Dec to 31st Dec 2020	18th Dec to 24th Dec 2020	
Guar Seed	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	2900	3350	-450
		Nokha	3400	5700	-2300
		Khajuwala	1700	2200	-500
		Lunkaransar	1550	2400	-850
	Hanumangarh	Hanumangarh	700	1050	-350
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	1600	3500	-1900
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	1900	1900	Unch
	Bhiwani	Bhiwani	4050	1200	2850
		Siwani	1550	1900	-350
	Sirsa	Sirsa	5300	8000	-2700
		Dhabwali	900	2250	-1350
		Ellanabad	0	0	Unch
Fatehabad	Fatehabad	250	300	-50	
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	519	678	-159
	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			31-Dec-20	24-Dec-20	1-Dec-20	31-Dec-19
Rajasthan	Jodhpur	Jodhpur (Loose)	3650	3650	3600	4100
		Jodhpur(Delivery)	3833	3833	3780	4305
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3700	NR	3700	4000
		Sri-Ganganagar (Delivery)	3850	NR	3850	4150
		Rawla (Loose)	NR	0	0	3860
		Gharsana (Loose)	3680	3700	3650	4010
		Raisinghnagar (Loose)	3700	3620	3700	4100

	Bikaner	Bikaner (Loose)	3720	3700	3730	3980
		Bikaner (Delivery)	3906	3885	3917	4179
		Nokha(Loose)	3750	3700	3700	4000
		Nokha (Delivery)	3938	3885	3885	4200
		Khajuwala (Loose)	3700	3750	Closed	3900
		Khajuwala (Delivery)	3885	3938	Closed	4095
		Lunkaransar (Loose)	3710	3650	3675	3950
	Hanumangarh	Hanumangarh (Loose)	3650	3680	3750	3950
		Hanumangarh (Delivery)	3833	3864	3938	4148
		Nohar (Loose)	NR	0	0	3950
		Pilibanga (Loose)	NA	0	0	0
	Nagaur	Nagaur (Loose)	3600	3650	0	3850
	Churu	Churu (Delivery)	NA	0	0	4250
	Alwar	Alwar (Loose)	NR	0	0	4000
Haryana	Hisar	Adampur (Loose)	3725	3725	Closed	3960
		Adampur (Delivery)	3911	3911	Closed	4158
	Bhiwani	Bhiwani (Delivery)	3925	3850	3850	4200
		Siwani (Loose)	3890	3880	3850	4070
	Sirsa	Sirsa (Loose)	3650	3690	Closed	3940
		Dhabwali (Loose)	3650	3640	Closed	4000
		Dhabwali (Delivery)	3833	3822	Closed	4200
		Ellanabad (Loose)	NR	0	0	0
	Fatehabad	Fatehabad (Loose)	3600	3600	Closed	3900
	Gujarat	Banaskantha	Deesa (Loose)	NA	0	NR
Patan		Patan (Loose)	3770	3745	3675	3800
Rajkot		Rajkot (Loose)	NA	0	0	3870
Jamnagar		Dhrol (Loose)	NA	0	0	0
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6000	6000	5925	7800
	Alwar	Alwar	NR	0	0	7900
	Hanumangarh	Nohar	NR	0	0	8000
Haryana	Bhiwani	Bhiwani	6000	5950	6000	7650
	Sirsa	Sirsa	6000	6000	Closed	7850
		Dhabwali	6050	6100	Closed	7750
		Ellanabad	NR	0	0	0
Fatehabad	Fatehabad	6000	6000	Closed	7600	

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