

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

Firm sentiments witnessed in the guar seed and gaur gum on some buying support from the processors and the importers of the guar gum of Indian origin. However, overall guar sentiments are weak on decline in the guar gum exports followed by fall in the oilrigs 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 9 to 360 as on 08th January 2021 compared to 351 previous week and 781 on 10th January 2021. Total number of oilrigs wererecorded at 1,706 in December'20 compared to 3,216 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).

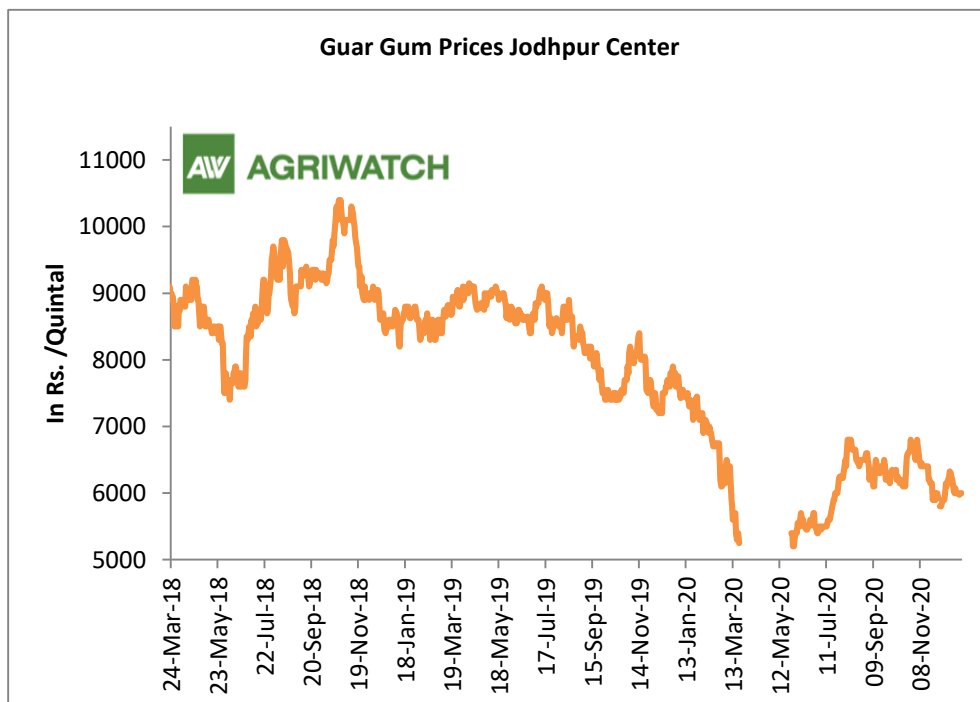
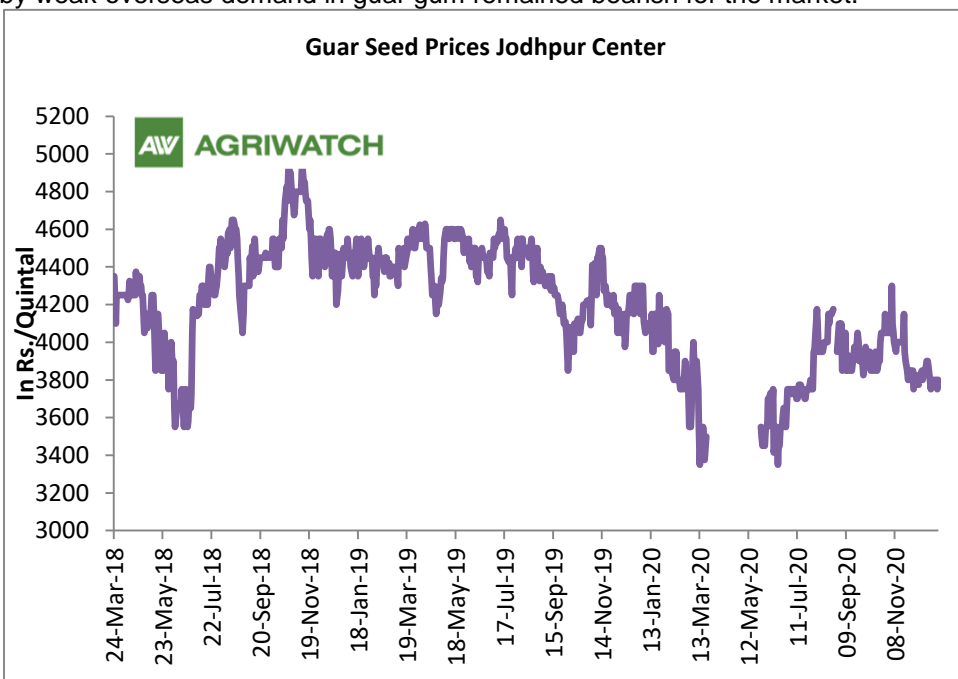
India's guar split exports surged in the month of October 2020 by 449% to 3,438 tonnes compared to 625 tonnes during September 2020 at an average FoB of US \$ 1,408 per tonne in the month of October compared to US \$ 1,327 per tonne in the month of September 2020. **Further, the guar split shipments 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 February contract below 3945 levels for a target of 3845 with a stop loss at 4005.

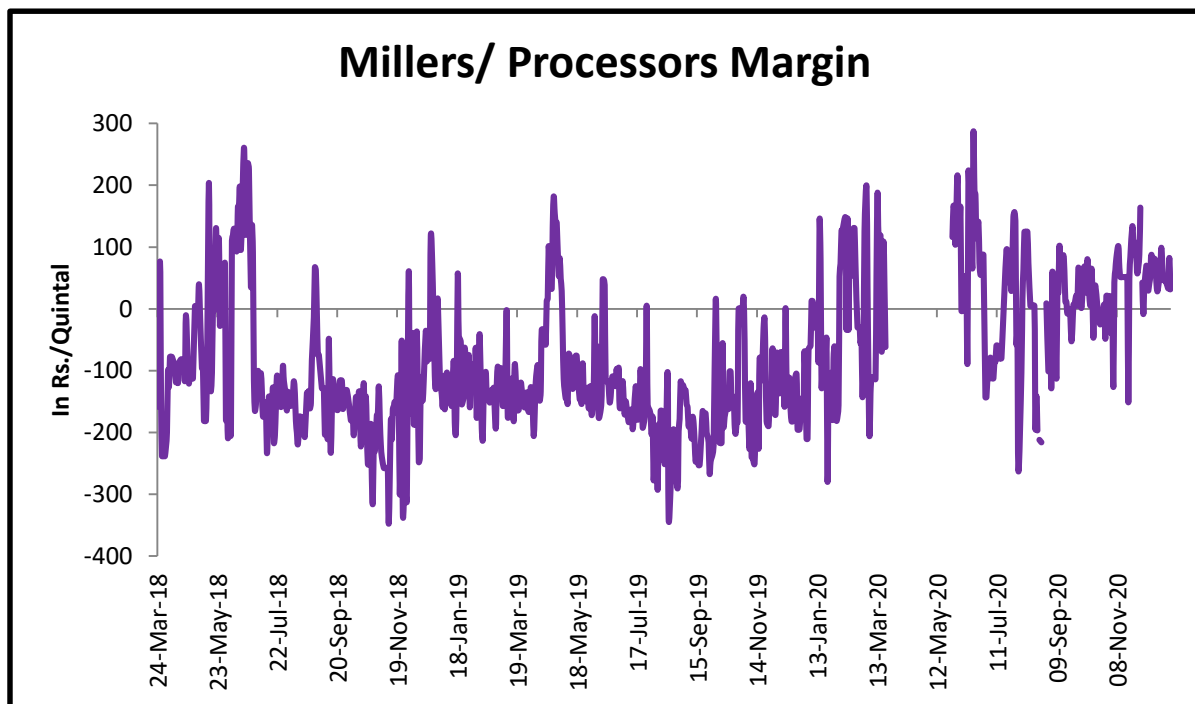
Outlook:-[\(Back to Table of Contents\)](#)Domestic Front

- The local guar seed prices fell in December compared to the prices in the month November. Besides limited demand from processors after COVID followed by weak overseas 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 all paid prices in Jodhpur have fell and was quoted at Rs 3,814 a quintal in December compared to Rs 3,973 a quintal in November.
- The 2020/21 guar seed output estimate have fallen by around 45% compared to the previous season.
- Besides, the average guar gum prices too fell to around Rs 6,045 a quintal in December compared to Rs 6,306 per quintal in November.



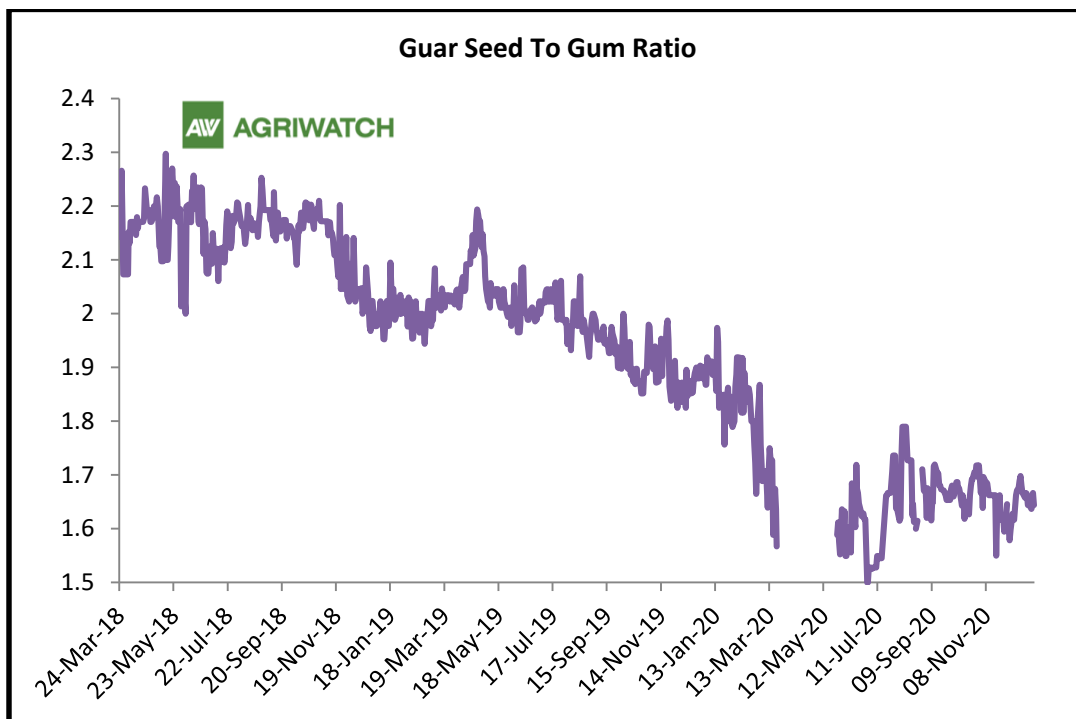
Millers/Processors Margin

As seen in the chart, the average crush margin of guar seed have improved in December'20 as compared to November'20, the average crush margin improved to Rs. +57/quintal in December'20 compared to Rs. +47/quintal in November'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 flat at 1.65 in December'20 compared to November'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 fell on selling pressure in the market.
- RSI and stochastic are easing in the neutral region.
- Prices closed below 18-day EMA.
- Prices are expected to witness losses in the near-term.

Strategy: SELL

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Feb.	3600	3500	3949	4200	4300
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Feb.	SELL	Below 3945	3845	3745	4005

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: Feb.

Exchange: NCDEX
Expiry: Feb. 19, 2021

Guar Gum (Feb. Daily Chart)



Technical Commentary:

- Range-bound movement witnessed in the guar gum market.
- Guar gum ended slightly below previous week's 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	Feb.			6069		
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Feb.	SELL	Below 6065	5965	5850	6125

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

Guar by – Products Weekly Average Prices:				
Commodity	Centre	01st Jan to 07th Jan 2020	25th Dec to 31st Dec 2020	Change
Churi	Jodhpur	2058	2070	-12
Korma	Jodhpur	3038	3023	15
Churi	Sri-Ganganagar	1850	1838	12
Korma	Sri-Ganganagar	2825	2828	-2
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	01st Jan to 07th Jan 2020	25th Dec to 31st Dec 2020	Change
Guargum Split		862	858	3
Guargum Powder	200 Mesh 5000 CPS	1135	1131	5
	200 Mesh 3500 CPS	1067	1063	4
Guargum Meal	40%	410	409	2
	50%	547	545	2
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			01st Jan to 07th Jan 2020	25th Dec to 31st Dec 2020	
Rajasthan	Jodhpur	Jodhpur (Loose)	3713	3640	73
		Jodhpur(Delivery)	3898	3822	76
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	-	-
		Sri-Ganganagar (Delivery)	-	-	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	3752	3724	28
		Bikaner (Delivery)	3939	3910	29
		Nokha(Loose)	3754	3740	14

		Nokha (Delivery)	3942	3927	15
		Khajuwala (Loose)	3746	3713	34
		Khajuwala (Delivery)	3933	3898	35
		Lunkaransar (Loose)	3762	3692	70
	Hanumangarh	Hanumangarh (Loose)	3698	3656	42
		Hanumangarh (Delivery)	3882	3839	44
		Nohar (Loose)	0	0	Unch
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	1825	3666	-1841
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3710	3715	-5
		Adampur (Delivery)	3896	3901	-5
	Bhiwani	Bhiwani (Delivery)	3920	3890	30
		Siwani (Loose)	2336	3866	-1530
	Sirsa	Sirsa (Loose)	3674	3650	24
		Dhabwali (Loose)	3657	3650	7
		Dhabwali (Delivery)	3840	3833	7
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3575	3580	-5
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	3777	3731	46
	Rajkot	Rajkot (Loose)	3699	0	3699
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	742	0	742
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6058	5995	63
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	6147	5991	156
	Sirsa	Sirsa	6100	6000	100
		Dhabwali	6100	6060	40
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6058	6000	58

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			01st Jan to 07th Jan 2020	25th Dec to 31st Dec 2020	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	-	-	-
		Rawla	-	-	-
		Gharsana	-	-	-
		Raisinghnagar	-	-	-
	Bikaner	Bikaner	2800	2900	-100
		Nokha	3150	3400	-250
		Khajuwala	1550	1700	-150
		Lunkaransar	850	1550	-700
	Hanumangarh	Hanumangarh	330	700	-370
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	1400	1600	-200
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	1550	1900	-350
	Bhiwani	Bhiwani	2400	4050	-1650
		Siwani	900	1550	-650
	Sirsa	Sirsa	3700	5300	-1600
		Dhabwali	620	900	-280
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	300	250	50
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	867	519	348
	Rajkot	Rajkot	430	0	430
	Jamnagar	Dhrol	0	0	Unch
Madhya Pradesh	Gwalior	Dabra	400	0	400
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			7-Jan-21	31-Dec-20	8-Dec-20	7-Jan-20
Rajasthan	Jodhpur	Jodhpur (Loose)	3700	3650	Closed	3960

		Jodhpur(Delivery)	3885	3833	Closed	4158
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3650	3700	Closed	3900
		Sri-Ganganagar (Delivery)	3800	3850	Closed	4050
		Rawla (Loose)	0	0	0	0
		Gharsana (Loose)	3600	3680	Closed	0
		Raisinghnagar (Loose)	3650	3700	Closed	0
		Bikaner	Bikaner (Loose)	3740	3720	Closed
	Bikaner (Delivery)		3927	3906	Closed	NA
	Nokha(Loose)		3750	3750	Closed	3800
	Nokha (Delivery)		3938	3938	Closed	3990
	Khajuwala (Loose)		3750	3700	Closed	3880
	Khajuwala (Delivery)		3938	3885	Closed	4074
	Lunkaransar (Loose)		3750	3710	Closed	3850
	Hanumangarh	Hanumangarh (Loose)	Closed	3650	Closed	NA
		Hanumangarh (Delivery)	closed	3833	Closed	NA
		Nohar (Loose)	0	0	0	3800
		Pilibanga (Loose)	0	0	0	0
	Nagaur	Nagaur (Loose)	0	3600	0	3700
	Churu	Churu (Delivery)	0	0	0	4000
	Alwar	Alwar (Loose)	0	0	0	3700
Haryana	Hisar	Adampur (Loose)	3700	3725	Closed	3850
		Adampur (Delivery)	3885	3911	Closed	4043
	Bhiwani	Bhiwani (Delivery)	3900	3925	Closed	3970
		Siwani (Loose)	NR	3890	Closed	3990
	Sirsa	Sirsa (Loose)	3660	3650	Closed	NA
		Dhabwali (Loose)	3670	3650	Closed	NA
		Dhabwali (Delivery)	3854	3833	Closed	NA
		Ellanabad (Loose)	NR	0	0	0
	Fatehabad	Fatehabad (Loose)	3550	3600	Closed	3800
Gujarat	Banaskantha	Deesa (Loose)	0	0	0	0
	Patan	Patan (Loose)	3735	3770	Closed	3715
	Rajkot	Rajkot (Loose)	3690	0	0	3850
	Jamnagar	Dhrol (Loose)	0	0	0	0
Madhya Pradesh	Gwalior	Dabra (Loose)	NA	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6100	6000	Closed	7600



	Alwar	Alwar	0	0	0	7500
	Hanumangarh	Nohar	0	0	0	7900
Haryana	Bhiwani	Bhiwani	6150	6000	Closed	7500
	Sirsa	Sirsa	6100	6000	Closed	NA
		Dhabwali	6100	6050	Closed	NA
		Ellanabad	NR	0	0	0
	Fatehabad	Fatehabad	6000	6000	Closed	7500

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