

Guar Weekly Research Report

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Executive Summary

Mixed sentiments witnessed in the guar seed on varied factors at various cash market centers while steady tone in guar gum on flat demand 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 13 to 373 as on 15th January 2021 compared to 360 previous week and 781 on 08th January 2021. Total number of oilrigs were recorded at 1,706 in December'20 compared to 3,216 in the corresponding period in last year.

India's guar gum exports improved in the month of December 2020 by +32% to 17,644 tonnes compared to 13,414 tonnes during November 2020 at an average FoB of US \$ 1849 per tonne in the month of December compared to US \$ 1611 per tonne in the month of November 2020. However, the gum shipments were down -1% in December 2020 compared to the same period last year. Of the total exported quantity, around 4,914 tonnes is bought US, Russia (3,290 tonnes) and Germany (2,432 tonnes).

India's guar split exports fell in the month of December 2020 by -39% to 2,800 tonnes compared to 4,557 tonnes during November 2020 at an average FoB of US \$ 955 per tonne in the month of December compared to US \$ 1,390 per tonne in the month of November 2020. Further, the guar split shipments were up +32% in December 2020 compared to the same period last year. Of the total exported quantity, around 1,880 tonnes is bought China, US (800 tonnes) and Switzerland (120 tonnes).

Previous Updates:

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).

Recommendation:

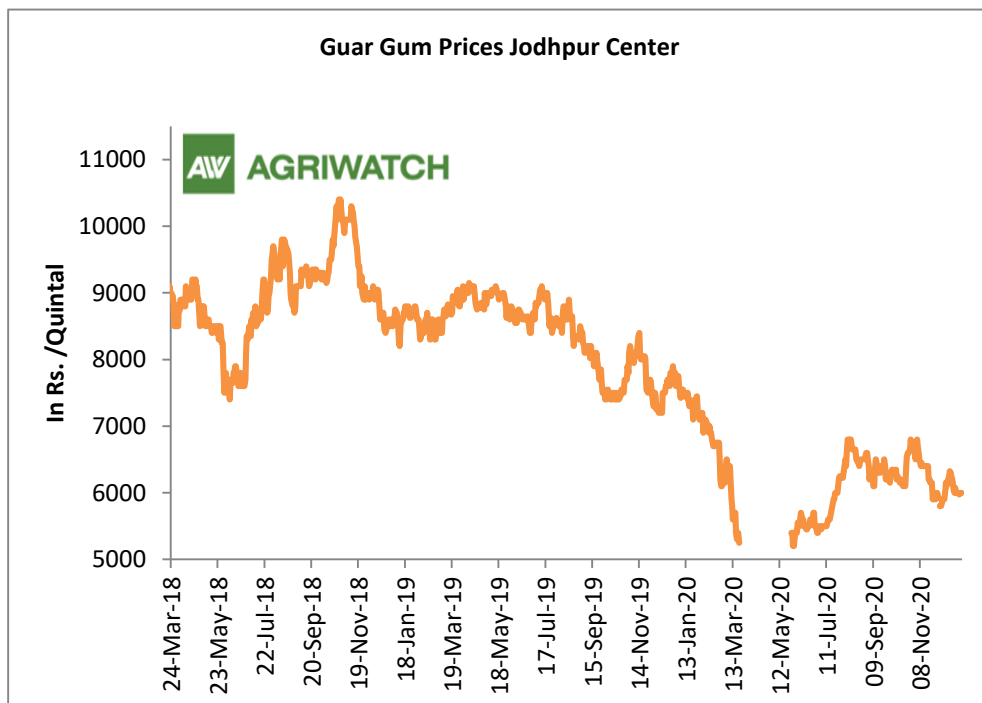
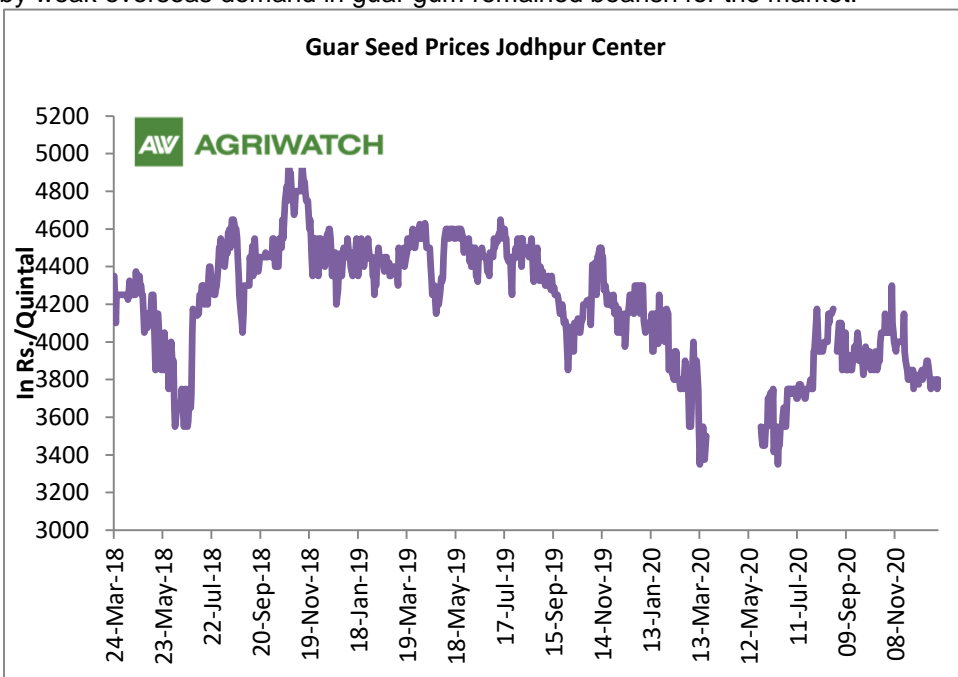
Weekly Call- : Market participants are advised to SELL Guar seed future February contract below 3945 levels for a target of 3845 with a stop loss at 4005.

Outlook:-

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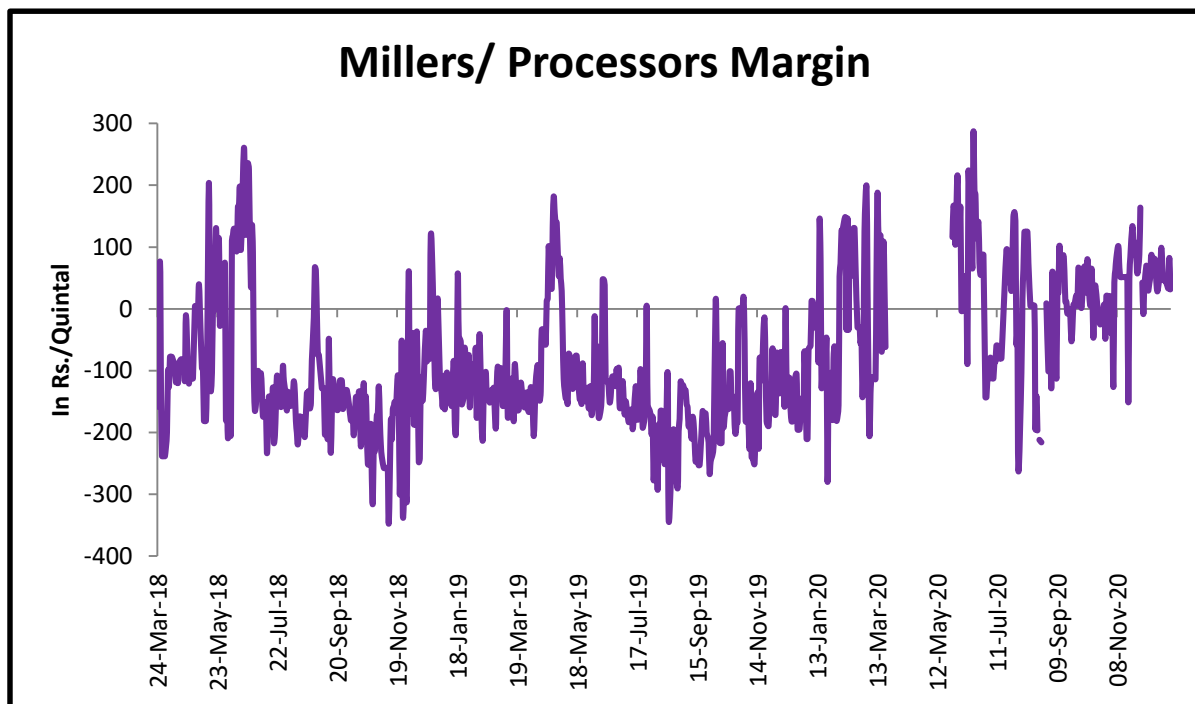
Domestic Front

- 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.



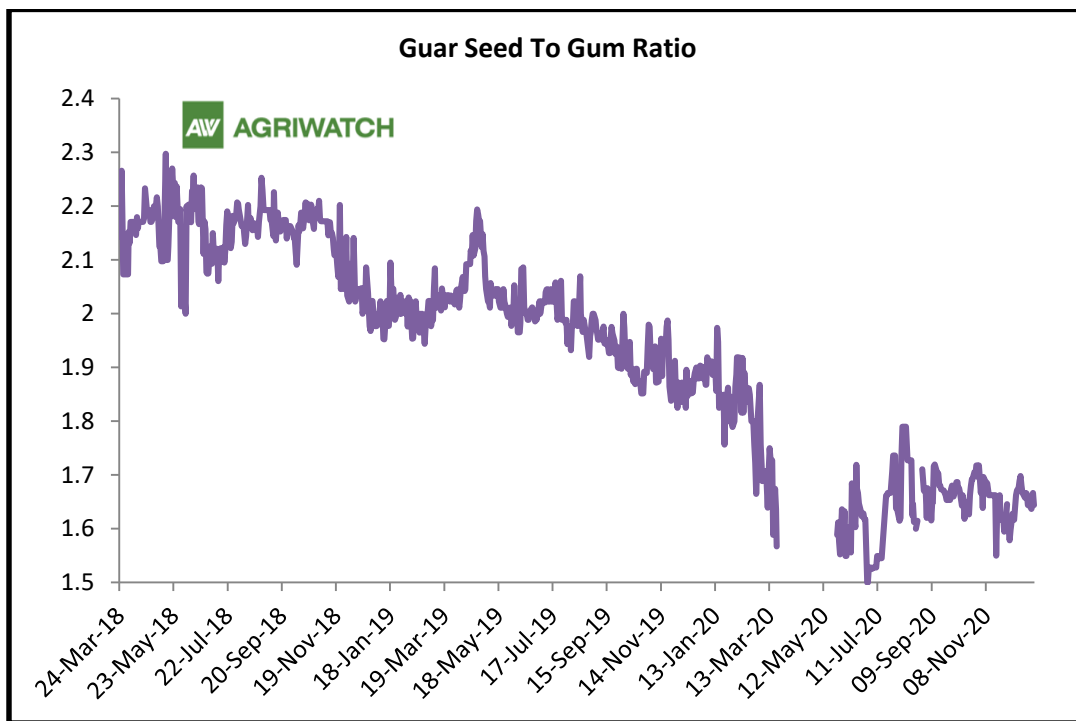
Millers/Processors Margin

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 Dec-2020	4347	2379
9-16 Dec-2020	4724	1721
17-24 Dec-2020	5292	1641
25-31 Dec-2020	3281	1655
Total	17644	1849

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	3929	4200	4300
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Feb.	SELL	Below 3930	3830	3730	3990



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:

- Guar gum posted gains 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 feature gains in the near-term.

Strategy: BUY

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Feb.	5800	5700	6110	6400	6500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Feb.	BUY	Above 6100	6200	6300	6040

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

Guar by – Products Weekly Average Prices:				
Commodity	Centre	08th Jan to 14th Jan 2021	01st Jan to 07th Jan 2021	Change
Churi	Jodhpur	2075	2058	17
Korma	Jodhpur	3038	3038	Unch
Churi	Sri-Ganganagar	1875	1850	25
Korma	Sri-Ganganagar	2850	2825	25
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	08th Jan to 14th Jan 2021	01st Jan to 07th Jan 2021	Change
Guargum Split		860	862	-2
Guargum Powder	200 Mesh 5000 CPS	1132	1135	-3
	200 Mesh 3500 CPS	1064	1067	-3
Guargum Meal	40%	409	410	-1
	50%	546	547	-1
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			08th Jan to 14th Jan 2021	01st Jan to 07th Jan 2021	
Rajasthan	Jodhpur	Jodhpur (Loose)	3767	3713	54
		Jodhpur(Delivery)	3955	3898	57
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	-	-
		Sri-Ganganagar (Delivery)	-	-	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	3766	3752	14
		Bikaner (Delivery)	3954	3939	15
		Nokha(Loose)	3756	3754	2
		Nokha (Delivery)	3944	3942	2

		Khajuwala (Loose)	3748	3746	2
		Khajuwala (Delivery)	3935	3933	2
		Lunkaransar (Loose)	3745	3762	-17
	Hanumangarh	Hanumangarh (Loose)	3650	3698	-48
		Hanumangarh (Delivery)	3833	3882	-50
		Nohar (Loose)	0	0	Unch
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	2781	1825	956
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3742	3710	32
		Adampur (Delivery)	3929	3896	33
	Bhiwani	Bhiwani (Delivery)	3943	3920	23
		Siwani (Loose)	975	2336	-1361
	Sirsa	Sirsa (Loose)	3661	3674	-13
		Dhabwali (Loose)	3654	3657	-3
		Dhabwali (Delivery)	3691	3840	-149
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3608	3575	33
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	3776	3777	-1
	Rajkot	Rajkot (Loose)	3688	3699	-11
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	-	742	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6108	6058	50
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	6158	6147	11
	Sirsa	Sirsa	6050	6100	-50
		Dhabwali	6100	6100	Unch
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6058	6058	Unch

Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			08th Jan to 14th Jan 2021	01st Jan to 07th Jan 2021	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	-	-	-
		Rawla	-	-	-
		Gharsana	-	-	-
		Raisinghnagar	-	-	-
	Bikaner	Bikaner	2800	2800	Unch
		Nokha	3800	3150	650
		Khajuwala	1400	1550	-150
		Lunkaransar	2000	850	1150
	Hanumangarh	Hanumangarh	430	330	100
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	330	1400	-1070
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	2250	1550	700
	Bhiwani	Bhiwani	3000	2400	600
		Siwani	2000	900	1100
	Sirsa	Sirsa	5100	3700	1400
		Dhabwali	445	620	-175
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	300	300	Unch
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	432	867	-435
	Rajkot	Rajkot	570	430	140
	Jamnagar	Dhrol	0	0	Unch
Madhya Pradesh	Gwalior	Dabra	-	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			14-Jan-21	7-Jan-21	14-Dec-20	14-Jan-20
Rajasthan	Jodhpur	Jodhpur (Loose)	3725	3700	3700	4000
		Jodhpur(Delivery)	3911	3885	3885	4200
	Sri-Ganganagar	Sri-Ganganagar(Loose)	Closed	3650	3700	3900
		Sri-Ganganagar (Delivery)	Closed	3800	3850	4050
		Rawla (Loose)	0	0	0	3635
		Gharsana (Loose)	Closed	3600	3710	0
		Raisinghnagar (Loose)	Closed	3650	3700	Closed
	Bikaner	Bikaner (Loose)	3770	3740	3720	4030
		Bikaner (Delivery)	3959	3927	3906	4232
		Nokha(Loose)	3750	3750	3750	3800
		Nokha (Delivery)	3938	3938	3938	3990
		Khajuwala (Loose)	3750	3750	3750	3970
		Khajuwala (Delivery)	3938	3938	3938	4169
		Lunkaransar (Loose)	3770	3750	3700	3800
	Hanumangarh	Hanumangarh (Loose)	Closed	Closed	3750	Closed
		Hanumangarh (Delivery)	Closed	closed	3938	Closed
		Nohar (Loose)	0	0	0	3850
		Pilibanga (Loose)	0	0	0	0
	Nagaur	Nagaur (Loose)	Closed	0	0	NA
	Churu	Churu (Delivery)	0	0	0	4000
	Alwar	Alwar (Loose)	0	0	0	3700
Haryana	Hisar	Adampur (Loose)	3750	3700	3800	3880
		Adampur (Delivery)	3938	3885	3990	4074
	Bhiwani	Bhiwani (Delivery)	3950	3900	3850	3925
		Siwani (Loose)	NR	0	3910	3990
	Sirsa	Sirsa (Loose)	3675	3660	3715	3925
		Dhabwali (Loose)	3650	3670	3740	Closed
		Dhabwali (Delivery)	3650	3854	3927	Closed
		Ellanabad (Loose)	0	0	0	0
	Fatehabad	Fatehabad (Loose)	3600	3550	3650	3825
Gujarat	Banaskantha	Deesa (Loose)	Closed	0	3625	0
	Patan	Patan (Loose)	Closed	3735	3785	0

	Rajkot	Rajkot (Loose)	NA	3690	0	0
	Jamnagar	Dhrol (Loose)	0	0	0	0
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6125	6100	6200	7425
	Alwar	Alwar	0	0	0	7500
	Hanumangarh	Nohar	0	0	0	7800
Haryana	Bhiwani	Bhiwani	6170	6150	6000	7400
	Sirsa	Sirsa	6000	6100	6200	7350
		Dhabwali	6050	6100	6275	Closed
		Ellanabad	0	0	0	0
	Fatehabad	Fatehabad	6000	6000	6100	7500

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