

# 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**

**Steady to weak sentiments witnessed in the guar seed and guar gum market on dull demand from the consuming sectors and slack in overseas demand in the guar gum. Overall guar sentiments are weak on decline in the guar gum exports followed by fall 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 5 to 378 as on 22nd January 2021 compared to 378 previous week, 15th 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:**

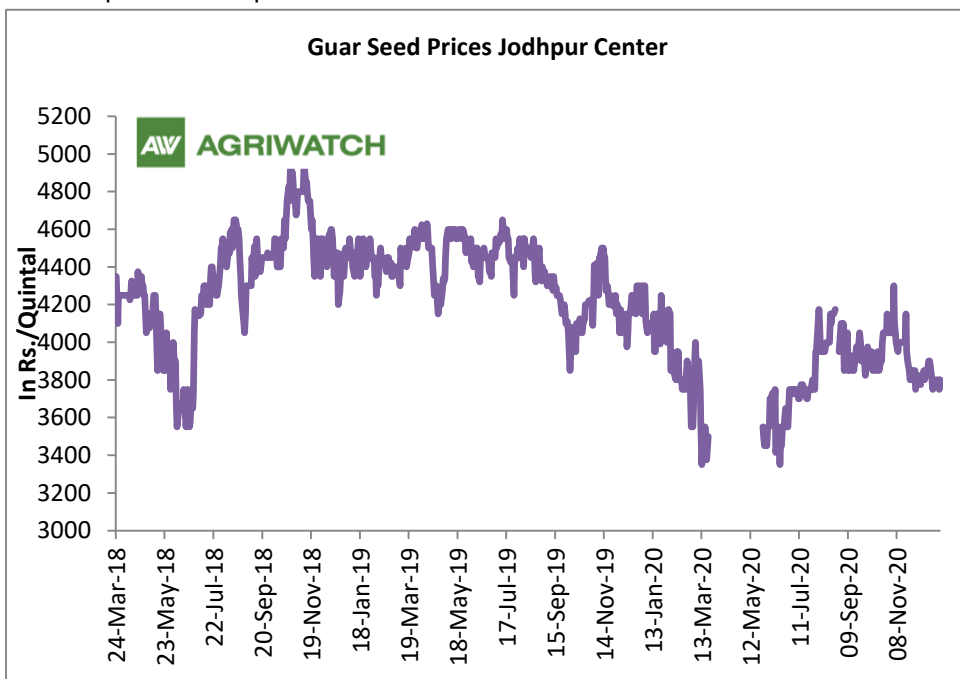
**Weekly Call- : Market participants are advised to SELL Guar seed future February contract below 3945 levels for a target of 3845 with a stop loss at 4005.**

## Outlook:-

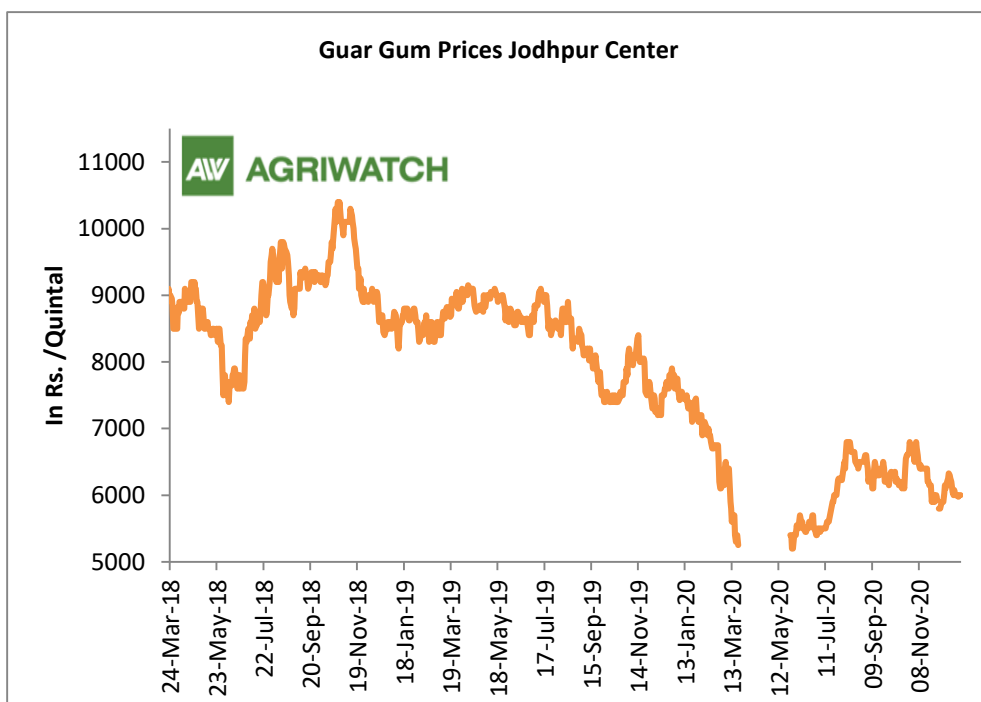
[\(Back to Table of Contents\)](#)

### 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.

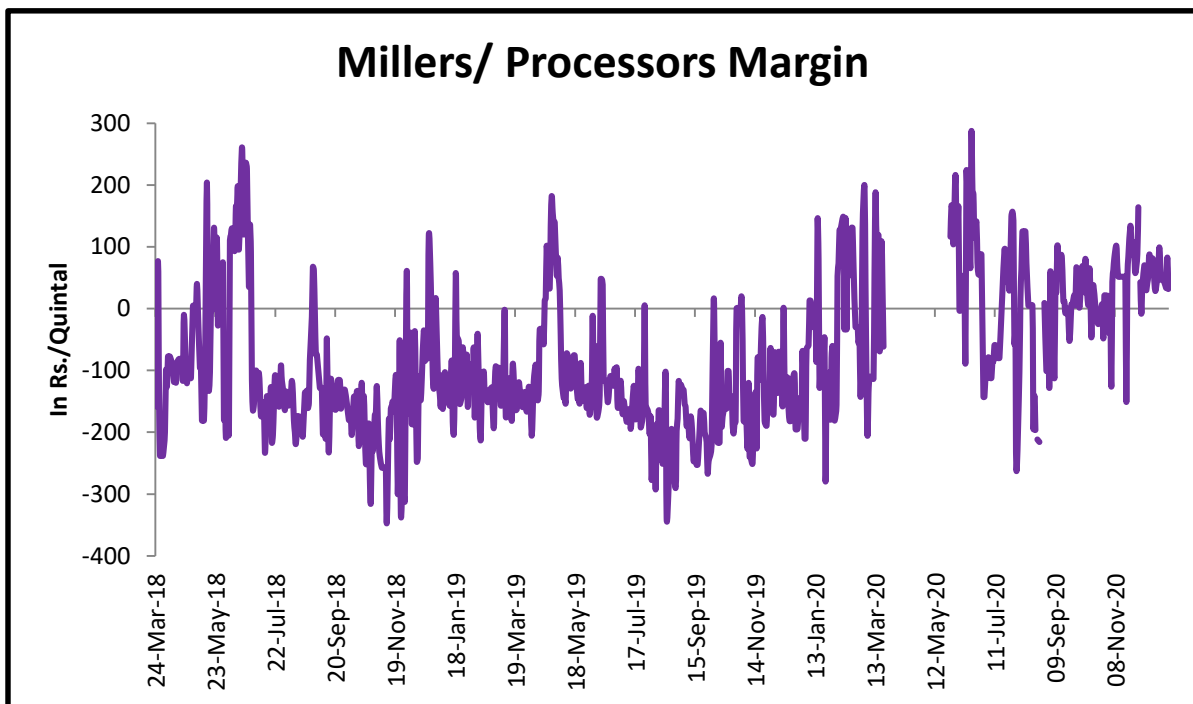


- Besides, the average guar gum prices too fell to around Rs 6,045 a quintal in December compared to Rs 6,306 per quintal in November.



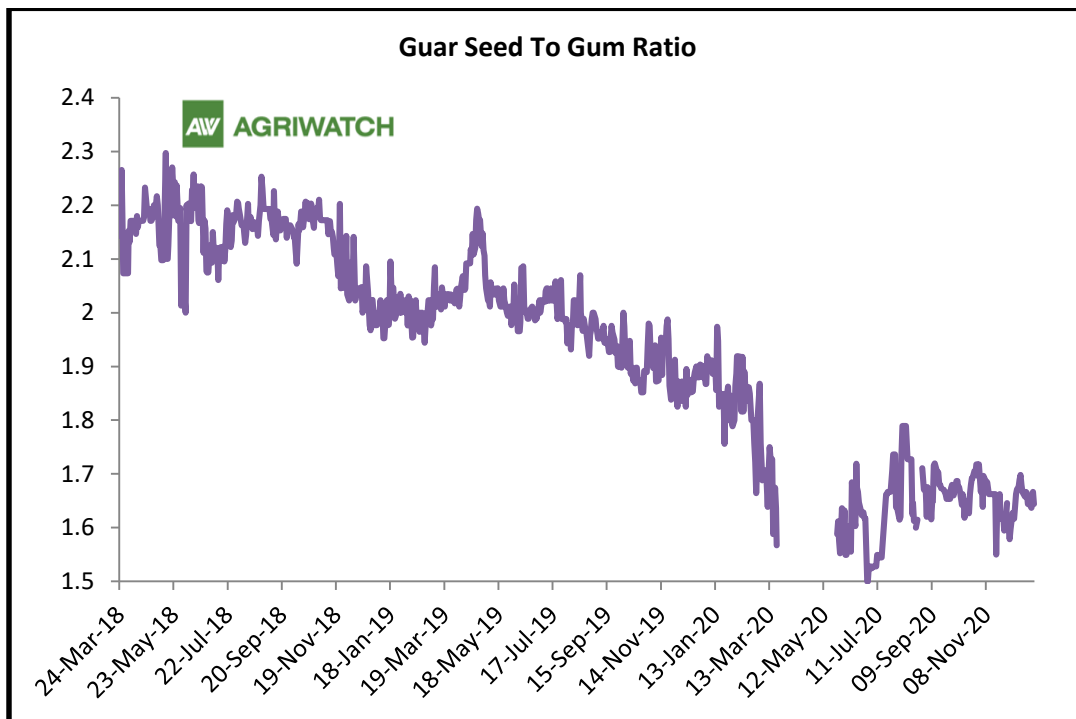
## Millers/Processors Margin

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

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

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
<b>Total</b>	<b>17644</b>	<b>1849</b>

Source: Trade



## Technical Analysis (Guar Seed)

(Back to Table of Contents)

Commodity: Guar Seed  
Contract: Feb.

Exchange: NCDEX  
Expiry: Feb. 19, 2021

### Guar Seed (Feb. Daily Chart)



### Technical Commentary:

- Guar seed posted gains on buying interest 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 the near-term.

### Strategy: SELL

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Feb.	3650	3550	3985	4300	4400
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Feb.	BUY	Above 3980	4080	4180	3920

## Technical Analysis (Guar Gum)

(Back to Table of Contents)

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 above 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.	5850	5750	6295	6606	6750
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Feb.	BUY	Above 6290	6390	6490	6230

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

Guar by – Products Weekly Average Prices:				
Commodity	Centre	15th Jan to 21st Jan 2021	08th Jan to 14th Jan 2021	Change
Churi	Jodhpur	2075	2075	Unch
Korma	Jodhpur	3038	3038	Unch
Churi	Sri-Ganganagar	1875	1875	Unch
Korma	Sri-Ganganagar	2850	2850	Unch
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	15th Jan to 21st Jan 2021	08th Jan to 14th Jan 2021	Change
Guargum Split		861	860	2
Guargum Powder	200 Mesh 5000 CPS	1135	1132	2
	200 Mesh 3500 CPS	1066	1064	2
Guargum Meal	40%	410	409	1
	50%	547	546	1
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			15th Jan to 21st Jan 2021	08th Jan to 14th Jan 2021	
Rajasthan	Jodhpur	Jodhpur (Loose)	3731	3767	-36
		Jodhpur(Delivery)	3917	3955	-38
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	-	-
		Sri-Ganganagar (Delivery)	-	-	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	3754	3766	-12
		Bikaner (Delivery)	3942	3954	-12
		Nokha(Loose)	3771	3756	15
		Nokha (Delivery)	3959	3944	16
		Khajuwala (Loose)	3718	3748	-30
		Khajuwala (Delivery)	3904	3935	-31
		Lunkaransar (Loose)	3729	3745	-16



	Hanumangarh	Hanumangarh (Loose)	3618	3650	-33
		Hanumangarh (Delivery)	3798	3833	-34
		Nohar (Loose)	0	0	Unch
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	3640	2781	859
	Churu	Churu (Delivery)	0	0	Unch
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3729	3742	-13
		Adampur (Delivery)	3916	3929	-13
	Bhiwani	Bhiwani (Delivery)	3935	3943	-8
		Siwani (Loose)	3877	-	-
	Sirsa	Sirsa (Loose)	3669	3661	9
		Dhabwali (Loose)	3673	3654	19
		Dhabwali (Delivery)	3673	3691	-18
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3542	3608	-67
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	3750	3776	-26
	Rajkot	Rajkot (Loose)	3670	3688	-18
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	0	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6117	6108	8
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	6156	6158	-2
	Sirsa	Sirsa	6100	6050	50
		Dhabwali	6133	6100	33
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6025	6058	-33

Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			15th Jan to 21st Jan 2021	08th Jan to 14th Jan 2021	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	-	-	-
		Rawla	-	-	-
		Gharsana	-	-	-
		Raisinghnagar	-	-	-
	Bikaner	Bikaner	2450	2800	-350
		Nokha	3350	3800	-450
		Khajuwala	1200	1400	-200
		Lunkaransar	1050	2000	-950
	Hanumangarh	Hanumangarh	480	430	50
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	1100	330	770
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	3000	2250	750
	Bhiwani	Bhiwani	2600	3000	-400
		Siwani	1800	2000	-200
	Sirsa	Sirsa	6100	5100	1000
		Dhabwali	1050	445	605
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	250	300	-50
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	257	432	-175
	Rajkot	Rajkot	370	570	-200
	Jamnagar	Dhrol	0	0	Unch
Madhya Pradesh	Gwalior	Dabra	0	-	-
Total Arrivals/Above Markets			-	-	-

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			22-Jan-21	15-Jan-21	22-Dec-20	22-Jan-20
Rajasthan	Jodhpur	Jodhpur (Loose)	3750	3700	3600	3840
		Jodhpur(Delivery)	3938	3885	3780	4032
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3750	3650	3650	3850
		Sri-Ganganagar (Delivery)	3900	3800	3800	4000
		Rawla (Loose)	NR	0	0	3900
		Gharsana (Loose)	3750	3750	3650	4000
		Raisinghnagar (Loose)	3780	3725	3700	Closed
	Bikaner	Bikaner (Loose)	3830	3735	3670	3840
		Bikaner (Delivery)	4022	3922	3854	4032
		Nokha(Loose)	3875	3750	3650	3840
		Nokha (Delivery)	4069	3938	3833	4032
		Khajuwala (Loose)	3820	3700	3750	4000
		Khajuwala (Delivery)	4011	3885	3938	4200
		Lunkaransar (Loose)	3800	3750	3650	3800
	Hanumangarh	Hanumangarh (Loose)	3700	3600	3650	3860
		Hanumangarh (Delivery)	3885	3780	3833	4053
		Nohar (Loose)	NR	0	0	3890
		Pilibanga (Loose)	NA	0	0	3850
	Nagaur	Nagaur (Loose)	3670	3640	3670	3750
	Churu	Churu (Delivery)	NA	0	0	3900
	Alwar	Alwar (Loose)	NR	0	0	3900
Haryana	Hisar	Adampur (Loose)	3800	3750	3725	3850
		Adampur (Delivery)	3990	3938	3911	4043
	Bhiwani	Bhiwani (Delivery)	4000	3950	3890	3900
		Siwani (Loose)	3980	3880	3825	4010
	Sirsa	Sirsa (Loose)	3780	3650	3625	3870
		Dhabwali (Loose)	3700	3650	3650	3800
		Dhabwali (Delivery)	3700	3650	3833	3990
		Ellanabad (Loose)	NR	0	0	0
	Fatehabad	Fatehabad (Loose)	3550	3550	3550	3800
Gujarat	Banaskantha	Deesa (Loose)	NA	0	0	3675
	Patan	Patan (Loose)	3800	3740	3575	3805
	Rajkot	Rajkot (Loose)	3755	3680	0	3820
	Jamnagar	Dhrol (Loose)	NA	0	0	0



Madhya Pradesh	Gwalior	Dabra (Loose)	NR	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6300	6050	6000	7100
	Alwar	Alwar	NR	0	0	7400
	Hanumangarh	Nohar	NR	0	0	7800
Haryana	Bhiwani	Bhiwani	6300	6180	6000	7280
	Sirsa	Sirsa	6400	6050	6000	7350
		Dhabwali	6400	6025	6100	7400
		Ellanabad	NR	0	0	0
	Fatehabad	Fatehabad	6200	6000	6000	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> © 2021 Indian Agribusiness Systems Ltd.