

# 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**

**Mixed trends featured amid mixed sentiments in the guar seed and guar gum market. Lower stock availability of seed and improving situation of COVID may support gum demand. We can see further major hike in prices during March end to April month in expectation of improved overseas demand for gum.**

Surge in global crude oil demand could prove to be positive for the guar market. However, need based buying in guar continued in the market. Besides, commitment of reduction of crude oil production by 1 Mn barrel by Saudi Arabia in February and March may benefit the oil exploration companies of countries where guar gum is imported from India.

As per data released by Baker Hughes, the number of oilrigs in USA increased by 5 to 397 as on 12<sup>th</sup> February 2021 compared to 392 previous week. However, it is lower by 393 compared to 790 on 14<sup>th</sup> February 2020. Total number of oilrigs were recorded at 1,495 in Jan'21 compared to 3,957 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).

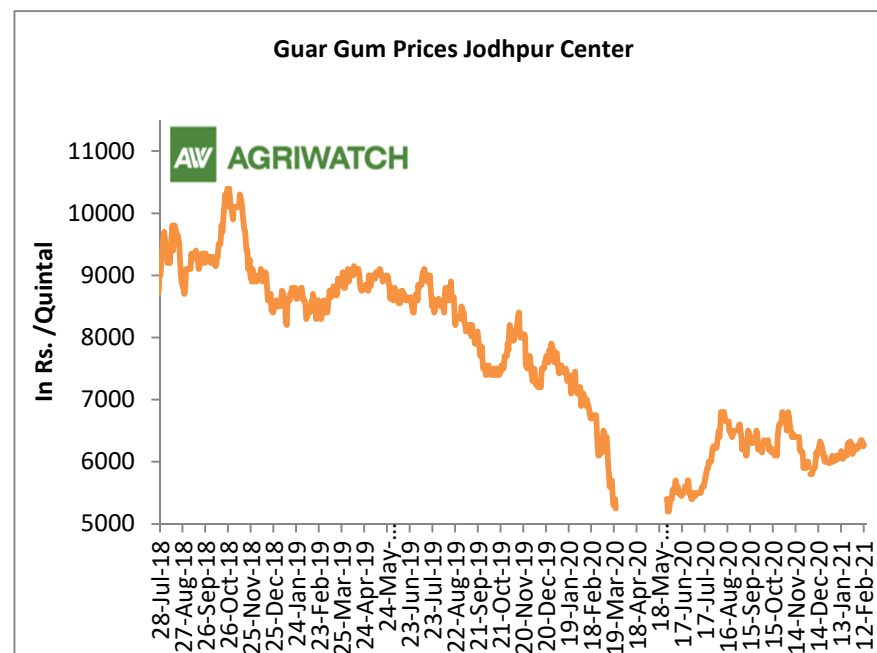
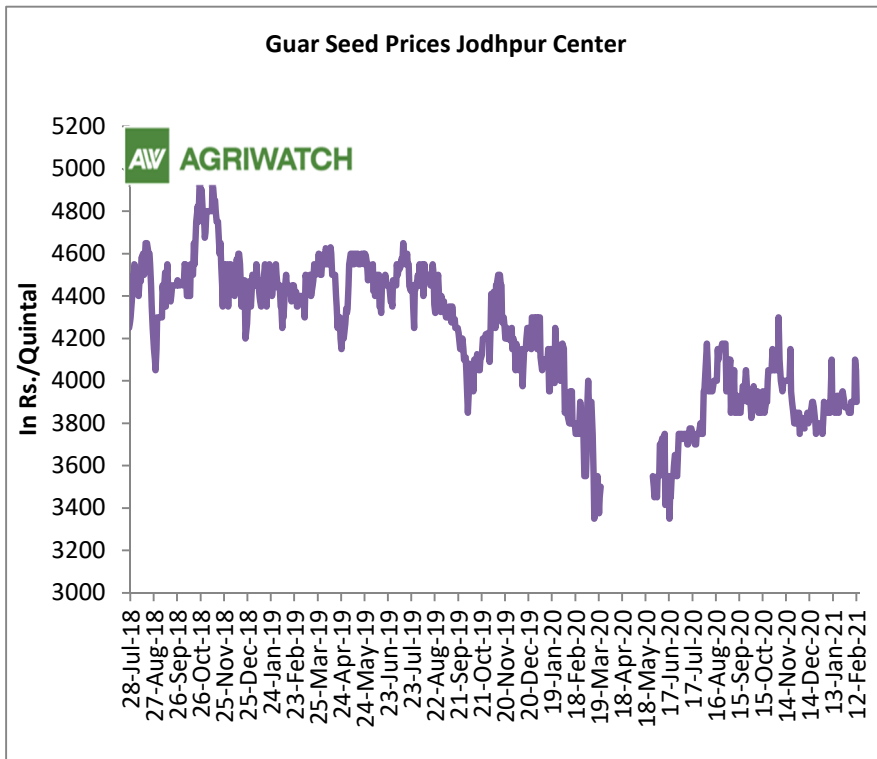
**Recommendation:**

**Weekly Call- : Market participants are advised to sell Guar seed future March contract above 3965 levels for a target of 3900 with a stop loss at 4050.**

### Outlook:- Domestic Front

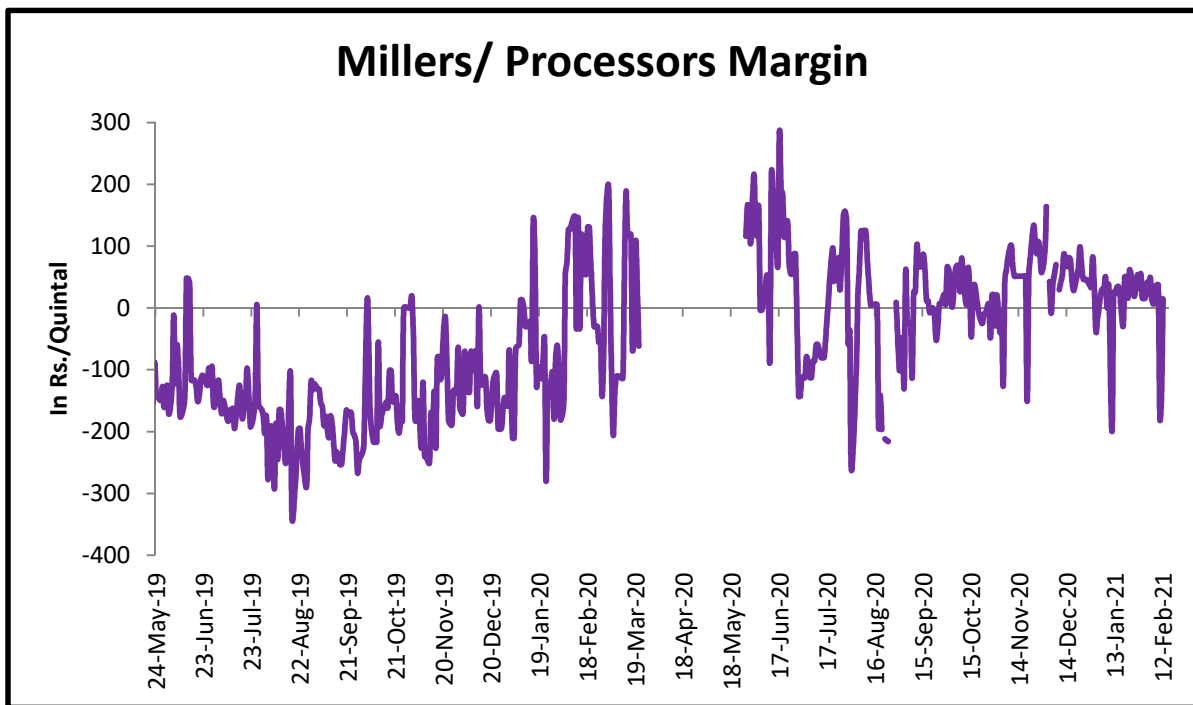
[\(Back to Table of Contents\)](#)

- The local guar seed prices rose in this week compared to the prices in the previous week. Improving condition of COVID in India and overseas market may support guarseed & gum demand further. Stockists and the processors are the major buyers of the new seed.
- The average guar seed all paid prices in Jodhpur have increased and was quoted at Rs 3,958.33 a quintal in this week compared to Rs, 3,870.83 a quintal in last week.
- The 2020/21 guar seed output estimate have fallen by around 45% compared to the previous season.
- Besides, the average guar gum prices too rose to around Rs 6,295.83 a quintal in the current week compared to Rs. 6,225 per quintal in last week.



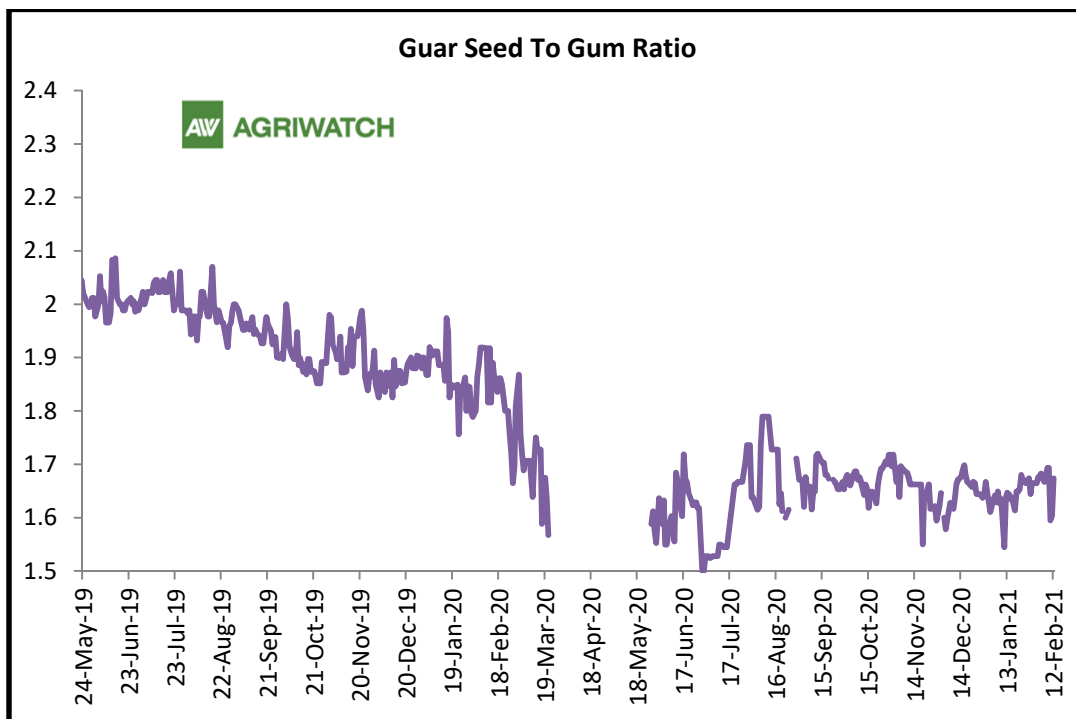
## Millers/Processors Margin

As seen in the chart, the average crush margin of guar seed have unchanged in this week at 14.37/quintal from last week.



## Guar Seed to Gum Ratio

The average monthly Ratio of guar seed to gum stood steady at 1.67 in second week of February 2021 compared to last week. Overall, flat demand of gum from domestic markets has kept the overall ratio steady.



## 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: Mar.

Exchange: NCDEX  
Expiry: Mar. 19, 2021

### Guar Seed (Mar. Daily Chart)



### Technical Commentary:

- Guar seed posted loss on selling pressures in the market.
- RSI and stochastic are falling in the neutral region.
- Prices closed below 18-day EMA.
- Prices are expected to witness loss in the near-term.

### Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Mar.	3500	3650	3952	4300	4400
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Mar.	<b>Sell</b>	Below 3965	3900	3800	4050

## Technical Analysis (Guar Gum)

(Back to Table of Contents)

Commodity: Guar Gum  
Contract: Mar.

Exchange: NCDEX  
Expiry: Mar. 19, 2021



### Technical Commentary:

- Guar gum posted loss on selling pressures in the market.
- RSI and stochastic are falling in the neutral region.
- Prices closed below 18-day EMA.
- Prices are expected to feature loss in the near-term.

### Strategy: Sell

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Mar.	5900	6100	6292	6680	6750
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Mar.	<b>Sell</b>	Below 6300	6200	6150	6480

Guar Seed & Gum Prices at Key Spot Markets[\(Back to Table of Contents\)](#)**Guar by – Products Weekly Average Prices:**

Commodity	Centre	5th Feb to 12th Feb 2021	29th Jan to 5th Feb 2021	Change
Churi	Jodhpur	2050	2050	Unch
Korma	Jodhpur	2963	2963	Unch
Churi	Sri-Ganganagar	1913	1913	Unch
Korma	Sri-Ganganagar	2850	2850	Unch
Prices in Rs/75kg				

**Guar Export Weekly Average Prices:**

Commodity	Variety	5th Feb to 12th Feb 2021	29th Jan to 5th Feb 2021	Change
Guargum Split		864	865	-1
Guargum Powder	200 Mesh 5000 CPS	1138	1140	-1
	200 Mesh 3500 CPS	1070	1071	-1
Guargum Meal	40%	411	412	-1
	50%	548	549	-1
Prices in \$/MT				

**Guar Seed Weekly Average Prices:**

Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			5th Feb to 12th Feb 2021	29th Jan to 5th Feb 2021	
-	Jodhpur	Jodhpur (Loose)	3808	3721	88
		Jodhpur(Delivery)	3999	3907	92
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3700	3710	-10
		Sri-Ganganagar (Delivery)	3850	3861	-11
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	3700	3725	-25
		Raisinghnagar (Loose)	3677	3648	29
	Bikaner	Bikaner (Loose)	3740	3760	-20
		Bikaner (Delivery)	3927	3948	-21
		Nokha(Loose)	3846	3788	58
		Nokha (Delivery)	4038	3977	61
		Khajuwala (Loose)	3754	3732	22
		Khajuwala (Delivery)	3942	3919	23
		Lunkaransar (Loose)	3775	3758	17

	Hanumangarh	Hanumangarh (Loose)	3710	3660	50
		Hanumangarh (Delivery)	3896	3843	53
		Nohar (Loose)	-	-	-
		Pilibanga (Loose)	-	-	-
	Nagaur	Nagaur (Loose)	3683	3656	28
	Churu	Churu (Delivery)	-	-	-
	Alwar	Alwar (Loose)	-	-	-
Haryana	Hisar	Adampur (Loose)	3738	3708	30
		Adampur (Delivery)	3925	3894	32
	Bhiwani	Bhiwani (Delivery)	3935	3923	13
		Siwani (Loose)	3883	3892	-9
	Sirsa	Sirsa (Loose)	3697	3699	-2
		Dhabwali (Loose)	3667	3706	-39
		Dhabwali (Delivery)	3850	3706	144
		Ellanabad (Loose)	-	-	-
	Fatehabad	Fatehabad (Loose)	3560	3583	-23
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	3743	3763	-19
	Rajkot	Rajkot (Loose)	3650	3636	14
	Jamnagar	Dhrol (Loose)	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6296	6225	71
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	6317	6183	134
	Sirsa	Sirsa	6258	6200	58
		Dhabwali	6271	6204	67
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	6230	6200	30

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			5th Feb to 12th Feb 2021	29th Jan to 5th Feb 2021	
Rajasthan	Jodhpur	Jodhpur	-	-	-
	Sri-Ganganagar	Sri-Ganganagar	800	4000	-3200
		Rawla	850	800	50
		Gharsana	850	1000	-150
		Raisinghnagar	1600	2150	-550
	Bikaner	Bikaner	2500	1950	550
		Nokha	3250	3150	100
		Khajuwala	1950	2000	-50
		Lunkaransar	1450	775	675
	Hanumangarh	Hanumangarh	675	775	-100
		Nohar	-	-	-
		Pilibanga	-	-	-
	Nagaur	Nagaur	1000	1000	Unch
	Churu	Churu	-	-	-
	Alwar	Alwar	-	-	-
Haryana	Hisar	Adampur	2900	2400	500
	Bhiwani	Bhiwani	2200	6300	-4100
		Siwani	1900	2300	-400
	Sirsa	Sirsa	11600	9700	1900
		Dhabwali	1025	1500	-475
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	200	300	-100
Gujarat	Banaskantha	Deesa	-	-	-
	Patan	Patan	501	647	-146
	Rajkot	Rajkot	362	305	57
	-Jamnagar	-	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			35613	41052	-5439

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			12-Feb-21	5-Feb-21	12-Jan-21	12-Feb-20
Rajasthan	Jodhpur	Jodhpur (Loose)	3750	3750	3725	3650
		Jodhpur(Delivery)	3938	3938	3911	3833
	Sri-Ganganagar	Sri-Ganganagar(Loose)	Closed	3700	3650	3725
		Sri-Ganganagar (Delivery)	Closed	3850	3800	3875
		Rawla (Loose)	-	-	-	3715
		Gharsana (Loose)	Closed	3700	3750	3750
		Raisinghnagar (Loose)	Closed	3650	3650	3625
	Bikaner	Bikaner (Loose)	3730	3760	3750	3700
		Bikaner (Delivery)	3917	3948	3938	3885
		Nokha(Loose)	3850	3850	3760	3700
		Nokha (Delivery)	4043	4043	3948	3885
		Khajuwala (Loose)	3750	3710	3750	3700
		Khajuwala (Delivery)	3938	3896	3938	3885
		Lunkaransar (Loose)	3750	3775	3750	3750
	Hanumangarh	Hanumangarh (Loose)	3700	3650	3650	3700
		Hanumangarh (Delivery)	3885	3833	3833	3885
		Nohar (Loose)	-	-	-	3750
		Pilibanga (Loose)	-	-	-	NA
	Nagaur	Nagaur (Loose)	3665	3650	3700	3700
	Churu	Churu (Delivery)	-	-	-	3900
	Alwar	Alwar (Loose)	-	-	-	3600
Haryana	Hisar	Adampur (Loose)	3750	3700	3725	3800
		Adampur (Delivery)	3938	3885	3911	3990
	Bhiwani	Bhiwani (Delivery)	3900	3950	3900	3800
		Siwani (Loose)	3860	3900	0	3850
	Sirsa	Sirsa (Loose)	3680	3691	3650	3775
		Dhabwali (Loose)	3650	3700	3650	3750
		Dhabwali (Delivery)	3833	3885	3833	3938
		Ellanabad (Loose)	-	-	-	NR
	Fatehabad	Fatehabad (Loose)	3500	3550	3600	3650
Gujarat	Banaskantha	Deesa (Loose)	-	-	-	-
	Patan	Patan (Loose)	3725	3775	3755	3605

	<b>Rajkot</b>	Rajkot (Loose)	3625	3600	3675	0
	<b>Jamnagar</b>	Dhrol (Loose)	-	-	-	3630
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	NR	-	-	-
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	6200	6300	6000	7200
	<b>Alwar</b>	Alwar	-	-	-	7200
	<b>Hanumangarh</b>	Nohar	-	-	-	7600
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	6125	6300	5925	7180
	<b>Sirsa</b>	Sirsa	6200	6400	6000	7150
		Dhabwali	6200	6400	6050	7200
		Ellanabad	-	-	-	-
	<b>Fatehabad</b>	Fatehabad	6200	6200	6000	7200

### 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.