

Guar Weekly Research Report

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Executive Summary**Domestic Guar Seed Market Summary**

Weak tone are witnessed in the guar seed and guar gum market amid dull trading activities. Lower stock availability of seed and improving situation of COVID may support prices from any major fall. We can see further major hike in prices during March end to April month in expectation of improved overseas demand for gum.

As per data released by Baker Hughes, the number of oilrigs in USA steady at 397 as on 19th February 2021 compared to previous week. However, it is lower by 394 compared to 791 on 21st 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).

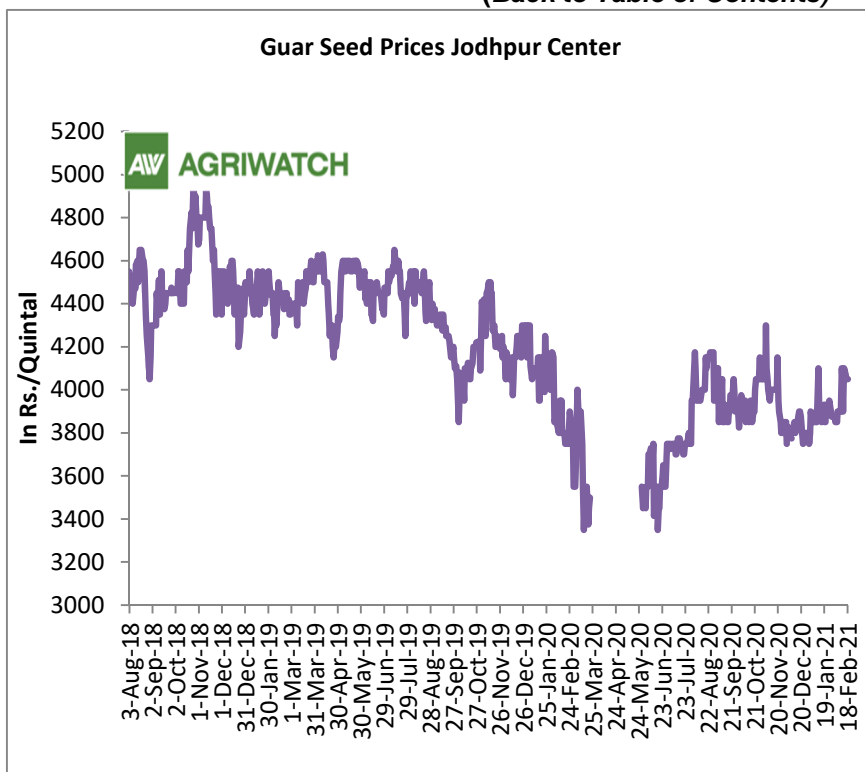
Recommendation:

Weekly Call- : Market participants are advised to sell Guar seed future March contract above 3830 levels for a target of 3750 with a stop loss at 3950.

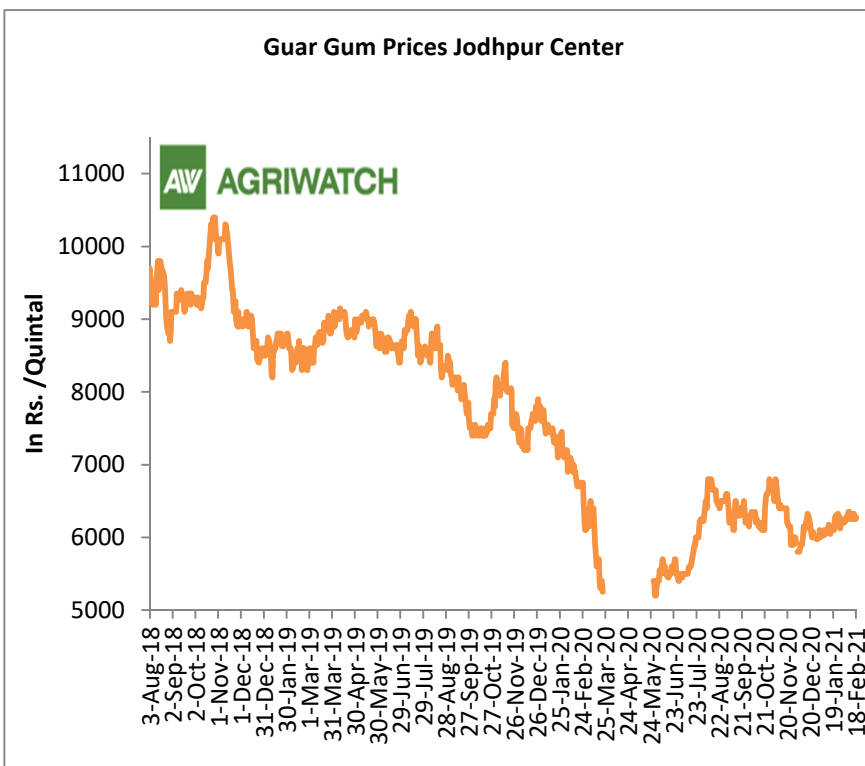
Outlook:-
Domestic Front

- 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. 4064 a quintal in this week compared to Rs, 3,958 a quintal in last week.
- The 2020/21 guar seed output estimate have fallen by around 45% compared to the previous season.

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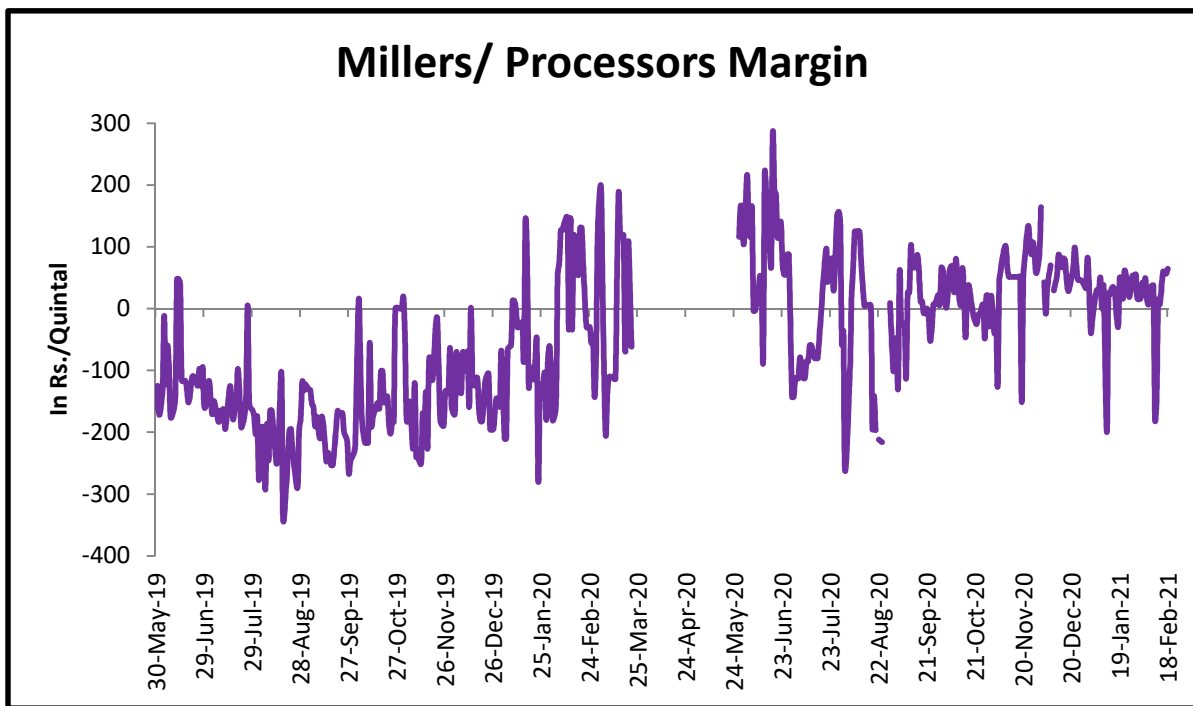


- Besides, the average guar gum prices declined to around Rs 6,270 a quintal in the current week compared to Rs. 6,296 per quintal in last week. Demand in overseas market is very dull.



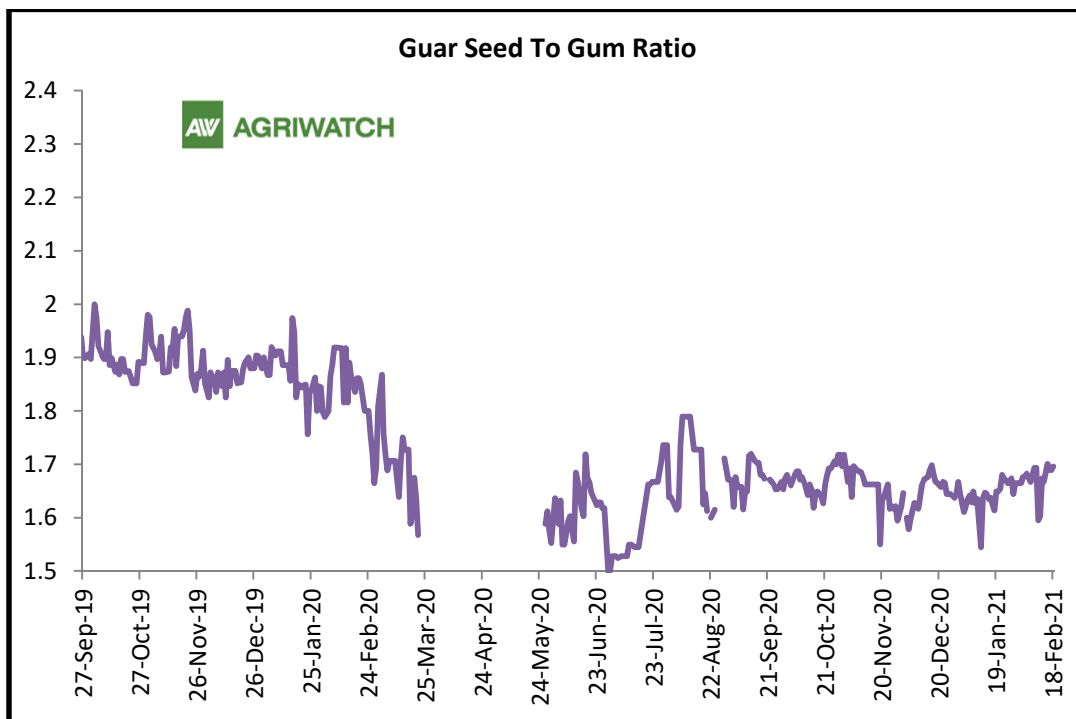
Millers/Processors Margin

As seen in the chart, the average crush margin of guar seed have increased in this week at 64.37/quintal against 14.37/quintal from last week.



Guar Seed to Gum Ratio

The average monthly Ratio of guar seed to gum stood higher at 1.69 in third week of February 2021 compared to 1.67 in last week. Overall, flat demand of gum from domestic markets has kept the overall ratio steady.



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: 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.	3400	3550	3816	4050	4175
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Mar.	Sell	Below 3830	3750	3625	3950

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: Mar.

Exchange: NCDEX
Expiry: Mar. 19, 2021

Guar Gum (Mar. Daily Chart)



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.	5700	5850	6029	6300	6400
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Mar.	Sell	Below 6100	6000	5900	6200

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices:				
Commodity	Centre	12th Jan to 19th Feb 2021	5th Jan to 12th 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	12th Jan to 19th Feb 2021	5th Jan to 12th Feb 2021	Change
Guargum Split		866	864	2
Guargum Powder	200 Mesh 5000 CPS	1141	1138	3
	200 Mesh 3500 CPS	1073	1070	3
Guargum Meal	40%	413	411	1
	50%	550	548	2
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			12th Jan to 19th Feb 2021	5th Jan to 12th Feb 2021	
-	Jodhpur	Jodhpur (Loose)	3720	3808	-88
		Jodhpur(Delivery)	3906	3999	-93
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3700	3700	Unch
		Sri-Ganganagar (Delivery)	3850	3850	Unch
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	3670	3700	-30
		Raisinghnagar (Loose)	-	3677	-
	Bikaner	Bikaner (Loose)	3725	3740	-15
		Bikaner (Delivery)	3911	3927	-16
		Nokha(Loose)	3816	3846	-30

		Nokha (Delivery)	4007	4038	-32
		Khajuwala (Loose)	3707	3754	-47
		Khajuwala (Delivery)	3892	3942	-49
		Lunkaransar (Loose)	3717	3775	-58
	Hanumangarh	Hanumangarh (Loose)	3658	3710	-52
		Hanumangarh (Delivery)	3841	3896	-54
		Nohar (Loose)	-	-	-
		Pilibanga (Loose)	-	-	-
	Nagaur	Nagaur (Loose)	3648	3683	-36
	Churu	Churu (Delivery)	-	-	-
	Alwar	Alwar (Loose)	-	-	-
Haryana	Hisar	Adampur (Loose)	3703	3738	-36
		Adampur (Delivery)	3888	3925	-38
	Bhiwani	Bhiwani (Delivery)	3896	3935	-39
		Siwani (Loose)	3858	3883	-24
	Sirsa	Sirsa (Loose)	3659	3697	-38
		Dhabwali (Loose)	3638	3667	-29
		Dhabwali (Delivery)	3698	3850	-152
		Ellanabad (Loose)	-	-	-
	Fatehabad	Fatehabad (Loose)	3550	3560	-10
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	3685	3743	-58
	Rajkot	Rajkot (Loose)	3625	3650	-25
	Jamnagar	Dhrol (Loose)	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6271	6296	-25
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	6178	6317	-140
	Sirsa	Sirsa	6208	6258	-50
		Dhabwali	6258	6271	-13
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	6200	6230	-30

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			12th Jan to 19th Feb 2021	5th Jan to 12th Feb 2021	
Rajasthan	Jodhpur	Jodhpur	-	-	-
	Sri-Ganganagar	Sri-Ganganagar	1000	800	200
		Rawla	-	850	-
		Gharsana	100	850	-750
		Raisinghnagar	-	1600	-
	Bikaner	Bikaner	1900	2500	-600
		Nokha	4900	3250	1650
		Khajuwala	1550	1950	-400
		Lunkaransar	1600	1450	150
	Hanumangarh	Hanumangarh	550	675	-125
		Nohar	-	-	-
		Pilibanga	-	-	-
	Nagaur	Nagaur	1050	1000	50
	Churu	Churu	-	-	-
	Alwar	Alwar	-	-	-
Haryana	Hisar	Adampur	2900	2900	Unch
	Bhiwani	Bhiwani	4700	2200	2500
		Siwani	1850	1900	-50
	Sirsa	Sirsa	10100	11600	-1500
		Dhabwali	720	1025	-305
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	250	200	50
Gujarat	Banaskantha	Deesa	-	-	-
	Patan	Patan	317	501	-184
	Rajkot	Rajkot	175	362	-187
	-Jamnagar	-	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			33662	35613	-1951

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			19-Feb-21	12-Feb-21	19-Jan-21	19-Feb-20
Rajasthan	Jodhpur	Jodhpur (Loose)	3700	3750	3700	3600
		Jodhpur(Delivery)	3885	3938	3885	3780
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3650	Closed	3650	3650
		Sri-Ganganagar (Delivery)	3800	Closed	3800	3800
		Rawla (Loose)	-	-	-	3650
		Gharsana (Loose)	3660	Closed	3700	3450
		Raisinghnagar (Loose)	3630	Closed	3660	3650
	Bikaner	Bikaner (Loose)	3700	3730	3740	3640
		Bikaner (Delivery)	3885	3917	3927	3822
		Nokha(Loose)	3750	3850	3725	3625
		Nokha (Delivery)	3938	4043	3911	3806
		Khajuwala (Loose)	3650	3750	3650	3600
		Khajuwala (Delivery)	3833	3938	3833	3780
		Lunkaransar (Loose)	3670	3750	3700	NR
	Hanumangarh	Hanumangarh (Loose)	3625	3700	3600	3600
		Hanumangarh (Delivery)	3806	3885	3780	3780
		Nohar (Loose)	-	-	-	3650
		Pilibanga (Loose)	-	-	-	3550
	Nagaur	Nagaur (Loose)	3640	3665	3625	3650
	Churu	Churu (Delivery)	-	-	-	3900
	Alwar	Alwar (Loose)	-	-	-	3600
Haryana	Hisar	Adampur (Loose)	3650	3750	3725	3670
		Adampur (Delivery)	3833	3938	3911	3854
	Bhiwani	Bhiwani (Delivery)	3825	3900	3925	3800
		Siwani (Loose)	3825	3860	3860	3775
	Sirsa	Sirsa (Loose)	3648	3680	3650	3680
		Dhabwali (Loose)	3630	3650	3660	3625
		Dhabwali (Delivery)	3630	3833	3843	3806
		Ellanabad (Loose)	-	-	-	NR
	Fatehabad	Fatehabad (Loose)	3550	3500	3500	3600

Gujarat	Banaskantha	Deesa (Loose)	-	-	-	-
	Patan	Patan (Loose)	3585	3725	3740	3750
	Rajkot	Rajkot (Loose)	3550	3625	3675	0
	Jamnagar	Dhrol (Loose)	-	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-	-
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6275	6275	6100	6700
	Alwar	Alwar	-	-	-	6600
	Hanumangarh	Nohar	-	-	-	7300
Haryana	Bhiwani	Bhiwani	6000	6200	6125	6800
	Sirsa	Sirsa	6100	6200	6100	6650
		Dhabwali	6150	6250	6125	6700
		Ellanabad	-	-	-	NR
	Fatehabad	Fatehabad	6200	6200	6000	6700

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