

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**

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 402 as on 26th February 2021 compared to 397 previous week, 19th February 2021. Total number of oilrigs were recorded at 1,495 in January'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:

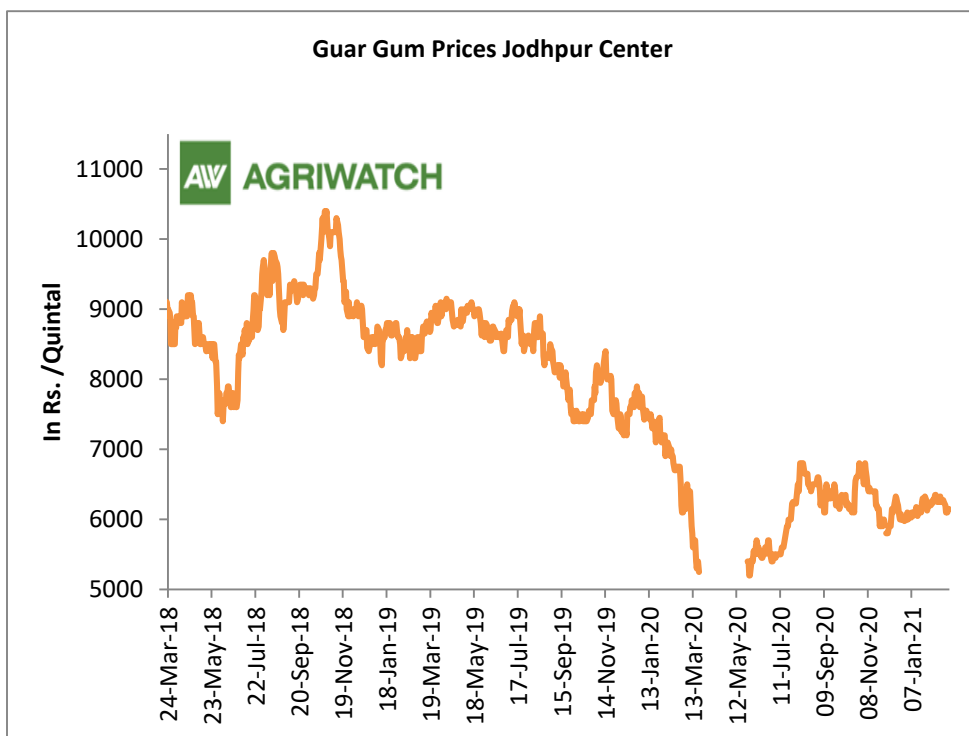
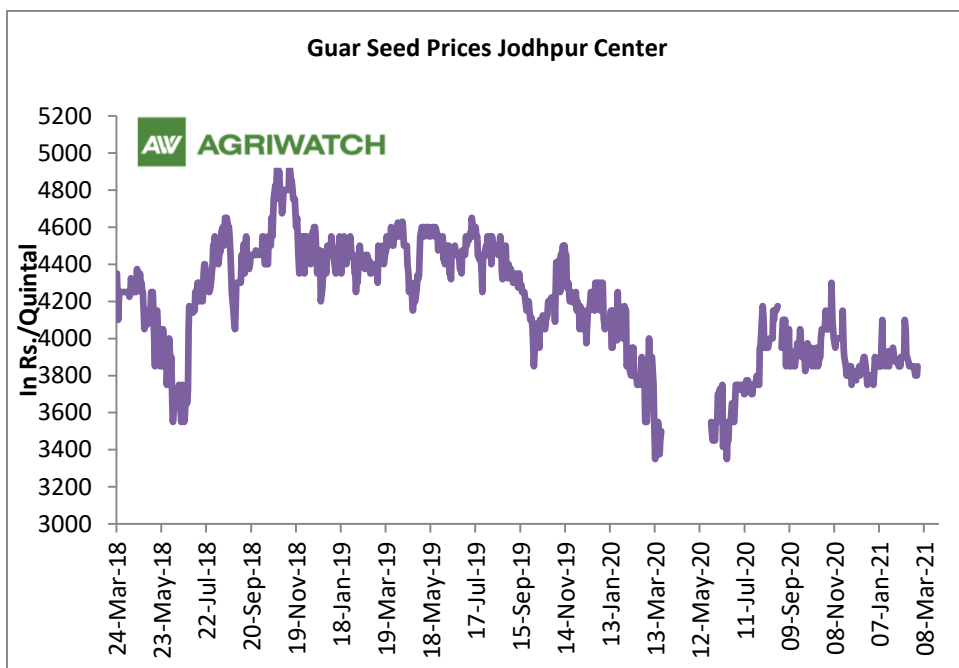
Weekly Call- : Market participants are advised to SELL Guar seed future April contract below 3890 levels for a target of 3790 with a stop loss at 3950.

Outlook:-

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

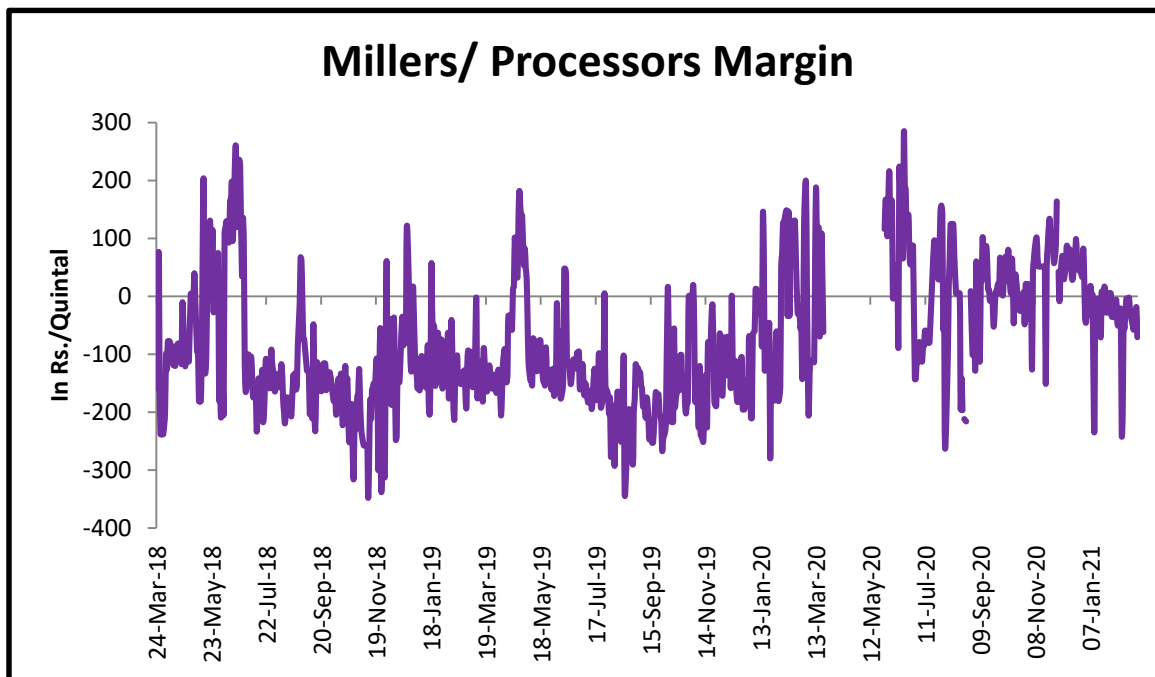
Domestic Front

- The local guar seed prices witnessed mild losses in February compared to previous month. Besides limited demand from processors after COVID followed by weak overseas demand in guar gum remained bearish for the market. Need based buying by the stockists and the processors is witnessed.
- The average guar seed all paid prices in Jodhpur have fell and was quoted at Rs 3,877 a quintal in February compared to Rs 3,889 a quintal in January.
- The 2020/21 guar seed output is estimate to have fallen by around 45% compared to the previous season.
- Besides, the average guar gum prices slightly improved to around Rs 6,234 a quintal in February compared to Rs 6,306 per quintal in January.



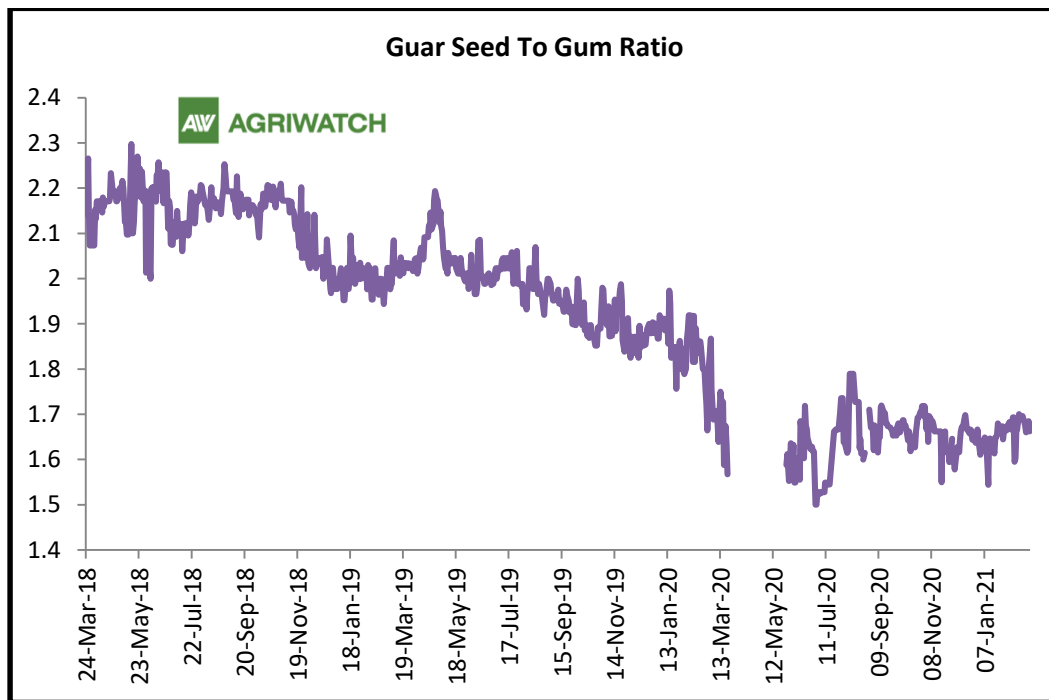
Millers/Processors Margin

As seen in the chart, the average crush margin of guar seed have declined in February'21 as compared to January'21, the average crush margin improved to Rs. -45.6/quintal in February'21 compared to Rs. -20.9/quintal in January'21. Fall in the guar product prices like churi and korma have pressured the processors' margin.



Guar Seed to Gum Ratio

The average monthly Ratio of guar seed to gum improved to 1.67 in February'21 compared to 1.64 in January'21. 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
Total	17644	1849

Source: Trade



Technical Analysis (Guar Seed)

(Back to Table of Contents)

Commodity: Guar Seed
Contract: Apr.

Exchange: NCDEX
Expiry: Apr. 20, 2021

Guar Seed (Apr. Daily Chart)



Technical Commentary:

- Guar seed witnessed losses 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	Apr.	3600	3500	3885	4200	4300
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Apr.	SELL	Below 3890	3790	3690	3950

Technical Analysis (Guar Gum)

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

Commodity: Guar Gum
Contract: Apr.

Exchange: NCDEX
Expiry: Apr. 20, 2021



Technical Commentary:

- Guar gum 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 feature losses in the near-term.

Strategy: SELL

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Apr.	5800	5700	6168	6500	6700
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Apr.	SELL	Below 6175	6075	5970	6235

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

Guar by – Products Weekly Average Prices:				
Commodity	Centre	19th Feb to 25th Feb 2021	12th Feb to 18th Feb 2021	Change
Churi	Jodhpur	2075	2050	25
Korma	Jodhpur	2869	2963	-94
Churi	Sri-Ganganagar	1838	1913	-75
Korma	Sri-Ganganagar	2700	2850	-150
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	19th Feb to 25th Feb 2021	12th Feb to 18th Feb 2021	Change
Guargum Split		869	866	3
Guargum Powder	200 Mesh 5000 CPS	1146	1141	5
	200 Mesh 3500 CPS	1077	1073	4
Guargum Meal	40%	414	413	1
	50%	552	550	2
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			19th Feb to 25th Feb 2021	12th Feb to 18th Feb 2021	
Rajasthan	Jodhpur	Jodhpur (Loose)	3679	3720	-41
		Jodhpur(Delivery)	3863	3906	-43
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	3700	-
		Sri-Ganganagar (Delivery)	-	3850	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	3670	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	3675	3725	-50
		Bikaner (Delivery)	3859	3911	-52
		Nokha(Loose)	3717	3816	-99
		Nokha (Delivery)	3903	4007	-105
		Khajuwala (Loose)	3663	3707	-45
		Khajuwala (Delivery)	3846	3892	-46

		Lunkaransar (Loose)	3662	3717	-55
	Hanumangarh	Hanumangarh (Loose)	3620	3658	-38
		Hanumangarh (Delivery)	3801	3841	-40
		Nohar (Loose)	0	-	-
		Pilibanga (Loose)	0	-	-
	Nagaur	Nagaur (Loose)	3646	3648	-2
	Churu	Churu (Delivery)	0	-	-
	Alwar	Alwar (Loose)	0	-	-
Haryana	Hisar	Adampur (Loose)	3638	3703	-65
		Adampur (Delivery)	3820	3888	-68
	Bhiwani	Bhiwani (Delivery)	3842	3896	-54
		Siwani (Loose)	3803	3858	-56
	Sirsa	Sirsa (Loose)	3630	3659	-30
		Dhabwali (Loose)	3614	3638	-24
		Dhabwali (Delivery)	3614	3698	-84
		Ellanabad (Loose)	0	-	-
	Fatehabad	Fatehabad (Loose)	3533	3550	-17
Gujarat	Banaskantha	Deesa (Loose)	0	-	-
	Patan	Patan (Loose)	3572	3685	-113
	Rajkot	Rajkot (Loose)	3571	3625	-54
	Jamnagar	Dhrol (Loose)	0	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	0	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6175	6271	-96
	Alwar	Alwar	0	-	-
	Hanumangarh	Nohar	0	-	-
Haryana	Bhiwani	Bhiwani	6033	6178	-145
	Sirsa	Sirsa	6075	6208	-133
		Dhabwali	6125	6258	-133
		Ellanabad	0	-	-
	Fatehabad	Fatehabad	6083	6200	-117

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			19th Feb to 25th Feb 2021	12th Feb to 18th Feb 2021	
Rajasthan	Jodhpur	Jodhpur	0	-	-
	Sri-Ganganagar	Sri-Ganganagar	-	1000	-
		Rawla	-	-	-

		Gharsana	-	100	-
		Raisinghnagar	-	-	-
	Bikaner	Bikaner	1650	1900	-250
		Nokha	3600	4900	-1300
		Khajuwala	700	1550	-850
		Lunkaransar	1200	1600	-400
	Hanumangarh	Hanumangarh	630	550	80
		Nohar	0	-	-
		Pilibanga	0	-	-
	Nagaur	Nagaur	700	1050	-350
	Churu	Churu	0	-	-
	Alwar	Alwar	0	-	-
Haryana	Hisar	Adampur	2600	2900	-300
	Bhiwani	Bhiwani	1200	4700	-3500
		Siwani	1700	1850	-150
	Sirsa	Sirsa	8300	10100	-1800
		Dhabwali	1150	720	430
		Ellanabad	0	-	-
	Fatehabad	Fatehabad	400	250	150
Gujarat	Banaskantha	Deesa	0	-	-
	Patan	Patan	104	317	-213
	Rajkot	Rajkot	65	175	-110
	Jamnagar	Dhrol	0	-	-
Madhya Pradesh	Gwalior	Dabra	0	-	-
Total Arrivals/Above Markets			23999	33662	NA

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			25-Feb-21	18-Feb-21	25-Jan-21	25-Feb-20
Rajasthan	Jodhpur	Jodhpur (Loose)	3650	3700	3800	3700
		Jodhpur(Delivery)	3833	3885	3990	3885
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3700	3700	3725	3550
		Sri-Ganganagar (Delivery)	3850	3850	3875	3700
		Rawla (Loose)	NR	0	0	3600
		Gharsana (Loose)	3670	3670	3750	3546
		Raisinghnagar (Loose)	3600	NA	3750	3600
	Bikaner	Bikaner (Loose)	3700	3700	3875	Closed
		Bikaner (Delivery)	3885	3885	4069	Closed
		Nokha(Loose)	3725	3750	3875	3550
		Nokha (Delivery)	3911	3938	4069	3728
		Khajuwala (Loose)	3700	3680	3850	3600
		Khajuwala (Delivery)	3885	3864	4043	3780
		Lunkaransar (Loose)	3700	3700	3800	3500
	Hanumangarh	Hanumangarh (Loose)	3670	3650	3750	3500
		Hanumangarh (Delivery)	3854	3833	3938	3675
		Nohar (Loose)	0	0	0	3550
		Pilibanga (Loose)	0	0	0	3550
	Nagaur	Nagaur (Loose)	3650	3620	3700	Closed
	Churu	Churu (Delivery)	NA	0	0	Closed
	Alwar	Alwar (Loose)	NR	0	0	Closed
Haryana	Hisar	Adampur (Loose)	3650	3660	Closed	3625
		Adampur (Delivery)	3833	3843	Closed	3806
	Bhiwani	Bhiwani (Delivery)	NR	3850	4000	3700
		Siwani (Loose)	3820	3840	3950	3690
	Sirsa	Sirsa (Loose)	3625	3621	Closed	3600
		Dhabwali (Loose)	3610	3625	3700	3650
		Dhabwali (Delivery)	3610	3625	3885	3833
		Ellanabad (Loose)	NR	0	0	NR
	Fatehabad	Fatehabad (Loose)	3550	3600	Closed	3550

Gujarat	Banaskantha	Deesa (Loose)	NA	0	0	0
	Patan	Patan (Loose)	NA	3615	3825	3450
	Rajkot	Rajkot (Loose)	3600	3600	3700	0
	Jamnagar	Dhrol (Loose)	NA	0	0	0
Madhya Pradesh	Gwalior	Dabra (Loose)	NR	0	0	0
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6100	6275	6325	6500
	Alwar	Alwar	NR	0	0	Closed
	Hanumangarh	Nohar	0	0	0	6500
Haryana	Bhiwani	Bhiwani	NR	6140	6280	6250
	Sirsa	Sirsa	6100	6150	Closed	6300
		Dhabwali	6150	6250	6325	6500
		Ellanabad	NR	0	0	NR
	Fatehabad	Fatehabad	6100	6200	Closed	6700

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