



Guar Weekly Research Report

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Executive Summary

Guar seed and guar gum witnessed weak tone 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 1 to 403 as on 5th March 2021 compared to 402 previous week, 26th February 2021. Total number of oilrigs were recorded at 1,588 in February'21 compared to 3,161 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 3895 levels for a target of 3795 with a stop loss at 3955.

Outlook:-

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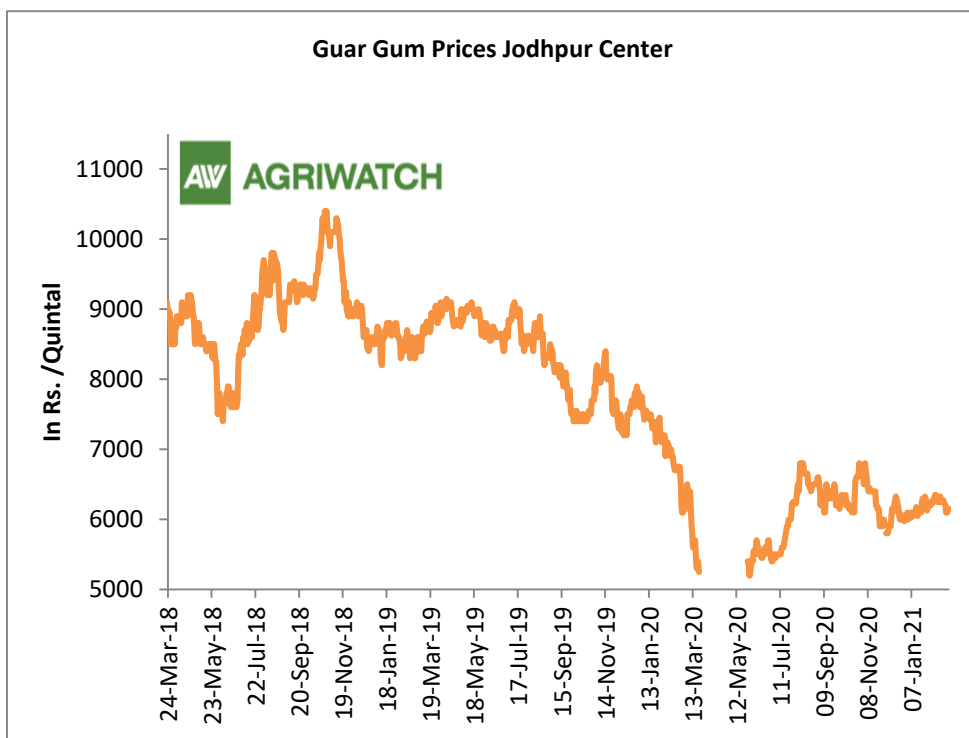
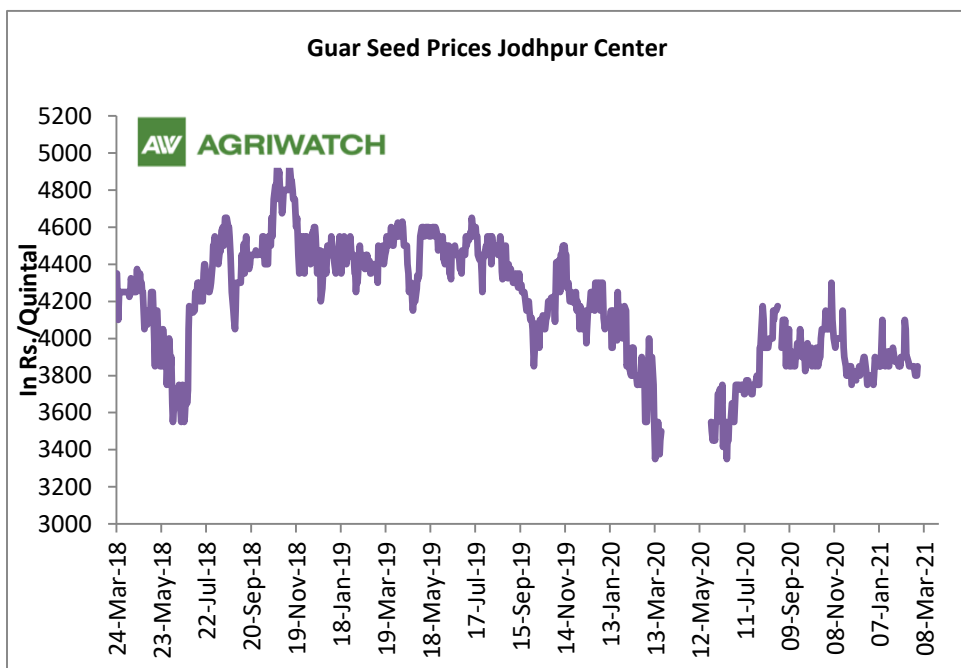
Domestic Front

- 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.

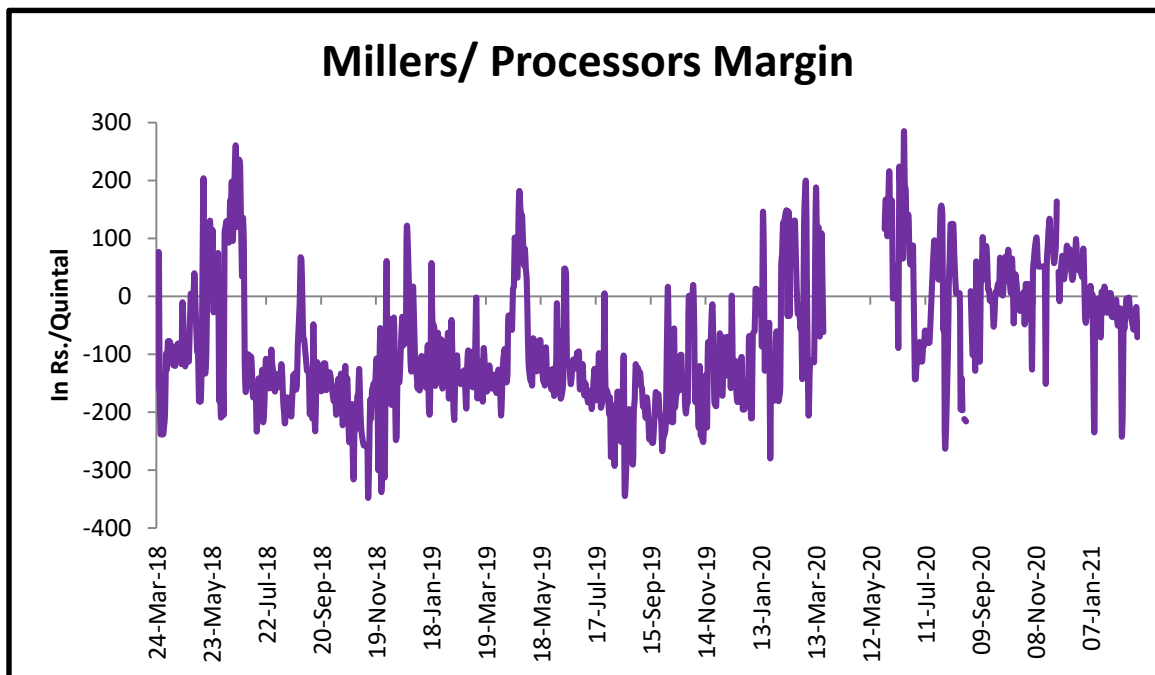
- The average guar seed all paid prices in Jodhpur have fell and was quoted at Rs 3,877 a quintal in February compared to Rs 3,889 a quintal in January.
- The 2020/21 guar seed output is estimate to have fallen by around 45% compared to the previous season.

- 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.



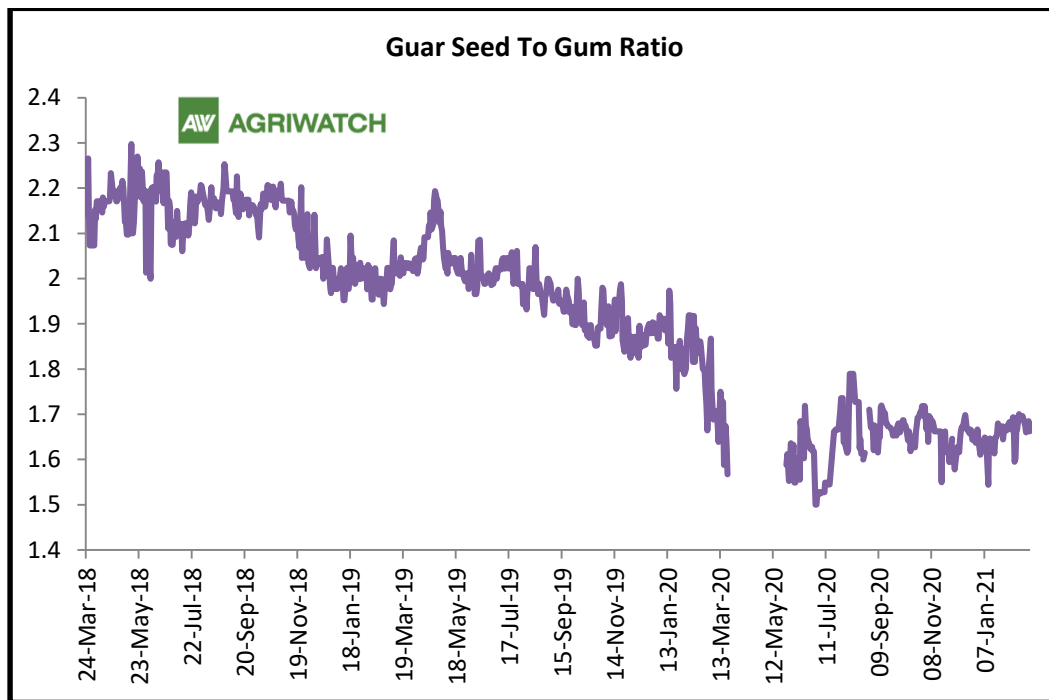
Millers/Processors Margin

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

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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: Apr.

Exchange: NCDEX
Expiry: Apr. 20, 2021

Guar Seed (Apr. Daily Chart)



Technical Commentary:

- Guar seed ended slightly above previous week's level.
- RSI and stochastic are rising 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.	3700	3600	3891	4100	4200
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Apr.	SELL	Below 3895	3795	3695	3955

Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: Apr.

Exchange: NCDEX
Expiry: Apr. 20, 2021

Guar Gum (Apr. Daily Chart)



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.	5900	5800	6133	6350	6450
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Apr.	SELL	Below 6135	6035	5935	6195

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

Guar by – Products Weekly Average Prices:				
Commodity	Centre	26th Feb to 04th Mar 2021	19th Feb to 25th Feb 2021	Change
Churi	Jodhpur	2075	2075	Unch
Korma	Jodhpur	2869	2869	Unch
Churi	Sri-Ganganagar	1838	1838	Unch
Korma	Sri-Ganganagar	2700	2700	Unch
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	26th Feb to 04th Mar 2021	19th Feb to 25th Feb 2021	Change
Guargum Split		861	869	-9
Guargum Powder	200 Mesh 5000 CPS	1134	1146	-12
	200 Mesh 3500 CPS	1065	1077	-11
Guargum Meal	40%	410	414	-4
	50%	546	552	-6
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
Guar Seed			26th Feb to 04th Mar 2021	19th Feb to 25th Feb 2021	
Rajasthan	Jodhpur	Jodhpur (Loose)	3654	3679	-25
		Jodhpur(Delivery)	3837	3863	-26
	Sri-Ganganagar	Sri-Ganganagar(Loose)	-	-	-
		Sri-Ganganagar (Delivery)	-	-	-
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	3658	3675	-17
		Bikaner (Delivery)	3841	3859	-18
		Nokha(Loose)	3696	3717	-21
		Nokha (Delivery)	3881	3903	-22
		Khajuwala (Loose)	3658	3663	-5
		Khajuwala (Delivery)	3841	3846	-5
		Lunkaransar (Loose)	3664	3662	2

	Hanumangarh	Hanumangarh (Loose)	3646	3620	26
		Hanumangarh (Delivery)	3828	3801	27
		Nohar (Loose)	0	0	Unch
		Pilibanga (Loose)	0	0	Unch
	Nagaur	Nagaur (Loose)	3620	3646	-26
	Churu	Churu (Delivery)	1200	0	1200
	Alwar	Alwar (Loose)	0	0	Unch
Haryana	Hisar	Adampur (Loose)	3671	3638	33
		Adampur (Delivery)	3854	3820	34
	Bhiwani	Bhiwani (Delivery)	#DIV/0!	3842	-
		Siwani (Loose)	3796	3803	-7
	Sirsa	Sirsa (Loose)	3628	3630	-2
		Dhabwali (Loose)	3595	3614	-19
		Dhabwali (Delivery)	3595	3614	-19
		Ellanabad (Loose)	0	0	Unch
	Fatehabad	Fatehabad (Loose)	3483	3533	-50
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	3575	3572	3
	Rajkot	Rajkot (Loose)	3538	3571	-33
	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6108	6175	-67
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	#DIV/0!	6033	-
	Sirsa	Sirsa	6042	6075	-33
		Dhabwali	6067	6125	-58
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	6000	6083	-83

Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			26th Feb to 04th Mar 2021	19th Feb to 25th Feb 2021	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	-	-	-
		Rawla	-	-	-
		Gharsana	-	-	-

		Raisinghnagar	-	-	-
	Bikaner	Bikaner	1600	1650	-50
		Nokha	2500	3600	-1100
		Khajuwala	1300	700	600
		Lunkaransar	1450	1200	250
	Hanumangarh	Hanumangarh	1010	630	380
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	825	700	125
	Churu	Churu	65	0	65
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	2800	2600	200
	Bhiwani	Bhiwani	0	1200	-1200
		Siwani	1700	1700	Unch
	Sirsa	Sirsa	9100	8300	800
		Dhabwali	1175	1150	25
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	300	400	-100
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	67	104	-37
	Rajkot	Rajkot	105	65	40
	Jamnagar	Dhrol	0	0	Unch
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			-	23999	-

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