

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

Guar seed prices have gone down amid heavy supplies during this week. Farmers and traders are releasing their stocks at the current market prices. Guar gum prices have gone down amid dull trading activities.

Volume of trade continued to remain thin in the cash market yards, due to need based local and overseas demand in guar products.

However, there is considerably a good sign of gradual increase in oilrigs with surge in crude oil demand in recent months; this could increase in the overseas guar gum demand.

As per data released by Baker Hughes, the number of oilrigs in USA increase by 9 to 470 as on 19th June 2021 compared to 470 previous week, 12th June 2021. Further, they are up by 51.82% from 301 oilrigs in the corresponding period in last year.

India's guar gum exports declined in the month of May 2021 by 2.25% to 20,340 tonnes compared to 20,808 tonnes during March 2021 at an average FoB of US \$ 1676 per tonne in the month of May 2021 as compared to US \$ 1392 per tonne in the month of March 2021. Further, the gum shipments were up by 19% in May 2021 compared to the same period last year. Of the total exported quantity, around 6,438 tonnes is bought US, Russia (2,959 tonnes) and Thailand (2,81 tonnes).

India's guar split exports rose in the month of May 2021 by +99.93% to 10838 tonnes compared to 5,560 tonnes during May 2021 at an average FoB of US \$ 1002 per tonne in the month of April compared to US \$ 960 per tonne in the month of April 2021. However, the guar split shipments gone up by 41.82 % in May 2021 compared to the same period last year. Of the total exported quantity, around 8,700 tonnes is bought China, US (1420 tonnes) and Switzerland 320 tonnes.

Previous Updates:

India's guar gum exports improved in the month of April 2021 higher by +3.38% to 20,808 tonnes compared to 20127 tonnes during March 2021 at an average FoB of US \$ 1392 per tonne in the month of April 2021 as compared to US \$ 1659 per tonne in the month of March 2021. Further, the gum shipments were up +120% in April 2021 compared to the same period last year. Of the total exported quantity, around 7,155 tonnes is bought US, Germany (2,348 tonnes) and China (2,489 tonnes).

India's guar split exports rose in the month of April 2021 by +66% to 5560 tonnes compared to 3,334 tonnes during March 2021 at an average FoB of US \$ 960 per tonne in the month of April compared to US \$ 1,024 per tonne in the month of March 2021. However, the guar split shipments Plunged -35% in April 2021 compared to the same period last year. Of the total exported quantity, around 4,960 tonnes is bought China, US (240 tonnes) and Switzerland 360.

Recommendation:

Weekly Call- : Market participants are advised to sell Guar seed future July contract below 4000 levels for a target of 3800 with a stop loss at 4100.

Outlook:-

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Domestic Front

The local guar seed paid prices witnessed gain in May'21 compared to previous month. Fresh buying activities of seed in local markets after ease in lockdown restrictions is supporting prices to rise.

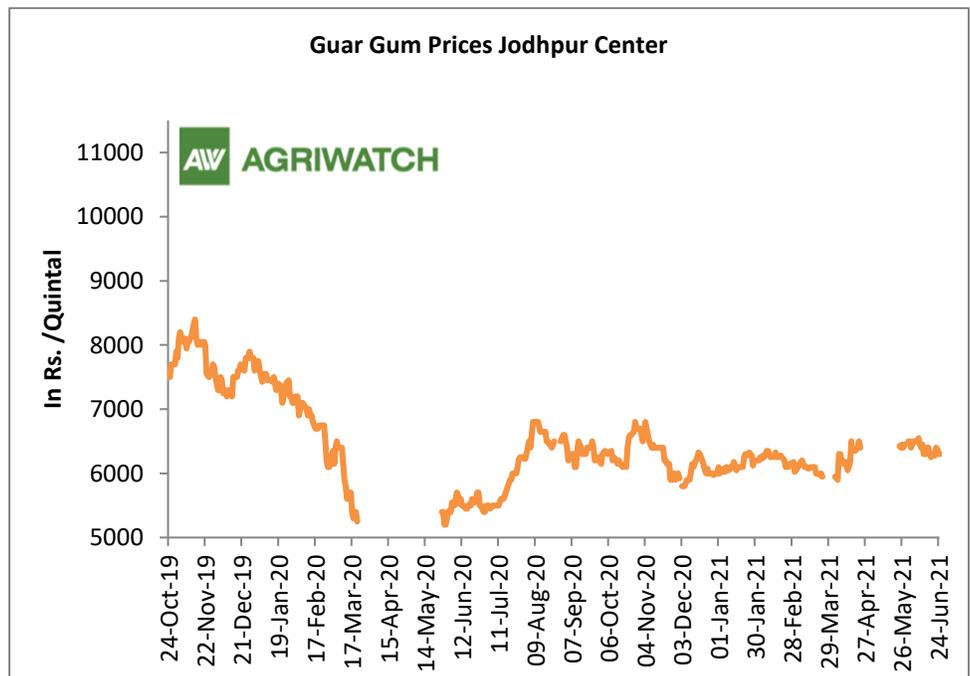
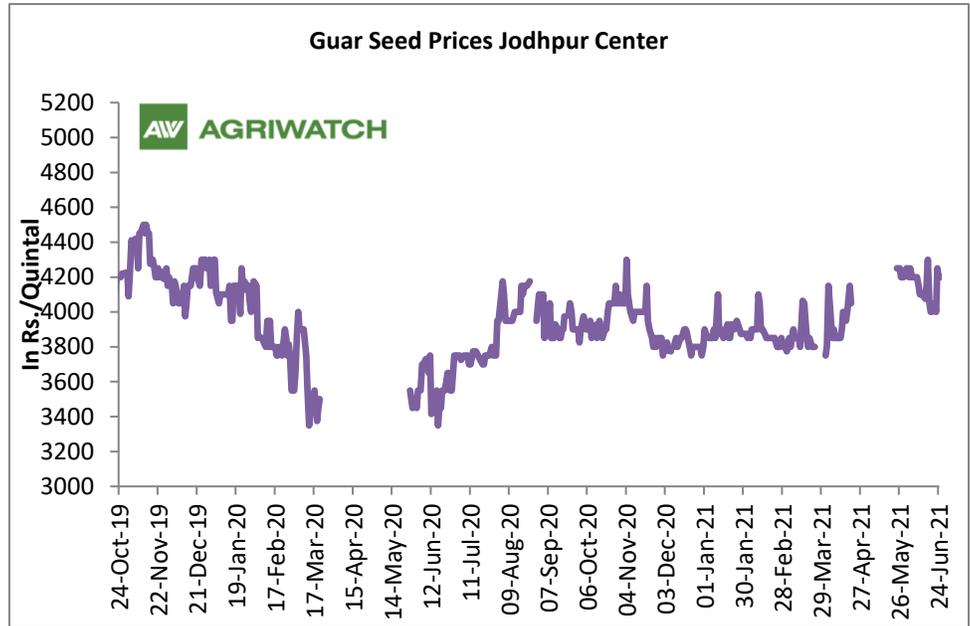
The average guar seed all paid prices in Jodhpur have increased and was quoted at Rs. 4228 a quintal in May'21 compared to Rs. 3,928.12 a quintal in April'21.

In Jodhpur, weekly average Guar seed loose price declined to Rs. 4083/ qtl. in this week against Rs. 4129/qtl in previous week.

The 2020/21 guar seed output is estimate to have fallen by around 45% compared to the previous season.

In Jodhpur, weekly average guar gum price decreased to Rs 6316/Qtl in this week against Rs.6364/Qtl in previous week.

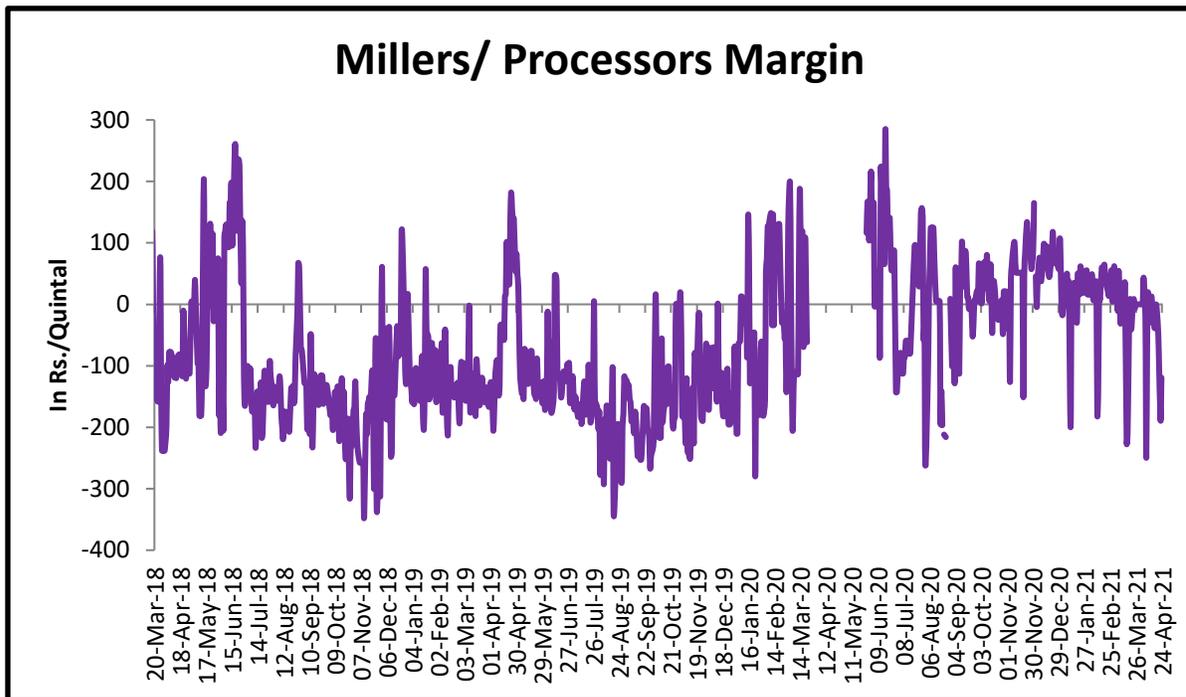
In addition, the average guar gum prices improved to around Rs. 6,437.5 a quintal in May'21 compared to Rs. 6,226.5 per quintal in April'21 supported by good demand of exporters. Rise in oil rings also supported prices to increase.





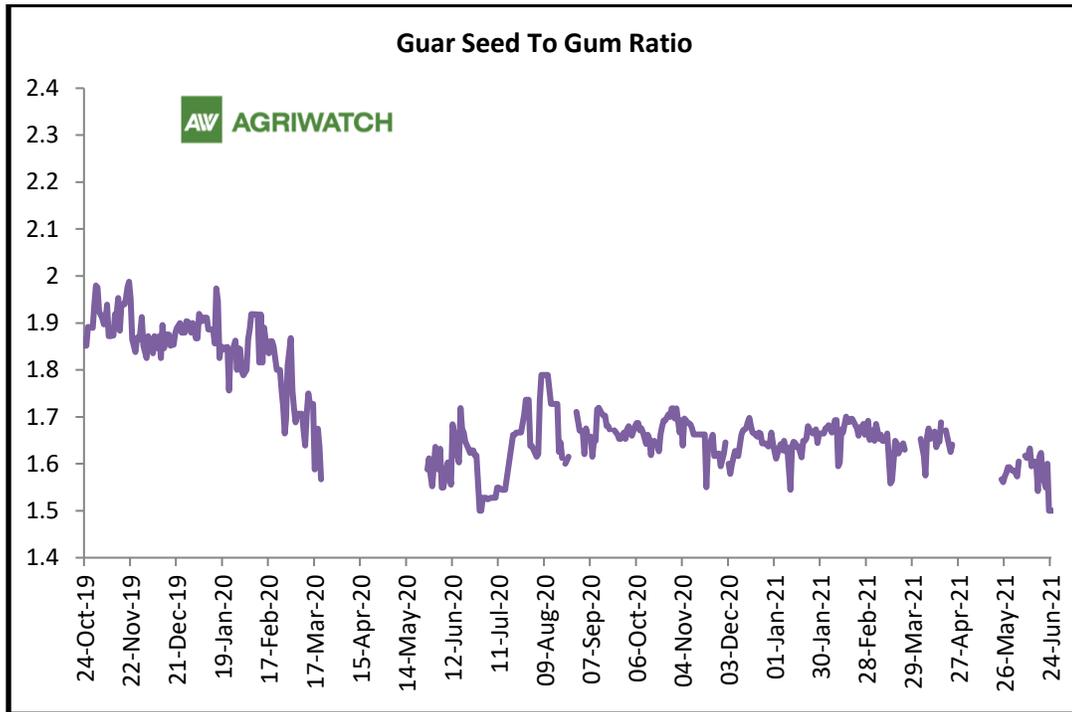
Millers/Processors Margin

As seen in the chart, the average crush margin of guar seed have further declined in April'21 as compared to March'21, the average crush margin declined to Rs. -50/quintal in April'21 compared to Rs. -19.61/quintal in March'21.



Guar Seed to Gum Ratio

The average weekly Ratio of guar seed to gum stood at 1.55 as compared to last week 1.62.



Guar Gum Weekly Export

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Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08 May-2021	5635	1648
9-15 May-2021	4878	1684
16-22 May-2021	4212	1662
23-31 May-2021	5615	1708
Total	20340	1676

Source:Trade

Technical Analysis (Guar Seed)

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Commodity: Guar Seed
Contract: July

Exchange: NCDEX
Expiry: July 20, 2021



Technical Commentary:

- Guar seed plunged lower amid sellers' pressure in the market, however 4000 is major support.
- Prices closed below 9-day 18-day EMA, indicating weak tone in near-term.
- MACD is moving in negative zone.
- RSI and stochastic are in negative zone indicating weak buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	July	3700	3760	4004	4080	4110
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	July	Sell below 4000	3990	3850	3830	4050

Technical A-lysis (Guar Gum)

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Commodity: Guar Gum
Contract: July

Exchange: NCDEX
Expiry: July 20, 2021



Technical Commentary:

- Guar gum plunged lower amid sellers' pressure in the market, however 6100 is a major support,
- Prices closed below 9-day 18-day EMA, indicating weak tone in near-term.
- MACD is moving in negative zone.
- RSI and stochastic are rising from negative zone.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	July	5800	5900	6279	6400	6500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	July	Buy above 6100	6250	6350	6300	6015

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices:				
Commodity	Centre	17th June to 24th June 2021	10th June to 17th June 2021	Change
Churi	Jodhpur	NA	NA	-
Korma	Jodhpur	NA	NA	-
Churi	Sri-Ganganagar	NA	NA	-
Korma	Sri-Ganganagar	NA	NA	-
Prices in Rs/75kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	17th June to 24th June 2021	10th June to 17th June 2021	Change
Guargum Split		NA	NA	-
Guargum Powder	200 Mesh 5000 CPS	NA	NA	-
	200 Mesh 3500 CPS	NA	NA	-
Guargum Meal	40%	NA	NA	-
	50%	NA	NA	-
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			17th June to 24th June 2021	10th June to 17th June 2021	
Guar Seed	Jodhpur	Jodhpur (Loose)	3933	3942	-8
		Jodhpur(Delivery)	4130	4139	-9
	Sri-Ganganagar	Sri-Ganganagar (Loose)	3900	3950	-50
		Sri-Ganganagar (Delivery)	4050	4100	-50
		Rawla (Loose)			Unch
		Gharsana (Loose)			Unch
		Raisinghnagar (Loose)	3839	3900	-61
	Bikaner	Bikaner (Loose)	3863	3953	-89
		Bikaner (Delivery)	4057	4150	-94
		Nokha(Loose)	3945	3963	-18
		Nokha (Delivery)	4142	4161	-18
		Khajuwala (Loose)	3860	3920	-60
		Khajuwala (Delivery)	4053	4116	-63

		Lunkaransar (Loose)	3864	3925	-61
	Hanumangarh	Hanumangarh (Loose)			Unch
		Hanumangarh (Delivery)			Unch
		Nohar (Loose)			Unch
		Pilibanga (Loose)			Unch
	Nagaur	Nagaur (Loose)			Unch
	Churu	Churu (Delivery)			Unch
	Alwar	Alwar (Loose)			Unch
Haryana	Hisar	Adampur (Loose)	3867	3950	-83
		Adampur (Delivery)	4060	4148	-88
	Bhiwani	Bhiwani (Delivery)	4107	4100	7
		Siwani (Loose)	4048	4125	-77
	Sirsa	Sirsa (Loose)	3935	3920	15
		Dhabwali (Loose)	0		Unch
		Dhabwali (Delivery)	0		Unch
		Ellanabad (Loose)	0		Unch
	Fatehabad	Fatehabad (Loose)	3817	3933	-117
Gujarat	Banaskantha	Deesa (Loose)	0		Unch
	Patan	Patan (Loose)	3642	3698	-57
	Rajkot	Rajkot (Loose)	3622	3735	-113
	Jamnagar	Dhrol (Loose)			Unch
Madhya Pradesh	Gwalior	Dabra (Loose)			Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	6317	6350	-33
	Alwar	Alwar			Unch
	Hanumangarh	Nohar			Unch
Haryana	Bhiwani	Bhiwani	6367		-
	Sirsa	Sirsa	6433	6350	83
		Dhabwali			Unch
		Ellanabad			Unch
	Fatehabad	Fatehabad	6292	6367	-75

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			17th June to 24th June 2021	10th June to 17th June 2021	
Rajasthan	Jodhpur	Jodhpur	1150	-	1150
	Sri-Ganganagar	Sri-Ganganagar	-	800	-
		Rawla	-	-	Unch
		Gharsana	230	-	230
		Raisinghnagar	1250	110	1140
	Bikaner	Bikaner	1125	850	275
		Nokha	1600	500	1100
		Khajuwala	2100	600	1500
		Lunkaransar	-	700	-
	Hanumangarh	Hanumangarh	-	-	Unch
		Nohar	-	-	Unch
		Pilibanga	-	-	Unch
	Nagaur	Nagaur	-	-	Unch
	Churu	Churu	-	-	Unch
	Alwar	Alwar	2400	-	2400
Haryana	Hisar	Adampur	850	1000	-150
	Bhiwani	Bhiwani	1800	50	1750
		Siwani	7200	700	6500
	Sirsa	Sirsa	-	2600	-
		Dhabwali	-	-	Unch
		Ellanabad	280	-	280
	Fatehabad	Fatehabad	-	-	Unch
Gujarat	Banaskantha	Deesa	176	-	176
	Patan	Patan	385	81	304
	Rajkot	Rajkot	-	230	-
	Jamnagar	Dhrol	-	-	Unch
Madhya Pradesh	Gwalior	Dabra	-	-	Unch
Total Arrivals/Above Markets			20546	8221	12325

Week on Week Price: Scenario of Guarseed and Guargum:

Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago	
			24-Jun-21	17-Jun-21	24-May-21	24-Jun-20	
Guar Seed	Jodhpur	Jodhpur (Loose)	4050	3900	4100	3500	
		Jodhpur(Delivery)	4253	4095	4305	3675	
	Sri-Ganganagar	Sri-Ganganagar(Loose)	3900	3850	-	-	
		Sri-Ganganagar (Delivery)	4050	4000	-	-	
		Rawla (Loose)	-	-	-	-	
		Gharsana (Loose)	-	-	-	-	
		Raisinghnagar (Loose)	3800	3875	-	-	
	Bikaner	Bikaner (Loose)	3880	3870	4100	3400	
		Bikaner (Delivery)	4074	4064	4305	3570	
		Nokha(Loose)	3950	3950	4100	0	
		Nokha (Delivery)	4148	4148	4305	0	
		Khajuwala (Loose)	3850	3850	NA	3350	
		Khajuwala (Delivery)	4043	4043	NA	3518	
		Lunkaransar (Loose)	3870	3850	4100	3450	
	Hanumangarh	Hanumangarh (Loose)	-	-	-	-	
		Hanumangarh (Delivery)	-	-	-	-	
		Nohar (Loose)	-	-	-	-	
		Pilibanga (Loose)	-	-	-	-	
	Nagaur	Nagaur (Loose)	-	-	-	-	
	Churu	Churu (Delivery)	-	-	-	-	
	Alwar	Alwar (Loose)	-	-	-	-	
	Haryana	Hisar	Adampur (Loose)	3900	3850	4100	3420
			Adampur (Delivery)	4095	4043	4305	3591
Bhiwani		Bhiwani (Delivery)	4100	4100	-	-	
		Siwani (Loose)	4070	4060	-	3600	
Sirsa		Sirsa (Loose)	3950	3880	4060	-	
		Dhabwali (Loose)	-	-	-	-	
		Dhabwali (Delivery)	-	-	-	-	
Ellanabad (Loose)	-	-	-	-			



	Fatehabad	Fatehabad (Loose)	3825	3850	0	3350
Gujarat	Banaskantha	Deesa (Loose)	-	-	-	-
	Patan	Patan (Loose)	3715	3750	-	0
	Rajkot	Rajkot (Loose)	3710	3700	-	3460
	Jamnagar	Dhrol (Loose)	-	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-	-
Guar Gum						
Rajasthan	Jodhpur	Jodhpur	6300	6300	6425	5700
	Alwar	Alwar	-	-	-	-
	Hanumangarh	Nohar	-	-	-	-
Haryana	Bhiwani	Bhiwani	6350	6350	0	-
	Sirsa	Sirsa	6450	6450	6500	-
		Dhabwali	-	-	-	-
		Ellanabad	-	-	-	-
	Fatehabad	Fatehabad	6275	6300	-	5625

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