

# Guar Weekly Research Report

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## Executive Summary

## Domestic Guar Seed Market Summary

**Guar seed Jodhpur prices have surged this week 21% at Rs 5900/Qtl weekly average as compared to Rs 4,891/Qtl last week despite heavy arrival in the market, Prices are expected to remain elevated amid lower acreage and strong fundamentals, however profit booking at higher level may limit gains in near term.**

In the current year, due to lack of rain, sowing of guar has decreased in all areas including Rajasthan, Haryana, Gujarat. Guar was sown in the earlier rains, it should rain in next few days, otherwise the standing crop may suffer a great loss. Looking at the way guar has been sown at present, 30 to 35 lakh sacks of guar will come in the new season. If there is rain in the next 8 to 10 days, then there may be a little sowing towards Bikaner and Barmer, but this is not likely to increase the crop significantly.

Overall, Guar's Fundamental seems bullish, but Guar stockists, processors, exporters, etc. all get profits in Guar for the time being, profit-selling will continue. Apart from this, due to shortage of containers and high freight, exports can also be hampered. If there is a third wave of corona, there can be a sudden drop in demand and if there is good rainfall from behind, then due to improvement in the condition of the currently standing guar crop, the size of the crop can also increase. In view of all these things, one should keep booking profits from the current level in Guar and Gum.

Baker Hughes BKR, +1.36% on Friday reported that the number of active U.S. rigs drilling for oil was up by 10 at 397 this week. That was the largest weekly increase since the 13-rig increase reported by Baker Hughes on April 1.

Rain over the country during the southwest monsoon season "is most likely to be normal – 95 percent to 105 percent of Long Period Average (LPA) -- with a tendency to be in the positive side of the normal", the IMD forecast stated.

IMD has forecast that rainfall will pick up gradually in August across north India, which has just witnessed a revival due to favorable meteorological conditions.

There will also be some respite in the central and eastern regions in the coming week, IMD said, with forecasts of heavy showers ranging from Maharashtra to Odisha.

As on 17th Aug21 In Rajasthan 20.12 lakh hectare sowing have been done as compared to 23.89 lakh hectare same period last year, However government has set sowing target of 26 lakh hectares.

As on 23<sup>rd</sup> Aug21 In Gujarat, Guar Seed sowing is done in 1,08,108 hectares as compared to last year 1,09,412 and three year's overage of 1,33,902.

India's guar gum exports declined in the month of July 2021 by 11.64% to 16,530 tonnes compared to 18,707 tonnes during June 2021 at an average FoB of US \$ 1739 per tonne in the month of July 2021 as compared to US \$ 1589 per tonne in the month of June 2021. Further, the gum shipments were up by 0.86% in July 2021 compared to the same period last year. Of the total exported quantity, around 2,656 tonnes is bought US, Russia (4,185 tonnes), Germany (2,749 tonnes) and china 813 tonnes.

India's guar split exports declined in the month of July 2021 by 37.22% to 5,660 tonnes compared to 9,016 tonnes during July 2021 at an average FoB of US \$ 1157 per tonne in the month of July compared to US \$ 1005 per tonne in the month of June 2021. However, the guar split shipments gone up by 424 % in June 2021 compared to the same period last year. Of the total exported quantity, around 4,500 tonnes is bought China, US (980 tonnes) and Switzerland 120 tonnes.

**Previous Updates:**

India's guar gum exports declined in the month of June 2021 by 8.03% to 18,707 tonnes compared to 20,340 tonnes during June 2021 at an average FoB of US \$ 1589 per tonne in the month of May 2021 as compared to US \$ 1676 per tonne in the month of May 2021. Further, the gum shipments were up by 30.29% in June 2021 compared to the same period last year. Of the total exported quantity, around 4,152 tonnes is bought US, Russia (6,042 tonnes), Germany (1,551 tonnes) and china 1033 tonnes.

India's guar split exports declined in the month of June 2021 by 16.81% to 9,016 tonnes compared to 10,838 tonnes during May 2021 at an average FoB of US \$ 1005 per tonne in the month of June compared to US \$ 1002 per tonne in the month of May 2021. However, the guar split shipments gone up by 302 % in June 2021 compared to the same period last year. Of the total exported quantity, around 7,700 tonnes is bought China, US (980 tonnes) and Mexico 314 tonnes.

**Recommendation:**

**Weekly Call- : Market participants are advised to buy Guar seed future September contract near 6400 levels for a target of 6500-6700 with a stop loss at 6300.**

## Outlook:-

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### Domestic Front

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

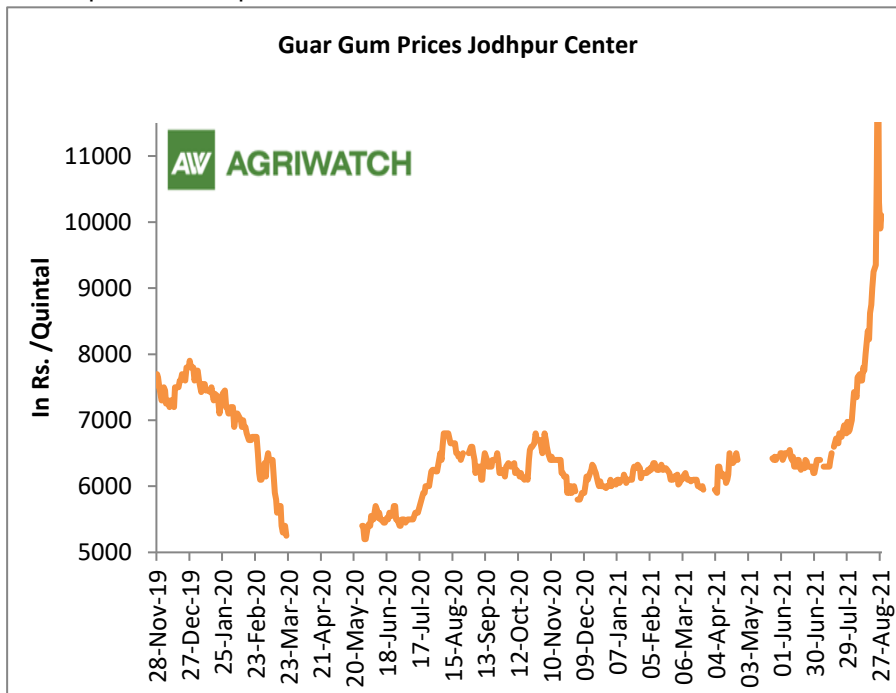
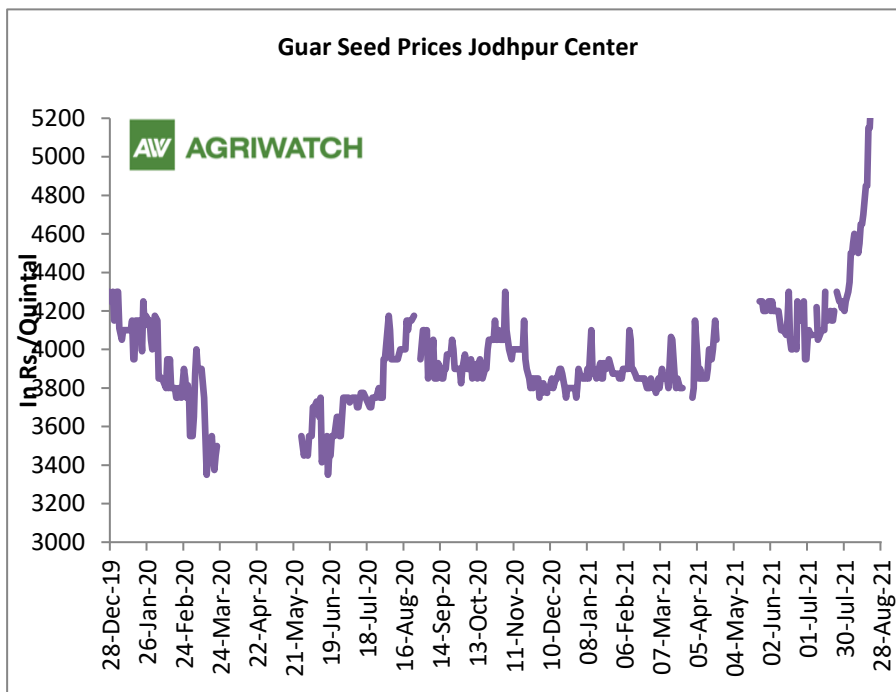
The average guar seed all paid prices in Jodhpur have increased and was quoted at Rs. 4,165 a quintal in July'21 compared to Rs. 4,138 a quintal in June'21.

In Jodhpur, weekly average Guar seed loose price increased to Rs. 5,900/ qtl. in this week against Rs. 4,891/qtl in previous week.

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

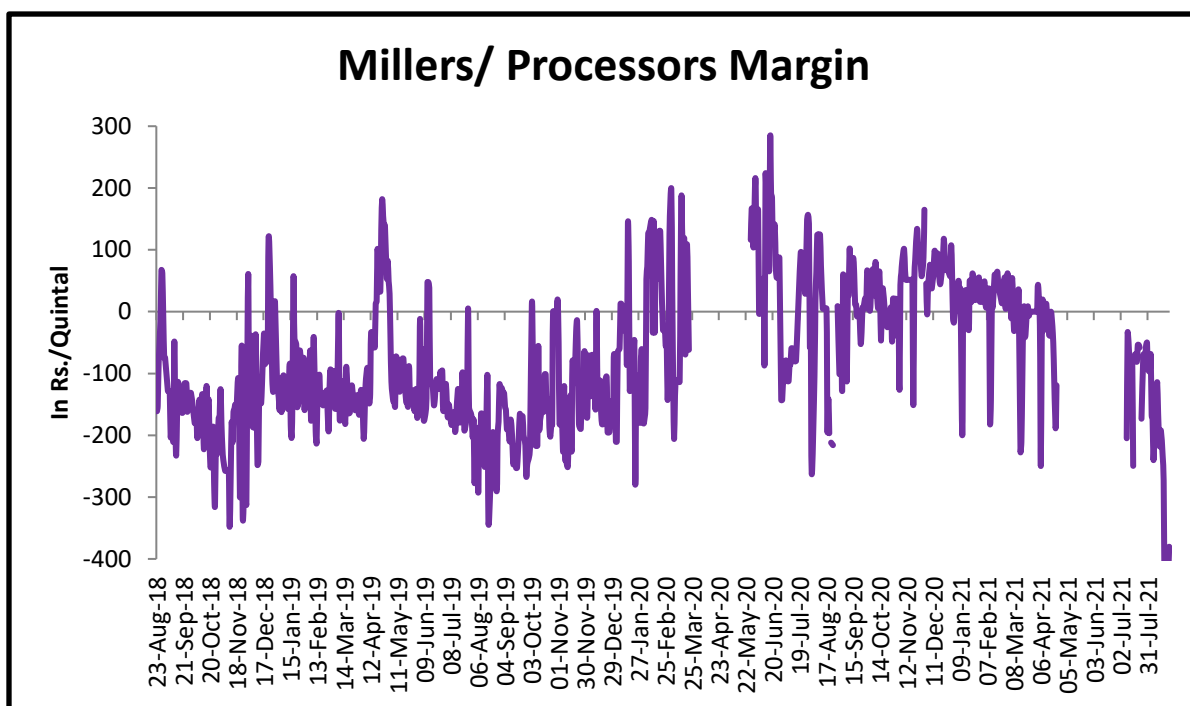
In Jodhpur, weekly average guar gum price increased to Rs 10,266/Qtl in this week against Rs.8,283/Qtl in previous week.

In addition, the average guar gum prices improved to around Rs. 6,580 a quintal in July'21 compared to Rs. 6,369 per quintal in June'21.



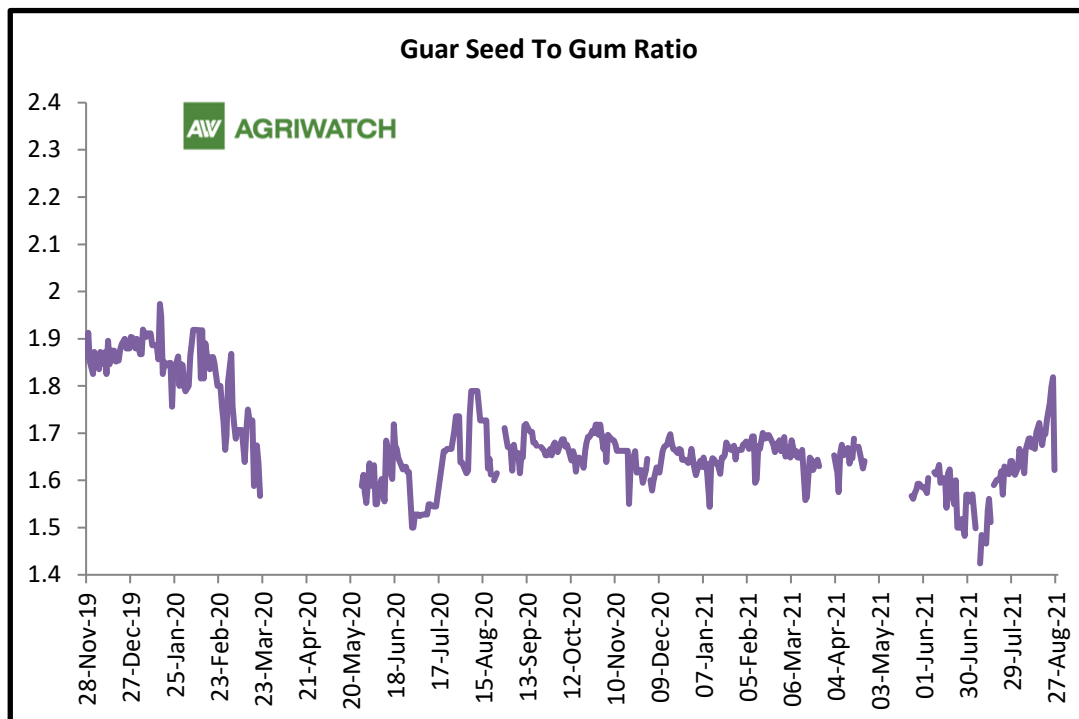
## Millers/Processors Margin

As seen in the chart, the average crush margin of guar seed have further declined in July'21 as compared to May'21, the average crush margin declined to Rs. -91/quintal in July'21 compared to Rs. -50/quintal in April'21.



## Guar Seed to Gum Ratio

The average weekly Ratio of guar seed to gum stood at 1.73 as compared to last week 1.69



[Guar Gum Weekly Export](#)

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<b>Week On Week Exports</b>	<b>Quantity in MT</b>	<b>Average FoB (\$/T)</b>
01-08 July-2021	3890	1710
9-15 July-2021	3282	1789
16-22 July-2021	4043	1801
23-31 July-2021	5315	1657
<b>Total</b>	<b>16530</b>	<b>1739</b>

Source:Trade



## Technical Analysis (Guar Seed)

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Commodity: Guar Seed  
Contract: September

Exchange: NCDEX  
Expiry: Sept 20, 2021

### Guar Seed (June, Daily Chart)



### Technical Commentary:

- Guar seed traded higher on buyers interest.
- Prices closed above 9-day 18-day EMA, indicating firm tone in near-term.
- MACD cross over indicating bullish tone in near term.
- RSI and stochastic are rising indicating firm buying strength.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	September	6000	6200	6410	6800	7000
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	September	Buy	6400	6500	6700	6300



## Technical Analysis (Guar Gum)

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Commodity: Guar Gum  
Contract: September

Exchange: NCDEX  
Expiry: Sept 20, 2021

### Guar Gum (June, Daily Chart)



### Technical Commentary:

- Guar gum posted gain on buyers interest.
- Prices closed above 9-day 18-day EMA, indicating firm tone in near-term.
- MACD cross over indicating bullish tone in near term.
- RSI and stochastic are dipping indicating good buying strength.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	September	10000	10500	10796	11800	12000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	September	Buy	10700	11000	11500	10000

Guar Seed & Gum Prices at Key Spot Markets

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Guar by – Products Weekly Average Prices:				
Commodity	Centre	20th July to 26th Aug 2021	13th July to 19th Aug 2021	Change
Churi	Jodhpur	2733	2733	Unch
Korma	Jodhpur	4200	4200	Unch
Churi	Sri-Ganganagar	3450	3450	Unch
Korma	Sri-Ganganagar	3925	3925	Unch
Prices in Rs/Qtl				

Guar Export Weekly Average Prices:				
Commodity	Variety	20th July to 26th Aug 2021	13th July to 19th Aug 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
Guar Seed			20th July to 26th Aug 2021	13th July to 19th Aug 2021	
Rajasthan	Jodhpur	Jodhpur (Loose)	5750	4742	1008
		Jodhpur(Delivery)	6038	4979	1059
	Sri-Ganganagar	Sri-Ganganagar(Loose)	6068	4655	1414
		Sri-Ganganagar (Delivery)	6193	4780	1414
		Rawla (Loose)	5460	4778	683
		Gharsana (Loose)	5460	4778	683
		Raisinghnagar (Loose)	6093	4876	1216
	Bikaner	Bikaner (Loose)	6017	4874	1143
		Bikaner (Delivery)	6318	5118	1200
		Nokha(Loose)	6042	4867	1175
		Nokha (Delivery)	6344	5110	1234

		Khajuwala (Loose)	6560	4870	1690
		Khajuwala (Delivery)	6888	5114	1775
		Lunkaransar (Loose)	6417	4892	1525
	Hanumangarh	Hanumangarh (Loose)	6125	4663	1463
		Hanumangarh (Delivery)	6431	4896	1536
		Nohar (Loose)	-	-	-
		Pilibanga (Loose)	1787	1667	120
	Nagaur	Nagaur (Loose)	5992	4621	1371
	Churu	Churu (Delivery)	-	-	-
	Alwar	Alwar (Loose)	-	-	-
Haryana	Hisar	Adampur (Loose)	6725	4817	1908
		Adampur (Delivery)	7061	5058	2004
	Bhiwani	Bhiwani (Delivery)	6467	4858	1608
		Siwani (Loose)	6892	4908	1983
	Sirsa	Sirsa (Loose)	7144	4824	2320
		Dhabwali (Loose)	7008	4813	2196
		Dhabwali (Delivery)	7359	5053	2306
		Ellanabad (Loose)	-	-	-
	Fatehabad	Fatehabad (Loose)	6975	4733	2242
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	5803	4587	1216
	Rajkot	Rajkot (Loose)	5885	4775	1110
	Jamnagar	Dhrol (Loose)	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum			-	-	-
Rajasthan	Jodhpur	Jodhpur	10267	8283	1983
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	10058	8017	2042
	Sirsa	Sirsa	9783	8250	1533
		Dhabwali	9792	8267	1525
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	9933	8400	1533

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			20th July to 26th Aug 2021	13th July to 19th Aug 2021	
Rajasthan	Jodhpur	Jodhpur	-	-	-

	Sri-Ganganagar	Sri-Ganganagar	950	2000	-1050
		Rawla	-	-	-
		Gharsana	-	-	-
		Raisinghnagar	75	187	-112
	Bikaner	Bikaner	1500	2200	-700
		Nokha	3050	2750	300
		Khajuwala	800	850	-50
		Lunkaransar	1300	3950	-2650
	Hanumangarh	Hanumangarh	113	177	-64
		Nohar	-	-	-
		Pilibanga	30	120	-90
	Nagaur	Nagaur	350	800	-450
	Churu	Churu	-	-	-
	Alwar	Alwar	-	-	-
Haryana	Hisar	Adampur	17550	2800	14750
	Bhiwani	Bhiwani	8800	2950	5850
		Siwani	850	2100	-1250
	Sirsa	Sirsa	6750	3450	3300
		Dhabwali	2600	2060	540
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	-	100	-
Gujarat	Banaskantha	Deesa	-	-	-
	Patan	Patan	332	168	164
	Rajkot	Rajkot	4910	1920	2990
	Jamnagar	Dhrol	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			49960	28582	21378

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			26-Aug-21	19-Aug-21	26-Jul-21	27-Aug-20
Rajasthan	Jodhpur	Jodhpur (Loose)	6200	5000	4100	Closed
		Jodhpur(Delivery)	6510	5250	4305	Closed
	Sri-Ganganagar	Sri-Ganganagar(Loose)	6500	4900	4000	Closed
		Sri-Ganganagar (Delivery)	6650	5050	4150	Closed
		Rawla (Loose)	-	-	-	-

		Gharsana (Loose)	0	0	0	-
		Raisinghnagar (Loose)	6500	5050	4160	0
	<b>Bikaner</b>	Bikaner (Loose)	6200	5200	4200	Closed
		Bikaner (Delivery)	6510	5460	4410	Closed
		Nokha(Loose)	6100	5025	4225	-
		Nokha (Delivery)	6405	5276	4436	-
		Khajuwala (Loose)	7000	5100	4150	Closed
		Khajuwala (Delivery)	7350	5355	4358	Closed
		Lunkaransar (Loose)	6200	5300	4150	Closed
	<b>Hanumangarh</b>	Hanumangarh (Loose)	6500	5000	4150	-
		Hanumangarh (Delivery)	6825	5250	4358	0
		Nohar (Loose)	0	0	0	Closed
		Pilibanga (Loose)	0	5000	0	0
	<b>Nagaur</b>	Nagaur (Loose)	6200	4850	4050	Closed
	<b>Churu</b>	Churu (Delivery)	0	0	0	0
	<b>Alwar</b>	Alwar (Loose)	0	0	0	-
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	6200	5300	4100	3790
		Adampur (Delivery)	6510	5565	4305	3980
	<b>Bhiwani</b>	Bhiwani (Delivery)	6500	5200	4250	4100
		Siwani (Loose)	6500	5200	4200	4000
	<b>Sirsa</b>	Sirsa (Loose)	6821	5131	4000	3860
		Dhabwali (Loose)	6500	5100	3960	3800
		Dhabwali (Delivery)	6825	5355	4158	3990
		Ellanabad (Loose)	0	0	0	-
	<b>Fatehabad</b>	Fatehabad (Loose)	6500	5000	4200	3750
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	-	-	-	0
	<b>Patan</b>	Patan (Loose)	7305	4885	0	-
	<b>Rajkot</b>	Rajkot (Loose)	7500	4900	0	3775
	<b>Jamnagar</b>	Dhrol (Loose)	0	0	0	-
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	0	0	0	-
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	10300	8750	6925	Closed
	<b>Alwar</b>	Alwar	0	0	0	-
	<b>Hanumangarh</b>	Nohar	0	0	0	Closed
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	10200	8500	6800	6750
	<b>Sirsa</b>	Sirsa	10000	8700	6900	6550
		Dhabwali	10500	8650	6850	6500



		Ellanabad	0	0	0	-
	<b>Fatehabad</b>	Fatehabad	10000	8700	6800	6500

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