

# Guar Weekly Research Report

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## Executive Summary

This week Jodhpur Guar seed witnessed firm tone as compared to previous week amid firm domestic demand and tight arrival as compared to previous year. Overall guar likely to trade rangebound with firm bias amid lower acreage and low quality seeds. Weaker rupee against dollar and increase in oilrig count likely to stimulate guar exports in upcoming month.

According to Rajasthan govt 2021-22 first advance estimates, Guar seed production estimate pegged at 13.73 lakh tonnes vs 11.36 lakh tonne last year, Additionally, 2021-22 acreage stood at 21.13 lakh hectare as compared to 24.84 lakh hectare last year. Yield pegged higher at 650 kg/Ha vs 458 kg/Ha last year.

According to Gujarat govt 2021-22 first advance estimates, Guar Seed production estimate pegged at 1.01 lakh tonne Vs 0.85 Lakh tonnes last year, Additionally, 2021-22 acreage stood at 1.21 lakh ha Vs 1.22 lakh ha. Yield pegged higher at 873 kg/ha Vs 699 Kg/ Ha last year.

India's guar gum exports increased in the month of August 2021 by 10.48% to 18,262 tonnes compared to 16,530 tonnes during July 2021 at an average FoB of US \$ 1699 per tonne in the month of Aug'2021 as compared to US \$ 1739 per tonne in the month of July 2021. Further, the gum shipments were up by 42.38% in Aug'2021 compared to the same period last year. Of the total exported quantity, around 5,401 tonnes is bought by US, Russia (3,085 tonnes), Germany (2,535 tonnes) and china 959 tonnes.

India's guar split exports declined in the month of Aug'2021 by 62.54% to 2,120 tonnes compared to 5,660 tonnes during July'2021 at an average FoB of US \$ 1101 per tonne in the month of Aug'21 compared to US \$ 1157 per tonne in the month of July'2021. However, the guar split shipments gone up by 221 % in Aug 2021 compared to the same period last year. Of the total exported quantity, around 940 tonnes bought by China, US (760 tonnes) and Switzerland 240 tonnes.

Arrival is picking up in the major mandis such as Sriganganagar, jodhpur, hanumangarh and sirsa, However, arrival remains weak as compared to last year, additionally low quality of seed due to excessive rainfall in September underpinning the price.

In Ganganagar, from 1st to 22nd oct'21 average arrival stood at 364 Qtl Vs 605 Qtl last year same period and total arrival in oct'21 till 22nd oct stood at 6,550 Qtl Vs 10,900 Qtl last year same period, overall in ganganagar arrival is 40% less as compared to last year in October.

Crude oil prices remain elevated above \$80/ Barrel, crude oil demand has regained which is also supporting guar prices.

According to IMD, in September, western Rajasthan has received excess rainfall which has affected crop condition, Bikaner has received 294% above average rainfall, Badmer has received 302% above average rainfall and Jaisalmer has received 364% above average rainfall.

As on 15th Oct 2021, data released by Baker Hughes, the number of oilrigs in USA increased by 12 to 445 compared to 433 previous week. Monthly oilrig count in Sept'21 stood at 406 vs 180 last year same period. Increase in oilrig count continued this week as well, increase in oilrig count in US likely to boost export demand

## Domestic Guar Seed Market Summary

which is major importer of guar. Additionally, Currently rupee against US dollar is near one month low, likely to stimulate guar exports.

**Previous Updates:**

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 June 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.

**Recommendation:**

***Weekly Call- :Market participants are advised to buy Guar seed future November contract near 6300 levels for a target of 6600-6650 with a stop loss at 6200.***

## Outlook:-

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### Domestic Front

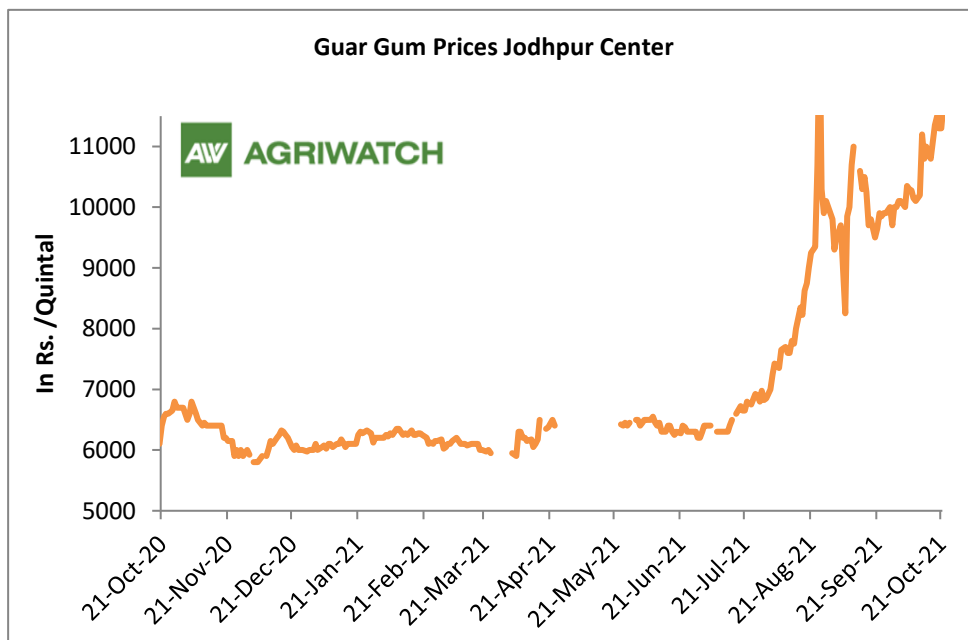
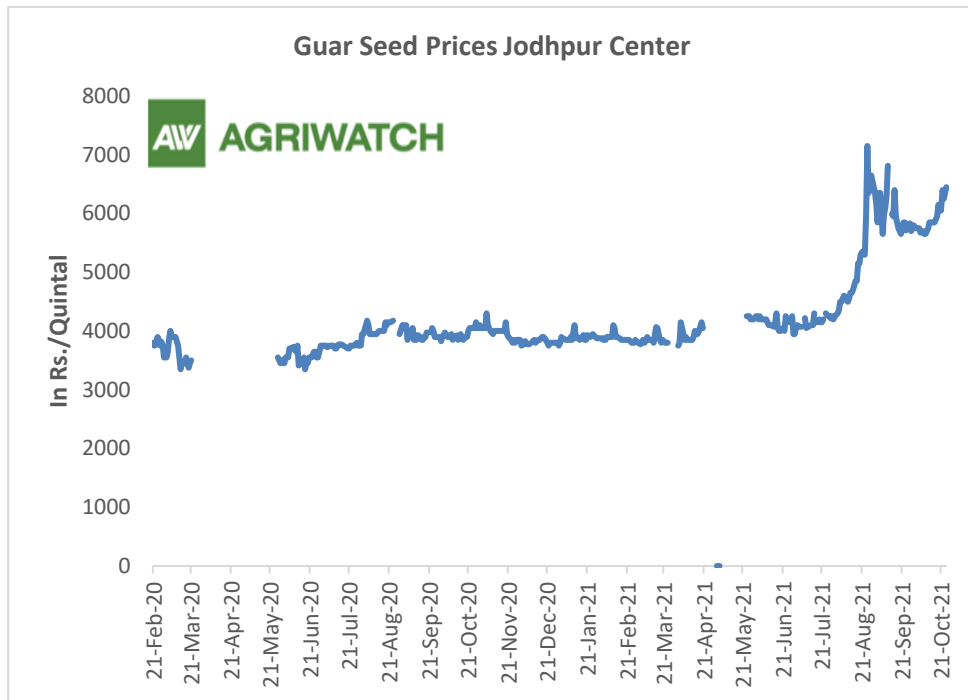
The local guar seed paid prices witnessed gain in September'21 compared to previous month. Fresh buying activities of seed witnessed in local markets amid lower acreage.

The average guar seed all paid prices in Jodhpur have increased and was quoted at Rs. 6,073 a quintal in September'21 compared to Rs. 5,170 a quintal in Aug'21.

In Jodhpur, weekly average Guar seed loose price increased to Rs. 5,925/ qtl. in this week against Rs. 5,617/qtl in previous week.

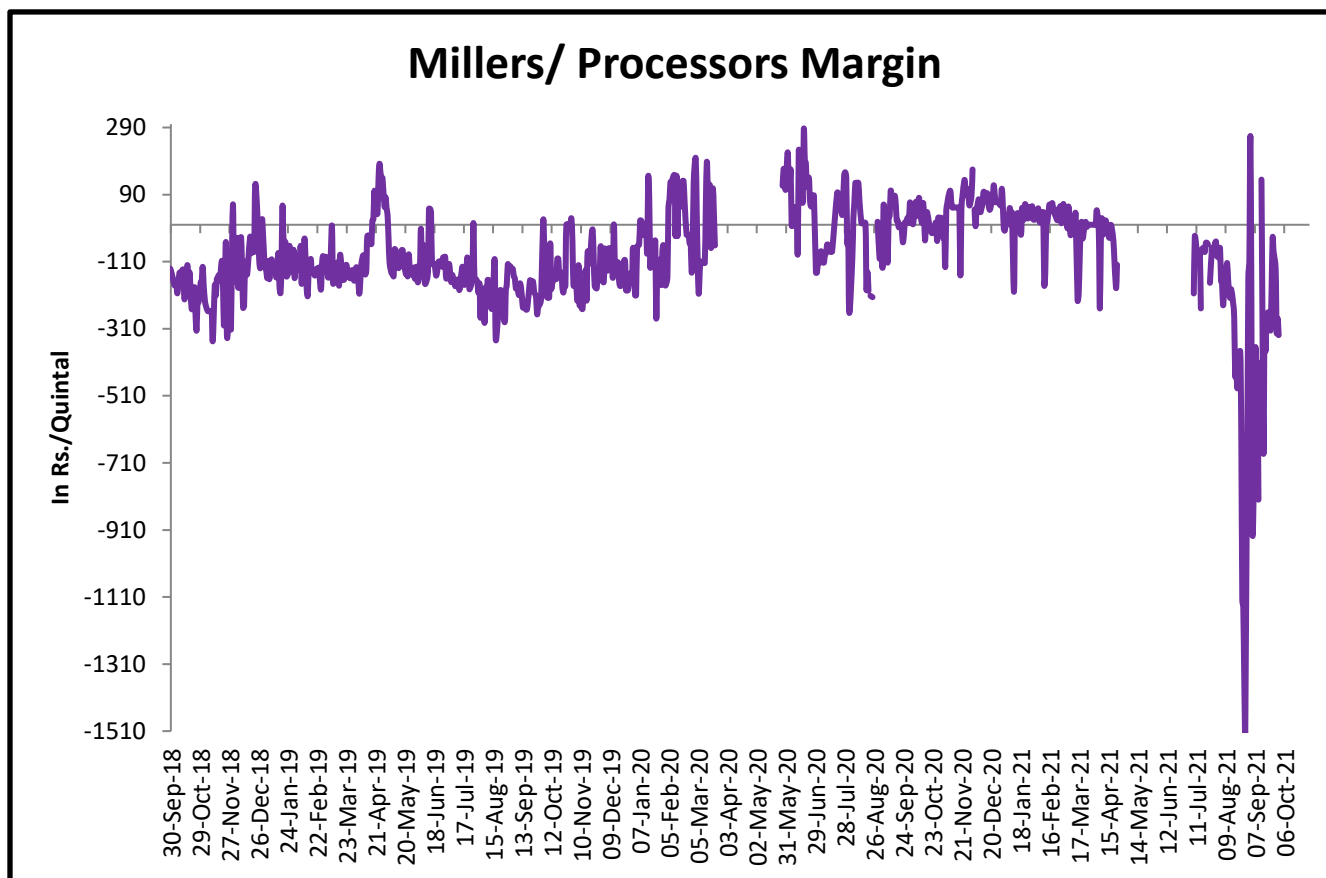
In Jodhpur, weekly average guar gum price increased to Rs 11,325 /Qtl in this week against Rs.10,575 /Qtl in previous week.

In addition, the average guar gum prices improved to around Rs. 9,954 a quintal in September'21 compared to Rs. 8,635 per quintal in Aug'21.



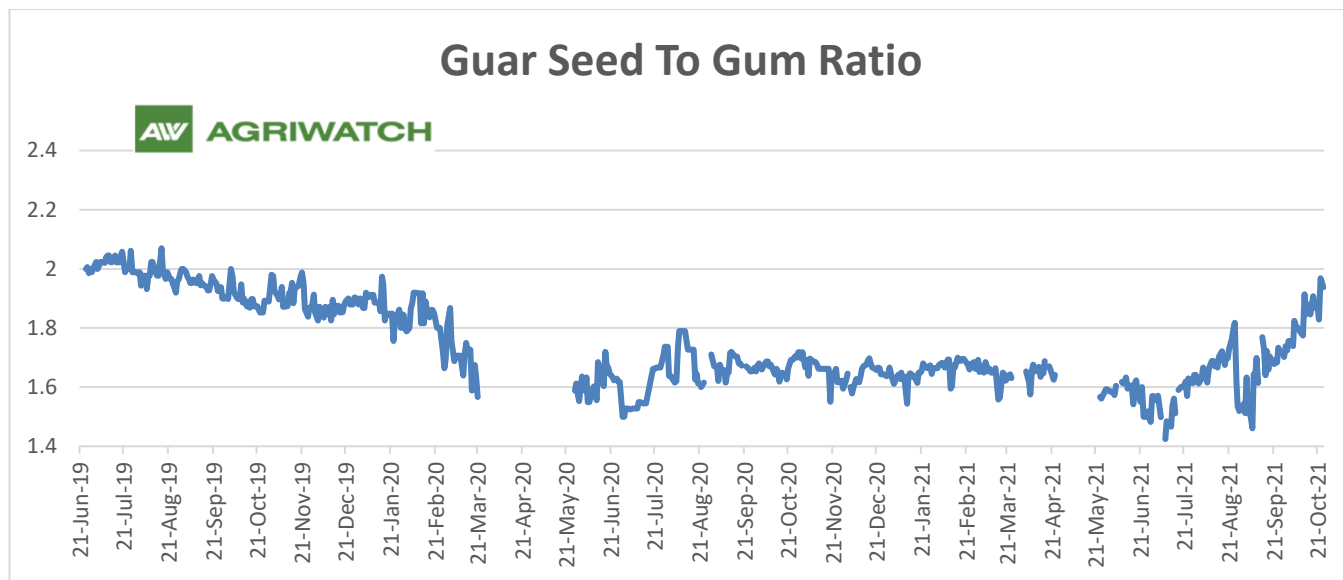
**Millers/Processors Margin**

As seen in the chart, the average crush margin of guar seed have increased in September'21 as compared to Aug'21, the average crush margin increased to Rs. -308/quintal in September'21 compared to Rs. -423/quintal in Aug'21.



## Guar Seed to Gum Ratio

The average weekly Ratio of guar seed to gum stood at 1.87 as compared to last week 1.83. Overall, firm demand of gum from domestic markets has kept the overall ratio upper side.



## Guar Gum Weekly Export

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Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08 August-2021	4259	1469
9-15 August-2021	3582	1739
16-22 August-2021	4839	1838
23-31 August-2021	5582	1748
Total	18262	1699

Source: Trade



## Technical Analysis (Guar Seed)

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Commodity: Guar Seed  
Contract: November

Exchange: NCDEX  
Expiry: November 20, 2021

### Guar Seed (October, Daily Chart)



### Technical Commentary:

- This week, 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 steady tone in near term.
- RSI and stochastic are rising indicating weak buying strength.
- Open interest has increased with increase in prices which indicates long build-up.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	November	6000	5800	6321	6700	6800
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	November	BUY	6300	6500	6650	6200

## Technical Analysis (Guar Gum)

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Commodity: Guar Gum  
Contract: November

Exchange: NCDEX  
Expiry: November 20, 2021

## Guar Gum (Oct, Daily Chart)



## Technical Commentary:

- Guar gum posted gain on buyer's interest.
  - Prices closed above 9-day 18-day EMA, indicating firm tone in near-term.
  - MACD cross over indicating firm tone in near term.
  - RSI and stochastic are rising indicating firm buying strength.
- Open interest has increased with increase in prices which indicates long build-up.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	November	11000	10500	11423	10950	11000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	Buy	11300	11600	12000	11100



Guar by – Products Weekly Average Prices:				
Commodity	Centre	16th Sept to 22nd Sept 2021	8th Sept to 14th Sept 2021	Change
Churi	Jodhpur	2271	2309	-38
Korma	Jodhpur	3752	3849	-97
Churi	Sri-Ganganagar	-	-	-
Korma	Sri-Ganganagar	-	-	-
Prices in Rs/75 kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	16th Sept to 22nd Sept 2021	8th Sept to 14th Sept 2021	Change
Guargum Split		-	-	-
Guargum Powder	200 Mesh 5000 CPS	-	-	-
	200 Mesh 3500 CPS	-	-	-
Guargum Meal	40%	-	-	-
	50%	-	-	-
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			16th Sept to 22nd Sept 2021	8th Sept to 14th Sept 2021	
Rajasthan	Jodhpur	Jodhpur (Loose)	5925	5617	308
		Jodhpur(Delivery)	6221	5898	324
	Sri-Ganganagar	Sri-Ganganagar(Loose)	6078	5696	382
		Sri-Ganganagar (Delivery)	6198	5821	377
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	6023	5742	282
		Bikaner (Delivery)	6325	6029	296
		Nokha(Loose)	6092	5733	358
		Nokha (Delivery)	6396	6020	376
		Khajuwala (Loose)	6000	5780	220
		Khajuwala (Delivery)	6300	6069	231
		Lunkaransar (Loose)	6050	5775	275
	Hanumangarh	Hanumangarh (Loose)	-	-	-

		Hanumangarh (Delivery)	-	-	-
		Nohar (Loose)	-	-	-
		Pilibanga (Loose)	-	-	-
	Nagaur	Nagaur (Loose)	-	-	-
	Churu	Churu (Delivery)	-	-	-
	Alwar	Alwar (Loose)	-	-	-
Haryana	Hisar	Adampur (Loose)	5983	5883	100
		Adampur (Delivery)	6283	6178	105
	Bhiwani	Bhiwani (Delivery)	-	-	-
		Siwani (Loose)	6183	-	-
	Sirsa	Sirsa (Loose)	5800	5450	350
		Dhabwali (Loose)	-	-	-
		Dhabwali (Delivery)	-	-	-
		Ellanabad (Loose)	-	-	-
	Fatehabad	Fatehabad (Loose)	-	-	-
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	-	-	-
	Rajkot	Rajkot (Loose)	-	-	-
	Jamnagar	Dhrol (Loose)	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	11325	10575	750
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	11800	10367	1433
	Sirsa	Sirsa	11300	10450	850
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	11560	10417	1143

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			16th Sept to 22nd Sept 2021	8th Sept to 14th Sept 2021	
Rajasthan	Jodhpur	Jodhpur	-	-	-
	Sri-Ganganagar	Sri-Ganganagar	4400	2800	1600
		Rawla	-	-	-
		Gharsana	-	-	-
		Raisinghnagar	-	-	-

	Bikaner	Bikaner	3200	2250	950
		Nokha	2600	2850	-250
		Khajuwala	710	460	250
		Lunkaransar	3600	1360	2240
	Hanumangarh	Hanumangarh	1700	2430	-730
		Nohar	-	-	-
		Pilibanga	-	-	-
	Nagaur	Nagaur	-	-	-
	Churu	Churu	-	-	-
	Alwar	Alwar	-	-	-
Haryana	Hisar	Adampur	6700	2900	3800
	Bhiwani	Bhiwani	1110	80	1030
		Siwani	-	-	-
	Sirsa	Sirsa	7300	10150	-2850
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	330	-	-
Gujarat	Banaskantha	Deesa	-	-	-
	Patan	Patan	122	136	-14
	Rajkot	Rajkot	1150	975	175
	Jamnagar	Dhrol	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			32922	26391	6531

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