

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market 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 firm bias amid lower acreage and low quality seeds arrival. Weaker rupee against dollar and increase in oilrig count likely to stimulate guar exports in upcoming month.

In sri Ganganagar, from 1st to 30th oct'21 average arrival stood at 595 Qtl Vs 3,460 Qtl last year same period and total arrival in oct'21 till 30th oct stood at 13,100 Qtl Vs 86,500 Qtl last year same period, overall in sri ganganagar arrival is 85% less as compared to last year in October.

In Bikaner, from 1st to 30th oct'21 daily average arrival stood at 402 Qtl Vs 748 Qtl last year same period and total arrival in oct'21 till 30th oct stood at 10,050 Qtl Vs 18,700 Qtl last year same period, overall in Bikaner, arrival is 46% less as compared to last year in October.

As on 29th Oct 2021, data released by Baker Hughes, the number of oilrigs in USA increased by 1 to 444 compared to 443 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 which is major importer of guar. Additionally, Currently rupee against US dollar is near one month low, likely to stimulate guar exports.

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.

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.

According to the provisional data from Agricultural and Processed Food Products Export Development Authority (APEDA), the guar gum exports from India increased by 30% to 1.07 lakh tonnes during April-July (2020-2021) this fiscal vs 0.82 lakh tonnes during the corresponding period last year. In value terms, the exports witnessed a decline of 27% to Rs. 865 crores vs Rs. 683 Cr. crores same period 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.

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 6800 levels for a target of 7200-780 with a stop loss at 6750.

Outlook:-

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Domestic Front

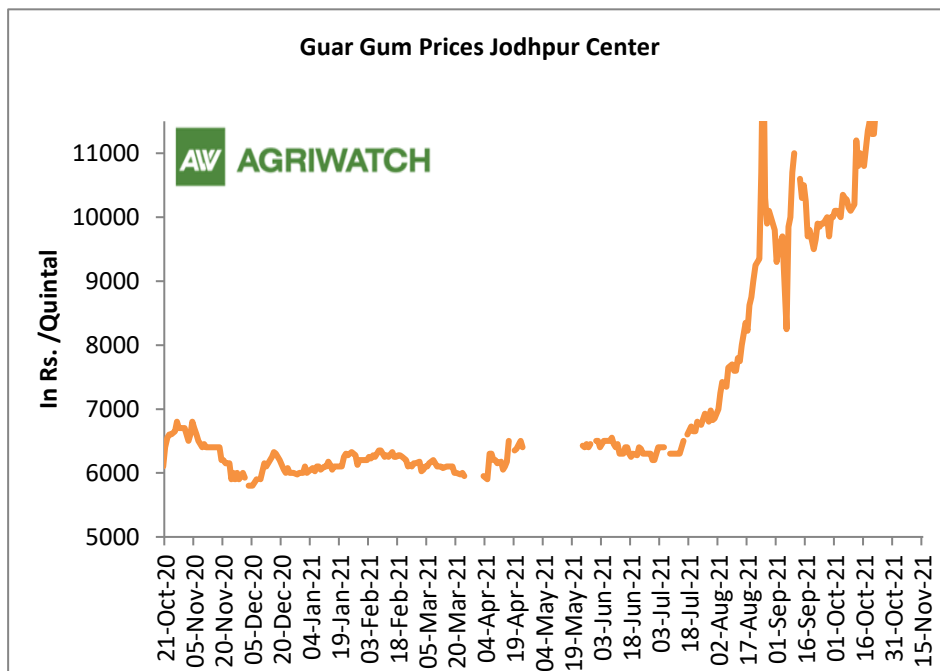
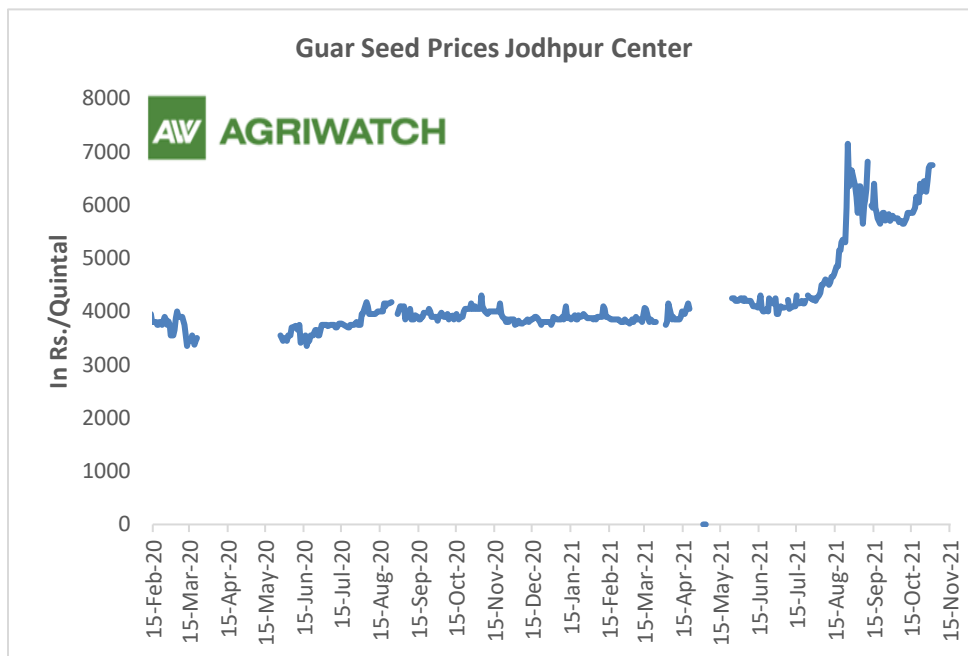
The local guar seed paid prices witnessed gain in September'21 compared to previous month. Fresh buying activities of seed witnessed in local markets amid lower acreage.

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. 6,258/ qtl. in this week against Rs. 5,925/qtl in previous week.

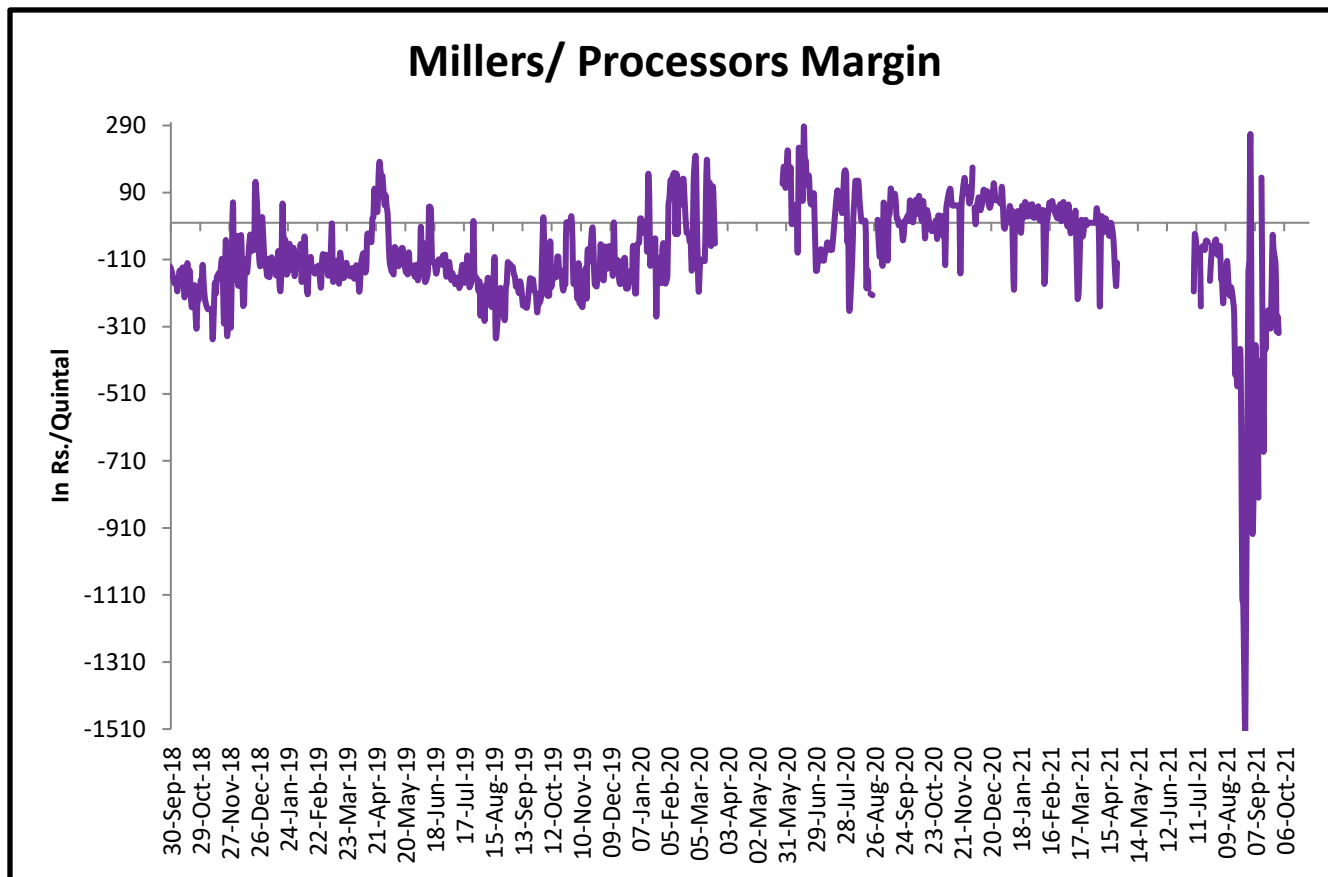
In Jodhpur, weekly average guar gum price increased to Rs 12,792 /Qtl in this week against Rs.11,325 /Qtl in previous week.

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.



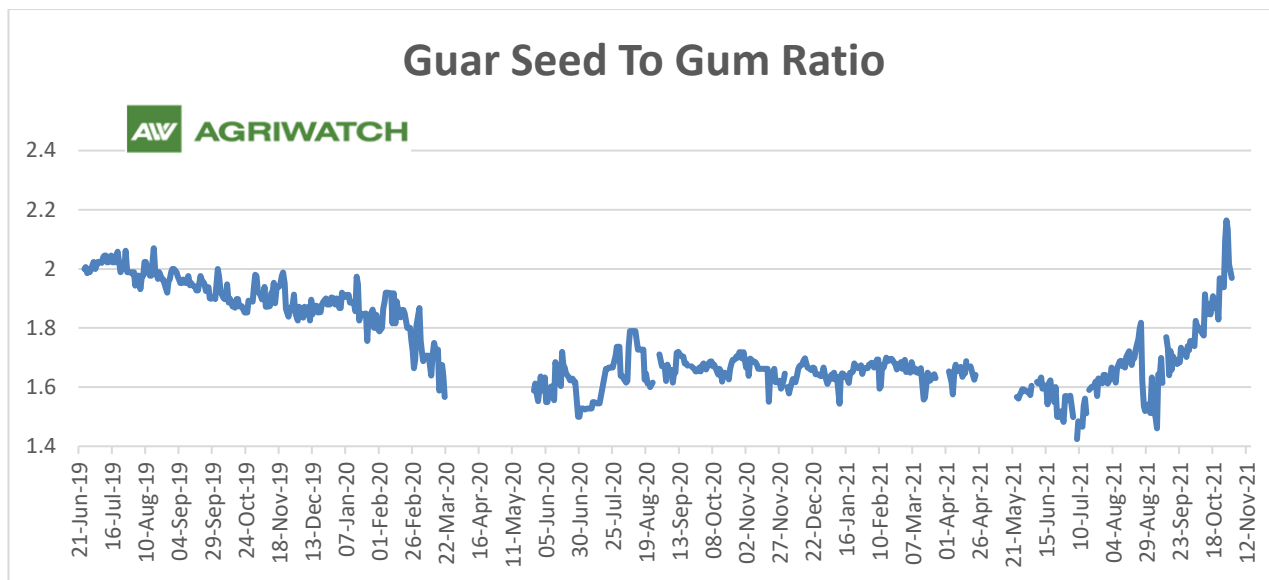
Millers/Processors Margin

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 2.04 as compared to last week 1.87. 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.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	November	6700	6500	6980	7300	7500
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	November	BUY	6800	7150	7250	6750



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.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	November	13000	12500	13298	13700	14000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	November	Buy	13200	13450	13670	13050

Guar by – Products Weekly Average Prices:				
Commodity	Centre	23rd Oct to 29th Oct 2021	16th Oct to 22nd Oct 2021	Change
Churi	Jodhpur	2288	2271	17
Korma	Jodhpur	3667	3752	-85
Churi	Sri-Ganganagar		-	-
Korma	Sri-Ganganagar		-	-
Prices in Rs/75 kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	23rd Oct to 29th Oct 2021	16th Oct to 22nd Oct 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			23rd Oct to 29th Oct 2021	16th Oct to 22nd Oct 2021	
Rajasthan	Jodhpur	Jodhpur (Loose)	6258	5925	333
		Jodhpur(Delivery)	6571	6221	350
	Sri-Ganganagar	Sri-Ganganagar(Loose)	6433	6078	355
		Sri-Ganganagar (Delivery)	6553	6198	355
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	6550	6023	527
		Bikaner (Delivery)	6878	6325	553
		Nokha(Loose)	6496	6092	404
		Nokha (Delivery)	6821	6396	424
		Khajuwala (Loose)	6490	6000	490
		Khajuwala (Delivery)	6815	6300	515
		Lunkaransar (Loose)	6558	6050	508
	Hanumangarh	Hanumangarh (Loose)	-	-	-
		Hanumangarh (Delivery)	-	-	-
		Nohar (Loose)	-	-	-

		Pilibanga (Loose)	-	-	-
	Nagaur	Nagaur (Loose)	-	-	-
	Churu	Churu (Delivery)	-	-	-
	Alwar	Alwar (Loose)	-	-	-
Haryana	Hisar	Adampur (Loose)	6433	5983	450
		Adampur (Delivery)	6755	6283	473
	Bhiwani	Bhiwani (Delivery)	-	-	-
		Siwani (Loose)	6600	6183	417
	Sirsa	Sirsa (Loose)	6242	5800	442
		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	12792	11325	1467
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	13060	11800	1260
	Sirsa	Sirsa	12933	11300	1633
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	12667	11560	1107

Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			23rd Oct to 29th Oct 2021	16th Oct to 22nd Oct 2021	
Rajasthan	Jodhpur	Jodhpur	-	-	-
	Sri-Ganganagar	Sri-Ganganagar	2100	4400	-2300
		Rawla	-	-	-
		Gharsana	-	-	-
		Raisinghnagar	-	-	-
	Bikaner	Bikaner	3000	3200	-200
		Nokha	2100	2600	-500
		Khajuwala	850	710	140
		Lunkaransar	2350	3600	-1250
	Hanumangarh	Hanumangarh	1105	1700	-595

		Nohar	-	-	-
		Pilibanga	-	-	-
	Nagaur	Nagaur	-	-	-
	Churu	Churu	-	-	-
Haryana	Alwar	Alwar	-	-	-
	Hisar	Adampur	6600	6700	-100
	Bhiwani	Bhiwani	2200	1110	1090
		Siwani	-	-	-
	Sirsa	Sirsa	5200	7300	-2100
		Dhabwali	-	-	-
		Ellanabad	-	-	-
Gujarat	Fatehabad	Fatehabad	300	330	-30
	Banaskantha	Deesa	-	-	-
	Patan	Patan	145	122	23
	Rajkot	Rajkot	1175	1150	25
Madhya Pradesh	Jamnagar	Dhrol	-	-	-
	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			27125	32922	-5797

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