

Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

This week Jodhpur Guar seed prices remained firm however firm arrival continued this week too. Guar likely to trade range bound with weak bias on heavy arrival in near term. Weaker rupee against dollar and increase in oilrig count likely to stimulate guar exports in upcoming month.

Week ending 20th Nov, guar seed arrival in Rajasthan arrival stood at 27,278 Qtl vs 26,111 Qtl previous week, In Haryana arrival stood at 7,210 Qtl vs 9,680 Qtl previous week and in Gujarat arrival stood at 556 Qtl vs 806 Qtl previous week.

In sri Ganganagar, oct'21 average arrival stood at 595 Qtl Vs 3,460 Qtl last year same period and total arrival in oct'21 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, oct'21 daily average arrival stood at 402 Qtl Vs 748 Qtl last year same period and total arrival in oct'21 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 19th Nov 2021, data released by Baker Hughes, the number of oilrigs in USA increased by 7 to 461 compared to 454 previous week. Monthly oilrig count in Oct'21 stood at 438 vs 201 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 remained weak, likely to stimulate guar exports.

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 September 2021 by 4.76% to 19,132 tonnes compared to 18,262 tonnes during Aug 2021 at an average FoB of US \$ 1756 per tonne in the month of Sept'2021 as compared to US \$ 1699 per tonne in the month of Aug 2021. Further, the gum shipments were up by 37.85% in Sept'2021 compared to the same period last year. Of the total exported quantity, around 7,535 tonnes is bought by US, Russia 3,261 tonnes, Germany 2,117 tonnes, china 696 tonnes, Australia 686 tonnes and Canada 547 tonnes.

India's guar split exports increased in the month of Sept'2021 by 72.64% to 3,660 tonnes compared to 2,120 tonnes during Aug'2021 at an average FoB of US \$ 1370 per tonne in the month of Sept'21 compared to US \$ 1101 per tonne in the month of Aug'2021. However, the guar split shipments gone up by 485 % in Sept 2021 compared to the same period last year. Of the total exported quantity, around 3,330 tonnes bought by China, US 240 tonnes and Netherland 120 tonnes.

Previous Updates:

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.

As on 05th Nov 2021, data released by Baker Hughes, the number of oilrigs in USA increased by 6 to 450 compared to 444 previous week. Monthly oilrig count in Oct'21 stood at 438 vs 201 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.

Recommendation:

Weekly Call- :Market participants are advised to Sell Guar seed future December contract near 6300 levels for a target of 6200-6150 with a stop loss at 6350

Outlook:-

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Domestic Front

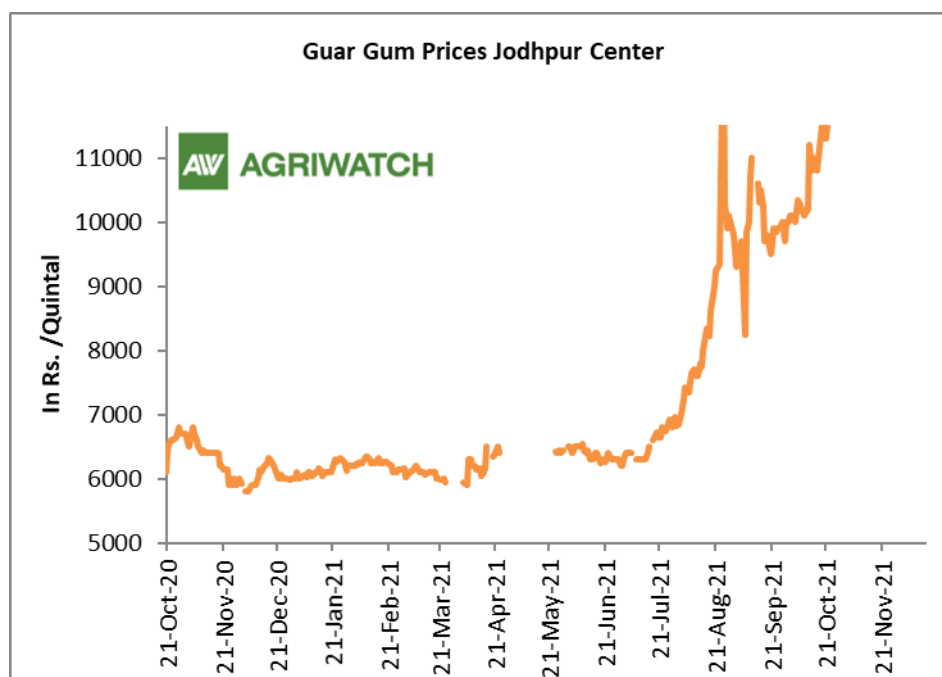
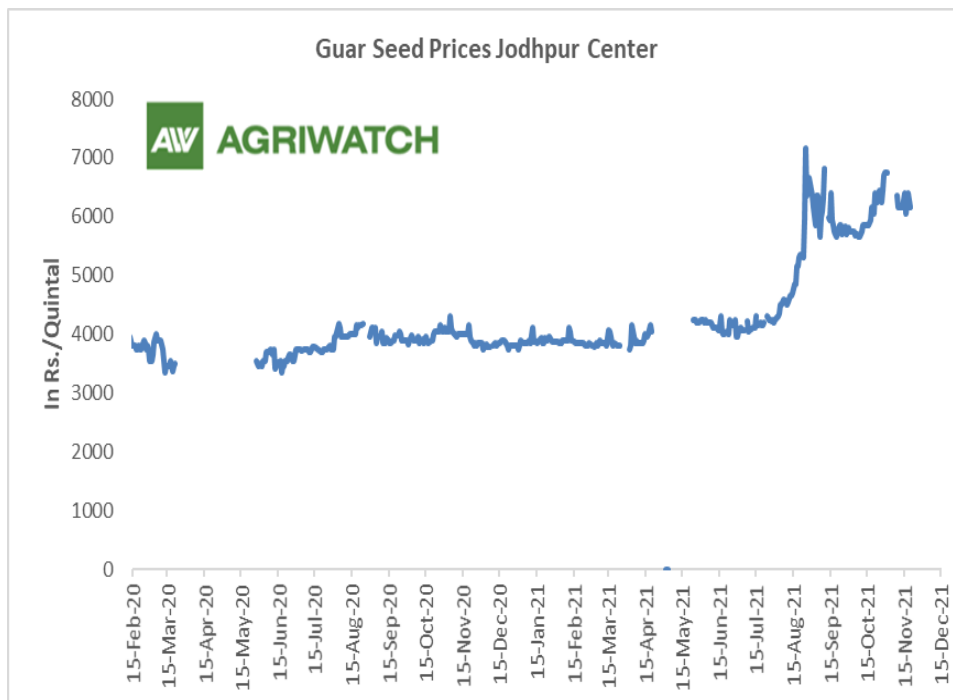
The local guar seed paid prices witnessed gain in October'21 compared to previous month. Fresh buying activities of seed witnessed in local markets amid bullish

As on 30th October, jodhpur guar seed paid prices witnessed increase to Rs 6,600/Qtl in Oct'21 and made high of Rs 6,600/Qtl, monthly low at Rs 5,500/Qtl compared to previous month at Rs 5,933/Qtl. Prices remained elevated to tight supply in the market as compared to previous year.

In Jodhpur, weekly average Guar seed loose price increased to Rs. 6,090/ qtl. in this week against Rs.6,040/qtl in previous week, however firm arrival continues this week too which kept prices under pressure.

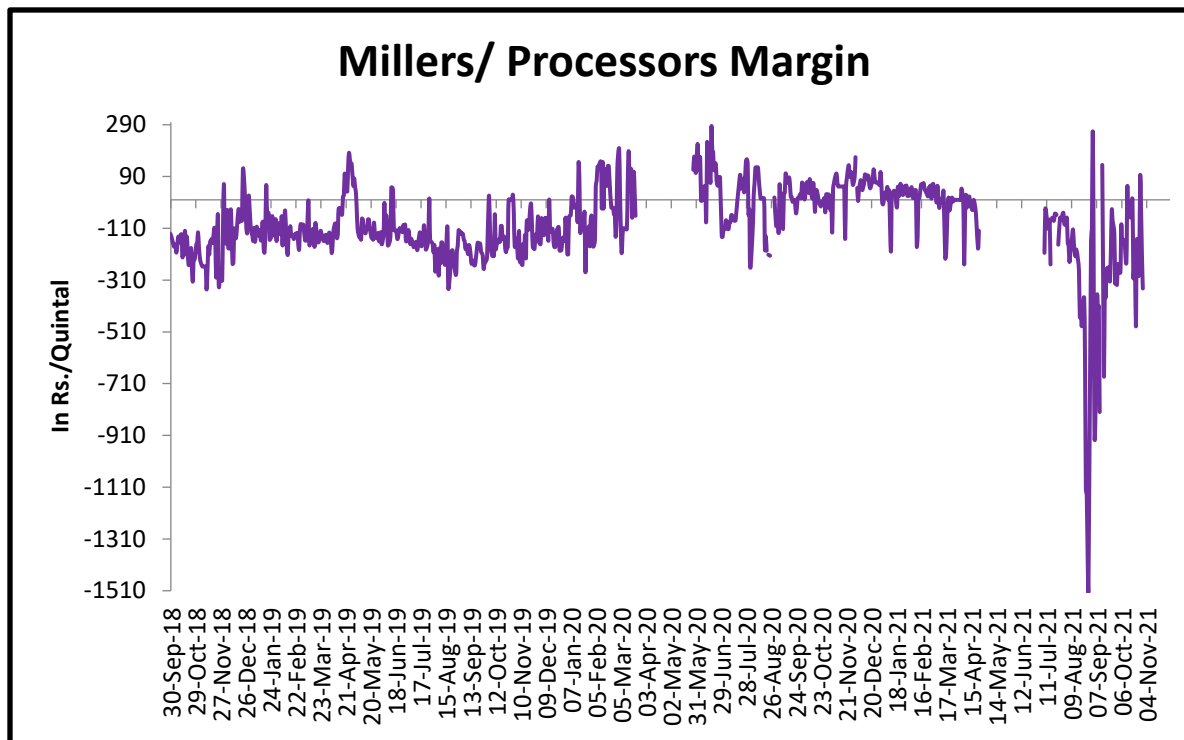
In Jodhpur, weekly average guar gum price decreased to Rs 12,030 /Qtl in this week against Rs.13,100 /Qtl in previous week followed by weakness in guar seed prices.

Additionally, In October, jodhpur guar gum prices witnessed gains, and made high of Rs 13,450/Qtl, monthly low at Rs10,000/Qtl and closed at 13,200/Qtl.



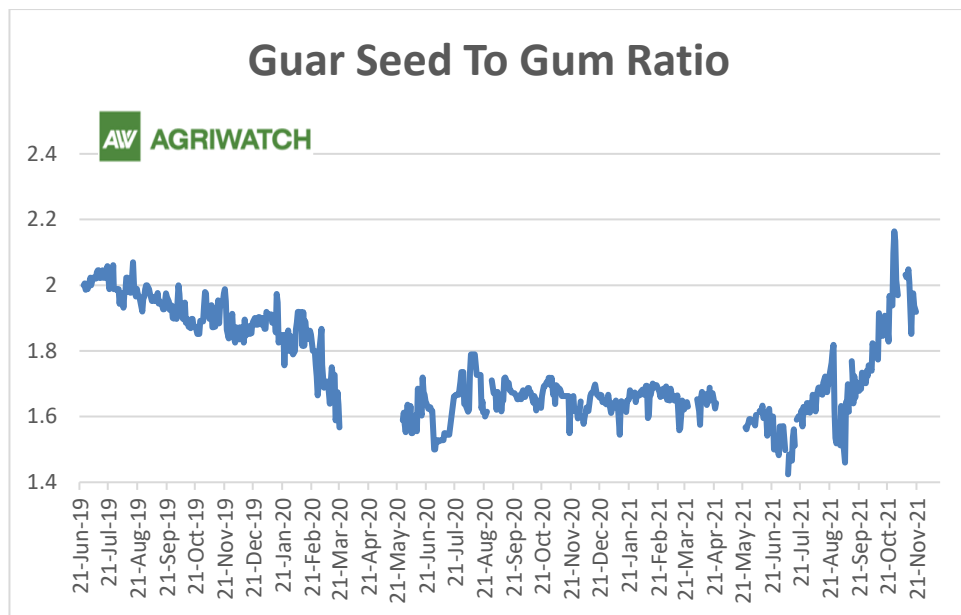
Millers/Processors Margin

As seen in the chart, the average crush margin of guar seed have increased in October'21 as compared to Sept'21, the average crush margin increased to Rs. -173/quintal in Oct'21 compared to Rs. -308/quintal in Sept'21.



Guar Seed to Gum Ratio

The average weekly Ratio of guar seed to gum stood at 1.9 as compared to last week 2.00. 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 September-2021	5511	1644
9-15 September-2021	3948	1979
16-22 September-2021	4926	1667
23-30 September-2021	4747	1732
Total	19132	1756

Source: Trade



Technical Analysis (Guar Seed)

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Commodity: Guar Seed
Contract: December

Exchange: NCDEX
Expiry: December 20, 2021

Guar Seed (Dec, Daily Chart)



Technical Commentary:

- This week, Guar seed traded lower on sellers pressure.
- Prices closed below 9-day 18-day EMA, indicating weak tone in near-term.
- MACD cross over indicating weak tone in near term.
- RSI and stochastic are rising indicating weak buying strength.

Weekly Supports & Resistances

			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	December	6000	6100	6285	6500	6700
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	December	Sell	6300	6200	6150	6350



Technical Analysis (Guar Gum)

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Commodity: Guar Gum
Contract: December

Exchange: NCDEX
Expiry: December 20, 2021

Guar Gum (Dec, Daily Chart)



Technical Commentary:

- Guar gum posted loss on sellers pressure.
- Prices closed below 9-day 18-day EMA, indicating weak tone in near-term.
- MACD cross over indicating weak tone in near term.
- RSI and stochastic are rising indicating weak buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	December	10800	10500	11827	13093	13595
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	December	Sell	11850	11500	11000	11900

Guar by – Products Weekly Average Prices:				
Commodity	Centre	15th Nov to 20th Nov 2021	8th Nov to 13th Nov 2021	Change
Churi	Jodhpur	2347	2343	4
Korma	Jodhpur	3734	3722	12
Churi	Sri-Ganganagar	-	-	-
Korma	Sri-Ganganagar	-	-	-
Prices in Rs/75 kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	15th Nov to 20th Nov 2021	8th Nov to 13th Nov 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			15th Nov to 20th Nov 2021	8th Nov to 13th Nov 2021	
Rajasthan	Jodhpur	Jodhpur (Loose)	6090	6040	50
		Jodhpur(Delivery)	6395	6342	53
	Sri-Ganganagar	Sri-Ganganagar(Loose)	6099	6585	-486
		Sri-Ganganagar (Delivery)	6219	6710	-491
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	6126	6467	-341
		Bikaner (Delivery)	6432	6790	-358
		Nokha(Loose)	6110	6400	-290
		Nokha (Delivery)	6416	6720	-305
		Khajuwala (Loose)	6150	6383	-233
		Khajuwala (Delivery)	6458	6703	-245
		Lunkaransar (Loose)	6170	6350	-180
	Hanumangarh	Hanumangarh (Loose)	6270	6600	-330
		Hanumangarh (Delivery)	6584	6930	-347
		Nohar (Loose)	-	-	-

		Pilibanga (Loose)	-	-	-
	Nagaur	Nagaur (Loose)	-	-	-
	Churu	Churu (Delivery)	-	-	-
	Alwar	Alwar (Loose)	-	-	-
Haryana	Hisar	Adampur (Loose)	6130	6400	-270
		Adampur (Delivery)	6437	6720	-284
	Bhiwani	Bhiwani (Delivery)	6210	6625	-415
		Siwani (Loose)	6314	6408	-94
	Sirsa	Sirsa (Loose)	5880	5950	-70
		Dhabwali (Loose)	-	-	-
		Dhabwali (Delivery)	-	-	-
		Ellanabad (Loose)	-	-	-
	Fatehabad	Fatehabad (Loose)	6265	6700	-435
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	5935	6077	-142
	Rajkot	Rajkot (Loose)	5983	6068	-85
	Jamnagar	Dhrol (Loose)	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	12030	13100	-1070
	Alwar	Alwar	-		-
	Hanumangarh	Nohar	-		-
Haryana	Bhiwani	Bhiwani	12370	12933	-563
	Sirsa	Sirsa	12000	12933	-933
		Dhabwali	-		-
		Ellanabad	-		-
	Fatehabad	Fatehabad	12300	13067	-767

Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			15th Nov to 20th Nov 2021	8th Nov to 13th Nov 2021	
Rajasthan	Jodhpur	Jodhpur	883	3440	-2557
	Sri-Ganganagar	Sri-Ganganagar	4037	1500	2537
		Rawla	389	620	-231
		Gharsana	37	250	-213
		Raisinghnagar	37	250	-213
	Bikaner	Bikaner	8800	6400	2400
		Nokha	6300	6800	-500
		Khajuwala	1400	1350	50
		Lunkaransar	3200	3400	-200
	Hanumangarh	Hanumangarh	570	450	120
		Nohar	260	780	-520

		Pilibanga	290	45	245
	Nagaur	Nagaur	1050	500	550
	Churu	Churu	-	-	-
	Alwar	Alwar	25	326	-301
Haryana	Hisar	Adampur	4100	5750	-1650
	Bhiwani	Bhiwani	1900	1850	50
		Siwani	80	-	-
	Sirsa	Sirsa	910	1900	-990
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	220	180	40
Gujarat	Banaskantha	Deesa	140	128	12
	Patan	Patan	61	128	-67
	Rajkot	Rajkot	355	550	-195
	Jamnagar	Dhrol	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			35044	36597	-1553

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