

# Guar Weekly Research Report

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## Executive Summary

## Domestic Guar Seed Market Summary

This week Jodhpur Guar seed prices remained under pressure, 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 27<sup>th</sup> Nov, guar seed arrival in Rajasthan arrival stood at 26,921 Qtl vs 27,278 Qtl previous week, In Haryana arrival stood at 11,040 Qtl vs 7,210 Qtl previous week and in Gujarat arrival stood at 441 Qtl vs 556 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 24th Nov 2021, data released by Baker Hughes, the number of oilrigs in USA increased by 6 to 467 compared to 461 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 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 49% to 2.34 lakh tonnes during April-Sept (2021-2022) this fiscal vs 1.58 lakh tonnes during the corresponding period last year. In value terms, the exports witnessed a increase of 48% to Rs. 1,949 crores vs Rs. 1,316 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 6095 levels for a target of 5950-5850 with a stop loss at 6200***

Outlook:-

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Domestic Front

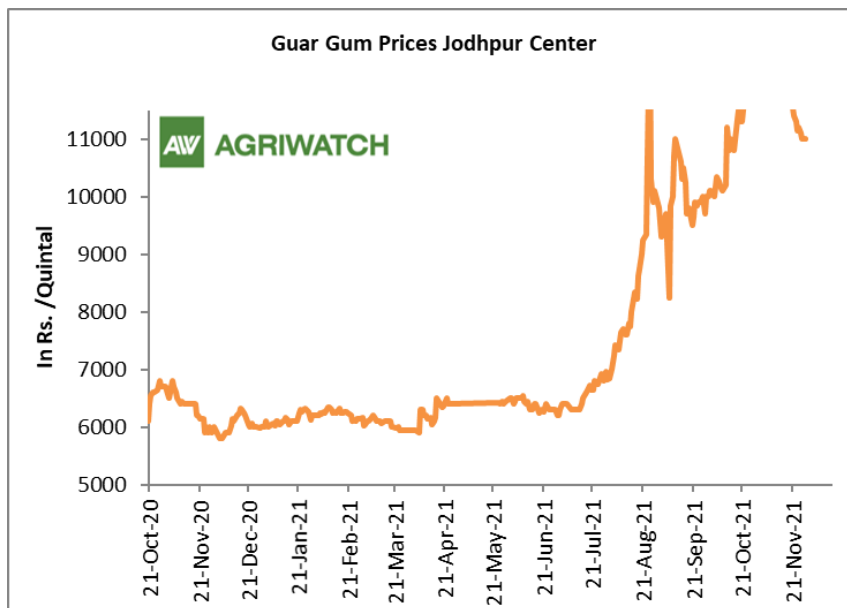
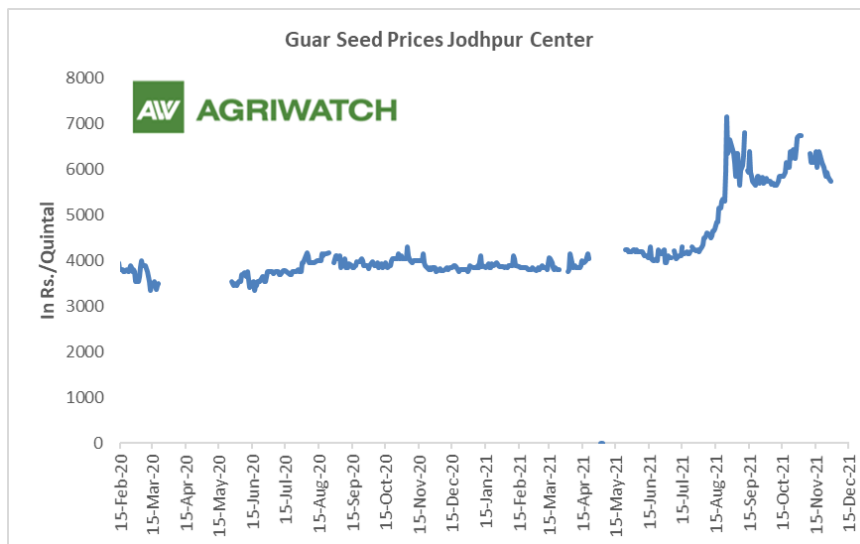
The local guar seed paid prices witnessed gain in October'21 compared to previous month. Fresh buying activities of seed witnessed in local markets amid bullish

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 decreased to Rs. 5,758/ qtl. in this week against Rs.6,090/qtl in previous week, firm arrival continued this week too which kept pices under pressure.

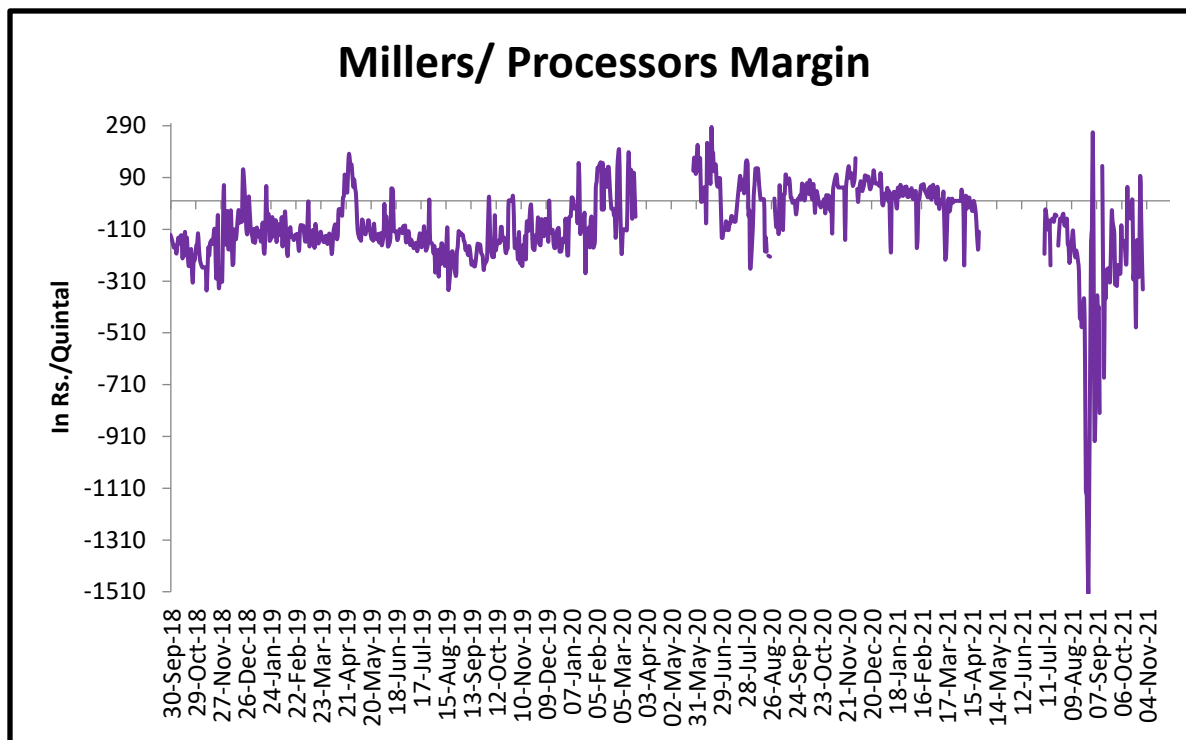
In Jodhpur, weekly average guar gum price decreased to Rs 11,192 /Qtl in this week against Rs.12,030 /Qtl in previous week followed by weakness in guar seed prices.

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.



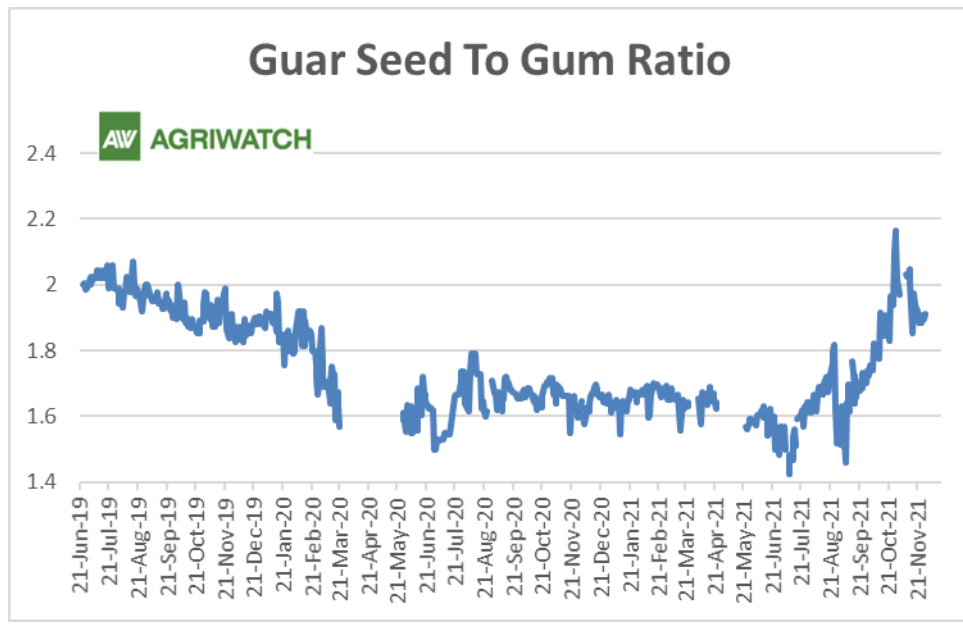
## Millers/Processors Margin

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 1.9. Overall, firm demand of gum from domestic markets has kept the overall ratio upper side.



## 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 September-2021	5511	1644
9-15 September-2021	3948	1979
16-22 September-2021	4926	1667
23-30 September-2021	4747	1732
<b>Total</b>	<b>19132</b>	<b>1756</b>

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	5500	5800	6095	6300	6500
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	December	Sell	6150	5950	5850	6200



## 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	10750	10500	11051	11500	12000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	December	<b>Sell</b>	11100	10900	10800	11200



Guar by – Products Weekly Average Prices:				
Commodity	Centre	22nd Nov to 27th Nov 2021	15th Nov to 20th Nov 2021	Change
Churi	Jodhpur	2410	2347	63
Korma	Jodhpur	3735	3734	1
Churi	Sri-Ganganagar		-	-
Korma	Sri-Ganganagar		-	-
Prices in Rs/75 kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	22nd Nov to 27th Nov 2021	15th Nov to 20th 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			22nd Nov to 27th Nov 2021	15th Nov to 20th Nov 2021	
Rajasthan	Jodhpur	Jodhpur (Loose)	5758	6090	-332
		Jodhpur(Delivery)	6046	6395	-348
	Sri-Ganganagar	Sri-Ganganagar(Loose)	6007	6099	-92
		Sri-Ganganagar (Delivery)	6132	6219	-87
		Rawla (Loose)	6023	6118	-96
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	5850	6126	-276
		Bikaner (Delivery)	6143	6432	-290
		Nokha(Loose)	5842	6110	-268
		Nokha (Delivery)	6134	6416	-282
		Khajuwala (Loose)	5850	6150	-300
		Khajuwala (Delivery)	6143	6458	-315
		Lunkaransar (Loose)	5933	6170	-237
	Hanumangarh	Hanumangarh (Loose)	6100	6270	-170
		Hanumangarh (Delivery)	6405	6584	-179
		Nohar (Loose)	-	-	-
		Pilibanga (Loose)	6100	6370	-270

	Nagaur	Nagaur (Loose)	-	-	-
	Churu	Churu (Delivery)	-	-	-
	Alwar	Alwar (Loose)	-	-	-
Haryana	Hisar	Adampur (Loose)	5725	6130	-405
		Adampur (Delivery)	6011	6437	-425
	Bhiwani	Bhiwani (Delivery)	6125	6210	-85
		Siwani (Loose)	5992	6314	-322
	Sirsa	Sirsa (Loose)	5725	5880	-155
		Dhabwali (Loose)	-	-	-
		Dhabwali (Delivery)	-	-	-
		Ellanabad (Loose)	-	-	-
	Fatehabad	Fatehabad (Loose)	5825	6265	-440
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	5769	5935	-166
	Rajkot	Rajkot (Loose)	5661	5983	-322
	Jamnagar	Dhrol (Loose)	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	11192	12030	-838
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	-	-	-
	Sirsa	Sirsa	11050	12000	-950
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	11200	12300	-1100

### Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			22nd Nov to 27th Nov 2021	15th Nov to 20th Nov 2021	
Rajasthan	Jodhpur	Jodhpur	305	883	-578
	Sri-Ganganagar	Sri-Ganganagar	4750	4037	713
		Rawla	310	389	-79
		Gharsana	316	37	279
		Raisinghnagar	50	37	13
	Bikaner	Bikaner	7500	8800	-1300
		Nokha	6200	6300	-100
		Khajuwala	1300	1400	-100
		Lunkaransar	5100	3200	1900
	Hanumangarh	Hanumangarh	730	570	160
		Nohar	-	260	-
		Pilibanga	360	290	70

	Nagaur	Nagaur	-	1050	-
	Churu	Churu	-	-	-
	Alwar	Alwar	-	25	-
Haryana	Hisar	Adampur	3600	4100	-500
	Bhiwani	Bhiwani	2000	1900	100
		Siwani	200	80	120
	Sirsa	Sirsa	4900	910	3990
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	340	220	120
Gujarat	Banaskantha	Deesa	-	140	-
	Patan	Patan	186	61	125
	Rajkot	Rajkot	255	355	-100
	Jamnagar	Dhrol	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			38402	35044	3358

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