

Guar Weekly Research Report

Table of Contents

- ❖ **Executive Summary**
- ❖ **Recommendations**
- ❖ **Domestic Market Fundamentals**
- ❖ **Processing Margins**
- ❖ **Guar Seed to Gum Ratio**
- ❖ **Guar Gum Weekly Exports**
- ❖ **Technical Analysis (Guar Seed)**
- ❖ **Technical Analysis (Guar Gum)**
- ❖ **Guar Seed & Gum Prices at Key Spot Markets**
- ❖ **Guar Seed Arrivals at Key Centers**

Executive Summary**Domestic Guar Seed Market Summary**

Jodhpur Guar seed prices remained under pressure this week, market witnessed firm arrival in most of the major mandis. Guarseed 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.

India's guar gum exports increased in the month of October 2021 by 21.74% to 23,292 tonnes compared to 19,132 tonnes during previous month at an average FoB of US \$ 1849 per tonne in the month of Oct'2021 as compared to US \$ 1756 per tonne previous month. Further, the gum shipments were up by 62.53% in Oct'2021 compared to the same period last year. Of the total exported quantity, around 10,083 tonnes bought by US, Russia 3,327 tonnes, Germany 2,711 tonnes, china 789 tonnes, Australia 466 tonnes and Canada 911 tonnes.

India's guar split exports decreased in the month of Oct'2021 by 29.51% to 2,580 tonnes compared to 3,660 tonnes previous month at an average FoB of US \$ 1325 per tonne in the month of Oct'21 compared to US \$ 1,370 per tonne previous month. However, the guar split shipments gone down by 24.78 % in Oct 2021 compared to the same period last year. Of the total exported quantity, around 1,900 tonnes bought by China, US 500 tonnes and Netherland 120 tonnes.

Week ending 04th Dec, guar seed arrival in Rajasthan arrival stood at 25,797 Qtl vs 26,921 Qtl previous week, In Haryana arrival stood at 12,880 Qtl vs 11,040 Qtl previous week and in Gujarat arrival stood at 979 Qtl vs 441 Qtl previous week.

In sri Ganganagar, Oct-Nov'21 arrival stood 74% lower at 27,450 Qtl vs 104,900 Qtl in same period last year. Whereas, in Oct'21 arrival stood 85% lower at 13,400 Qtl vs 88,000 Qtl and in Noveber'21 arrival stood 17% lower at 14,050 Qtl vs 16,900 Qtl last year same period.

In Bikaner (Bikaner, Nokha, Khajuwala and Lunkaransar), Oct-Nov'21 arrival stood 1% lower at 98,880 Qtl vs 100,180 Qtl in same period last year. Whereas, in Oct'21 arrival stood 25% lower at 31,080 Qtl vs 41,230 Qtl and in Noveber'21 arrival stood 15% higher at 67,800 Qtl vs 58,950 Qtl last year same period.

In November'21, Jodhpur guar seed prices declined by 20-22% on firm arrival of new season crop and prices closed to one month low. Jodhpur guar gum corrected by 25-29% in November followed by weakness in guar seed prices. However, guar seed prices are still more than 45% higher YoY on lower production expectation.

As on 03rd Dec 2021, data released by Baker Hughes, the number of oilrigs in USA remained unchanged to 467 compared to 467 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.

Previous Updates:

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.

Recommendation:

Weekly Call- :Market participants are advised to Sell Guar seed future December contract near 5700 levels for a target of 5550-5450 with a stop loss at 5750.

Outlook:-

[\(Back to Table of Contents\)](#)

Domestic Front

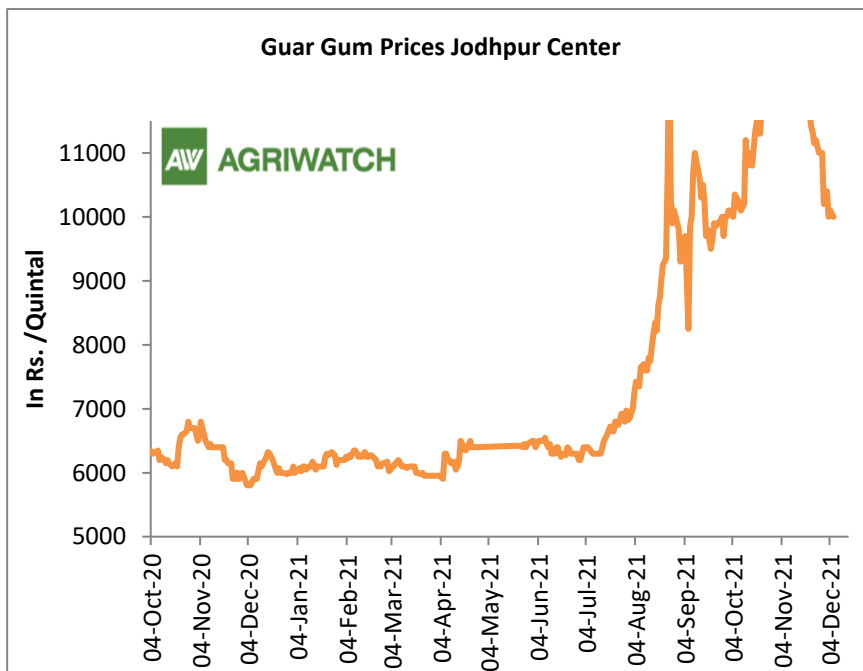
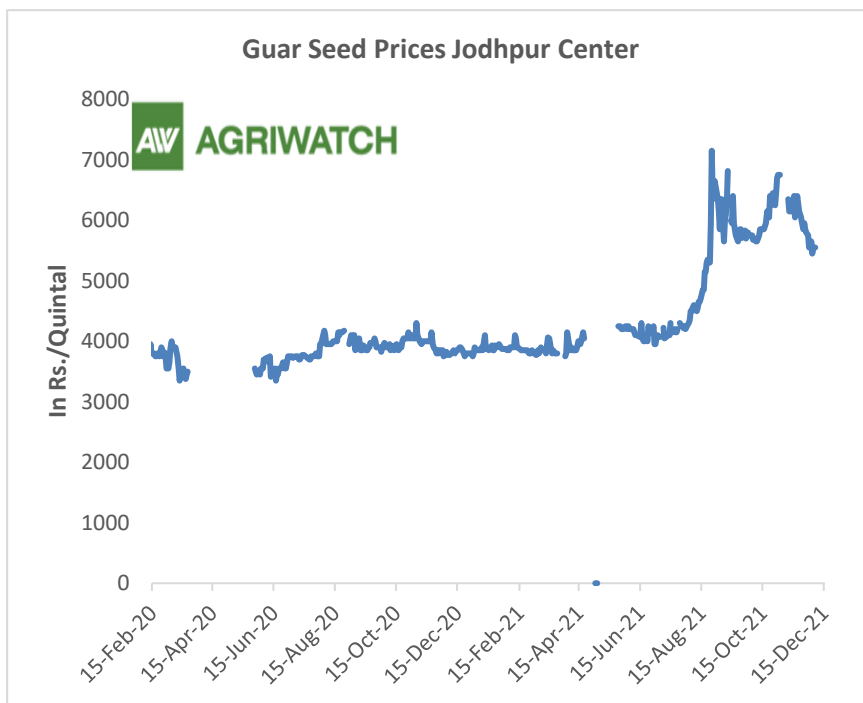
The local guar seed paid prices witnessed gain in October'21 compared to previous month. Fresh buying activities of seed witnessed in local markets amid bullish

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. 5,433/ qtl. in this week against Rs.5,758/qtl in previous week, firm arrival continued this week too which kept prices under pressure.

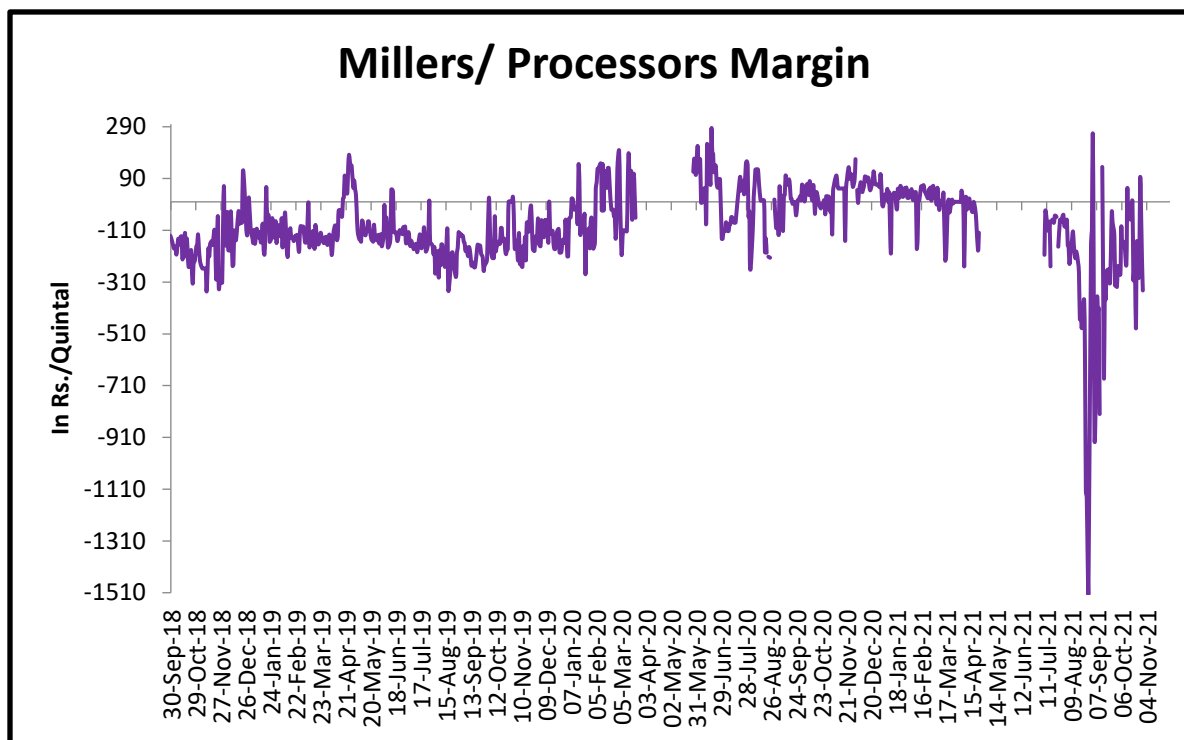
In Jodhpur, weekly average guar gum price decreased to Rs 10,333 /Qtl in this week against Rs.11,192 /Qtl in previous week followed by weakness in guar seed prices.

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.



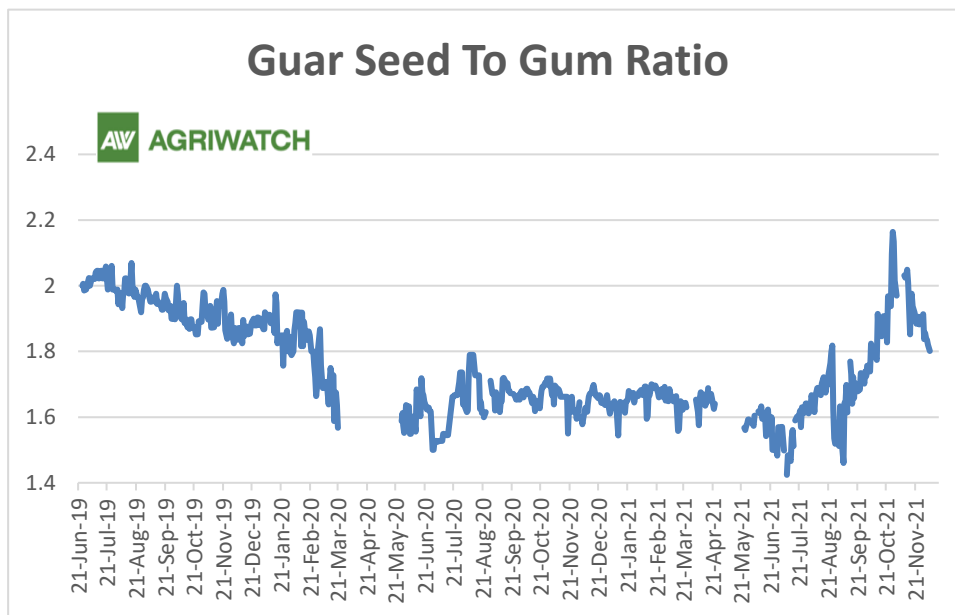
Millers/Processors Margin

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. However it has declined in last few weeks.



Guar Gum Weekly Export

[\(Back to Table of Contents\)](#)

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)

[\(Back to Table of Contents\)](#)

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 indicating weak buying strength.

Weekly Supports & Resistances

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	December	5400	5000	5673	5850	6000
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	December	Sell	5700	5550	5450	5750



Technical Analysis (Guar Gum)

[\(Back to Table of Contents\)](#)

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 indicating weak buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	December	9500	9000	9904	11000	11500
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	December	Sell	10000	9850	9700	10100

Guar by – Products Weekly Average Prices:				
Commodity	Centre	28th Nov to 4th Dec 2021	22nd Nov to 27th Nov 2021	Change
Churi	Jodhpur	2423	2410	13
Korma	Jodhpur	3735	3735	Unch
Churi	Sri-Ganganagar		-	-
Korma	Sri-Ganganagar		-	-
Prices in Rs/75 kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	28th Nov to 4th Dec 2021	22nd Nov to 27th 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			28th Nov to 4th Dec 2021	22nd Nov to 27th Nov 2021	
Rajasthan	Jodhpur	Jodhpur (Loose)	5433	5758	-325
		Jodhpur(Delivery)	5705	6046	-341
	Sri-Ganganagar	Sri-Ganganagar(Loose)	5528	6007	-478
		Sri-Ganganagar (Delivery)	5653	6132	-478
		Rawla (Loose)	-	-	-
		Gharsana (Loose)	-	-	-
		Raisinghnagar (Loose)	-	-	-
	Bikaner	Bikaner (Loose)	5547	5850	-303
		Bikaner (Delivery)	5824	6143	-319
		Nokha(Loose)	5542	5842	-300
		Nokha (Delivery)	5819	6134	-315
		Khajuwala (Loose)	5500	5850	-350
		Khajuwala (Delivery)	5775	6143	-368
		Lunkaransar (Loose)	5583	5933	-350
	Hanumangarh	Hanumangarh (Loose)	5633	6100	-467
		Hanumangarh (Delivery)	5915	6405	-490

		Nohar (Loose)	-	-	-
		Pilibanga (Loose)	-	-	-
	Nagaur	Nagaur (Loose)	-	-	-
	Churu	Churu (Delivery)	-	-	-
	Alwar	Alwar (Loose)	-	-	-
Haryana	Hisar	Adampur (Loose)	5342	5725	-383
		Adampur (Delivery)	5609	6011	-403
	Bhiwani	Bhiwani (Delivery)	5762	6125	-363
		Siwani (Loose)	5642	5992	-350
	Sirsa	Sirsa (Loose)	5396	5725	-329
		Dhabwali (Loose)	-	-	-
		Dhabwali (Delivery)	-	-	-
		Ellanabad (Loose)	-	-	-
	Fatehabad	Fatehabad (Loose)	5413	5825	-413
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	5248	5769	-522
	Rajkot	Rajkot (Loose)	5576	5661	-85
	Jamnagar	Dhrol (Loose)	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	10333	11192	-858
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	-	-	-
	Sirsa	Sirsa	10300	11050	-750
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	10300	11200	-900

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			28th Nov to 4th Dec 2021	22nd Nov to 27th Nov 2021	
Rajasthan	Jodhpur	Jodhpur	290	305	-15
	Sri-Ganganagar	Sri-Ganganagar	5050	4750	300
		Rawla	50	310	-260
		Gharsana	50	316	-266
		Raisinghnagar	50	50	Unch
	Bikaner	Bikaner	7200	7500	-300
		Nokha	4350	6200	-1850
		Khajuwala	1750	1300	450
		Lunkaransar	4300	5100	-800
	Hanumangarh	Hanumangarh	565	730	-165

		Nohar	-	-	-
		Pilibanga	-	360	-
	Nagaur	Nagaur	2142	-	-
	Churu	Churu	0	-	-
	Alwar	Alwar	0	-	-
Haryana	Hisar	Adampur	3900	3600	300
	Bhiwani	Bhiwani	2600	2000	600
		Siwani	270	200	70
	Sirsa	Sirsa	5800	4900	900
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	310	340	-30
Gujarat	Banaskantha	Deesa	-	-	-
	Patan	Patan	139	186	-47
	Rajkot	Rajkot	840	255	585
	Jamnagar	Dhrol	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	-	-
Total Arrivals/Above Markets			39656	38402	1254

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2021 Indian Agribusiness Systems Ltd.