

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

Jodhpur Guar seed prices remained under pressure this week too, 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.

India's guar gum exports decreased in the month of November 2021 by 25.01% to 17,466 tonnes compared to 23,292 tonnes during previous month at an average FoB of US \$ 2169 per tonne in the month of Nov'2021 as compared to US \$ 1849 per tonne previous month. Further, the gum shipments were up by 30.21% in Nov'2021 compared to the same period last year. Of the total exported quantity, around 4,645 tonnes bought by US, Russia 4,000 tonnes, Germany 1,322 tonnes, china 1,070 tonnes, Australia 1,041 tonnes and Canada 862 tonnes.

India's guar split exports increased in the month of Nov'2021 by 1.55% to 2,620 tonnes compared to 2,580 tonnes previous month at an average FoB of US \$ 1,557 per tonne in the month of Nov'21 compared to US \$ 1,325 per tonne previous month. However, the guar split shipments gone down by 42.51 % in Nov'21 2021 compared to the same period last year. Of the total exported quantity, around 1,900 tonnes bought by China, US 660 tonnes and Switzerland 60 tonnes.

Week ending 11th Dec, guar seed arrival in Rajasthan arrival stood at 26,918 Qtl vs 25,797 Qtl previous week, In Haryana arrival stood at 18,020 Qtl vs 12,880 Qtl previous week and in Gujarat arrival stood at 540 Qtl vs 979 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.

Domestic Guar Seed Market Summary

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 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.

Recommendation:

Weekly Call- :Market participants are advised to BUY Guar seed future January contract near 5700 levels for a target of 5900-6000 with a stop loss at 5650.

Outlook:-

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

Domestic Front

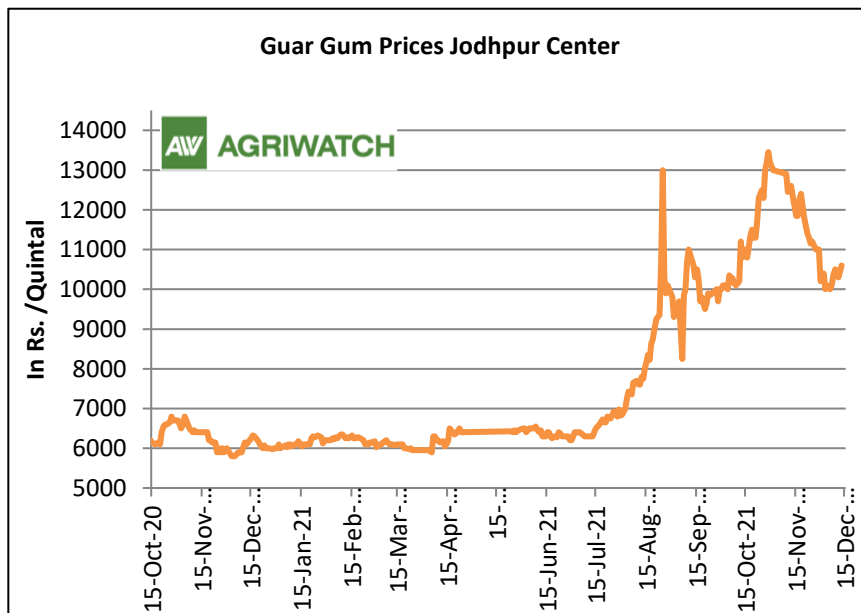
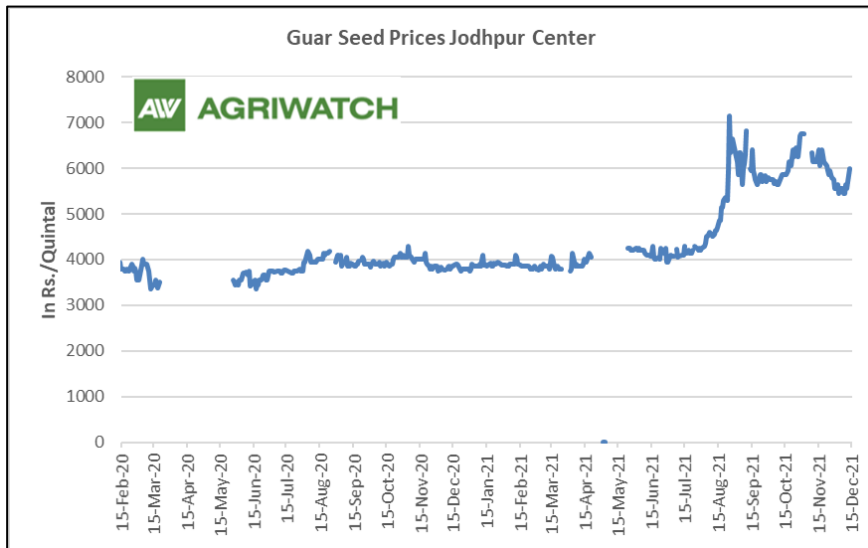
The local guar seed paid prices witnessed gain in October'21 compared to previous month. Fresh buying activities of seed witnessed in local markets on lower level.

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. 5,383/ qtl. in this week against Rs.5,433/qtl in previous week, firm arrival continued this week too, prices remained under pressure.

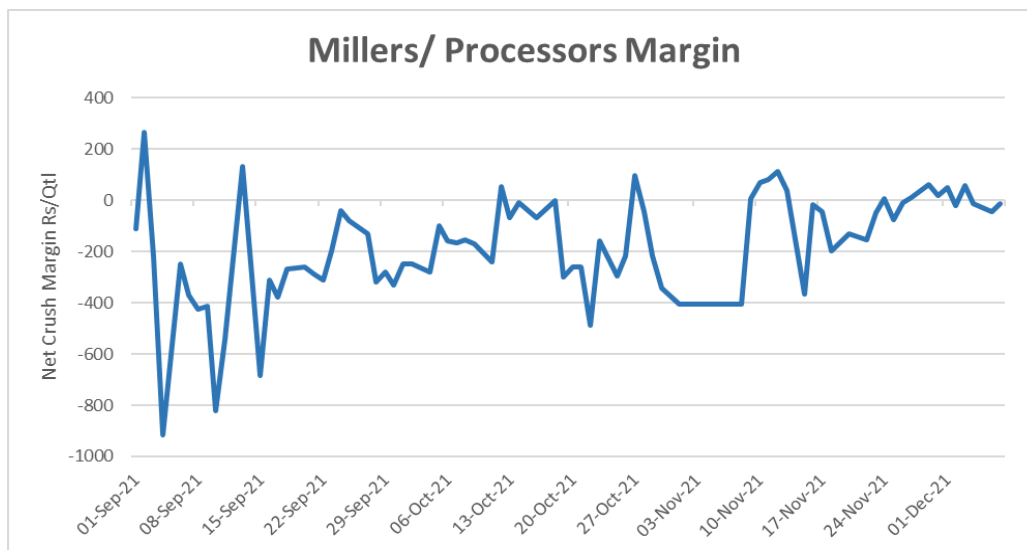
In Jodhpur, weekly average guar gum price decreased to Rs 10,333 /Qtl in this week against Rs.10,275 /Qtl in previous week followed by weakness in guar seed prices.

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.



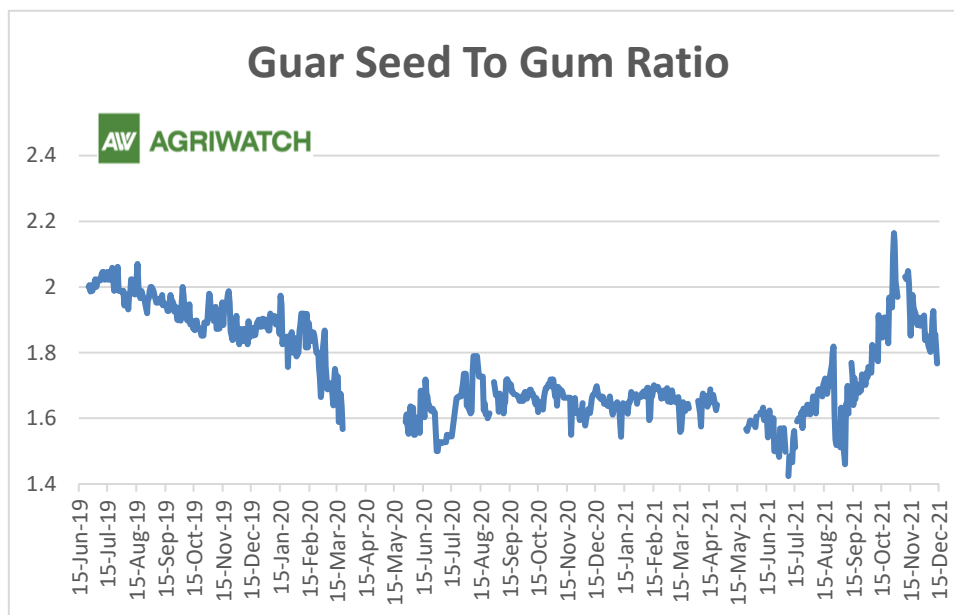
Millers/Processors Margin

As seen in the chart, the average crush margin of guar seed have increased in November'21 as compared to Oct'21, the average crush margin increased to Rs. -114/quintal in Nov'21 compared to Rs. -173/quintal in Oct'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 November-2021 | 2242 | 1962 |
| 9-15 November-2021 | 5289 | 1967 |
| 16-22 November-2021 | 4970 | 2374 |
| 23-30 November-2021 | 4965 | 2371 |
| Total | 17466 | 2169 |

Source: Trade



Technical Analysis (Guar Seed)

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

Commodity: Guar Seed
Contract: January

Exchange: NCDEX
Expiry: January 20, 2021

Guar Seed (Jan, Daily Chart)



Technical Commentary:

- This week, Guar seed posted gain on weekly time frame.
- 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, However improved in last few trading session.

| Weekly Supports & Resistances | | | S1 | S2 | PCP | R1 | R2 |
|-------------------------------|-------|-----|------|-------|------|------|------|
| Guar Seed | NCDEX | Jan | 5600 | 5500 | 5864 | 6100 | 6500 |
| | | | Call | Entry | T1 | T2 | SL |
| Guar Seed | NCDEX | Jan | BUY | 5704 | 5900 | 6000 | 5650 |



Technical Analysis (Guar Gum)

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

Commodity: Guar Gum
Contract: January

Exchange: NCDEX
Expiry: January 20, 2021

Guar Gum (Jan, Daily Chart)



Technical Commentary:

- Guar gum posted gain on weekly basis.
- 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, However improved in last few trading session.

| Weekly Supports & Resistances | | | S1 | S2 | PCP | R1 | R2 |
|-------------------------------|-------|-----|------|-------|-------|-------|-------|
| Guar Gum | NCDEX | Jan | 9800 | 9500 | 10367 | 11000 | 11500 |
| Weekly Trade Call | | | Call | Entry | T1 | T2 | SL |
| Guar Gum | NCDEX | Jan | BUY | 9950 | 10050 | 10150 | 9900 |

| Guar by – Products Weekly Average Prices: | | | | |
|---|----------------|---------------------------|--------------------------|--------|
| Commodity | Centre | 06th Dec to 11th Dec 2021 | 28th Nov to 4th Dec 2021 | Change |
| Churi | Jodhpur | 2355 | 2423 | -68 |
| Korma | Jodhpur | 3601 | 3735 | -135 |
| Churi | Sri-Ganganagar | | | Unch |
| Korma | Sri-Ganganagar | | | Unch |
| Prices in Rs/75 kg | | | | |

| Guar Export Weekly Average Prices: | | | | |
|------------------------------------|-------------------|---------------------------|--------------------------|--------|
| Commodity | Variety | 06th Dec to 11th Dec 2021 | 28th Nov to 4th Dec 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 | | | 06th Dec to 11th Dec 2021 | 28th Nov to 4th Dec 2021 | |
| Rajasthan | Jodhpur | Jodhpur (Loose) | 5383 | 5433 | -50 |
| | | Jodhpur(Delivery) | 5653 | 5705 | -53 |
| | Sri-Ganganagar | Sri-Ganganagar(Loose) | 5545 | 5528 | 17 |
| | | Sri-Ganganagar (Delivery) | 5670 | 5653 | 17 |
| | | Rawla (Loose) | - | - | - |
| | | Gharsana (Loose) | - | - | - |
| | | Raisinghnagar (Loose) | - | - | - |
| | Bikaner | Bikaner (Loose) | 5600 | 5547 | 53 |
| | | Bikaner (Delivery) | 5880 | 5824 | 56 |
| | | Nokha(Loose) | 5542 | 5542 | Unch |
| | | Nokha (Delivery) | 5819 | 5819 | Unch |
| | | Khajuwala (Loose) | 5533 | 5500 | 33 |
| | | Khajuwala (Delivery) | 5810 | 5775 | 35 |
| | | Lunkaransar (Loose) | 5475 | 5583 | -108 |
| | Hanumangarh | Hanumangarh (Loose) | 5550 | 5633 | -83 |
| | | Hanumangarh (Delivery) | 5828 | 5915 | -88 |
| | | Nohar (Loose) | - | - | - |
| | | Pilibanga (Loose) | - | - | - |
| | Nagaur | Nagaur (Loose) | - | - | - |

| | | | | | |
|----------------|-------------|---------------------|-------|-------|------|
| | Churu | Churu (Delivery) | - | - | - |
| | Alwar | Alwar (Loose) | - | - | - |
| Haryana | Hisar | Adampur (Loose) | 5400 | 5342 | 58 |
| | | Adampur (Delivery) | 5670 | 5609 | 61 |
| | Bhiwani | Bhiwani (Delivery) | 5803 | 5762 | 42 |
| | | Siwani (Loose) | 5608 | 5642 | -33 |
| | Sirsa | Sirsa (Loose) | 5448 | 5396 | 53 |
| | | Dhabwali (Loose) | - | - | - |
| | | Dhabwali (Delivery) | - | - | - |
| | | Ellanabad (Loose) | - | - | - |
| | Fatehabad | Fatehabad (Loose) | 5488 | 5413 | 76 |
| Gujarat | Banaskantha | Deesa (Loose) | - | - | - |
| | Patan | Patan (Loose) | 5179 | 5248 | -68 |
| | Rajkot | Rajkot (Loose) | 5604 | 5576 | 28 |
| | Jamnagar | Dhrol (Loose) | - | - | - |
| Madhya Pradesh | Gwalior | Dabra (Loose) | - | - | - |
| Guar Gum | | | | | |
| Rajasthan | Jodhpur | Jodhpur | 10275 | 10333 | -58 |
| | Alwar | Alwar | - | - | - |
| | Hanumangarh | Nohar | - | - | - |
| Haryana | Bhiwani | Bhiwani | 10033 | 10633 | -600 |
| | Sirsa | Sirsa | 10483 | 10300 | 183 |
| | | Dhabwali | - | - | - |
| | | Ellanabad | - | - | - |
| | Fatehabad | Fatehabad | 10317 | 10300 | 17 |

| Guar Cumulative Arrivals in Key Centers: | | | | | |
|--|----------------|----------------|----------------------------|--------------------------|--------|
| Commodity | District | Centre | Weekly Arrivals (Quintals) | | Change |
| Guar Seed | | | 06th Dec to 11th Dec 2021 | 28th Nov to 4th Dec 2021 | |
| Rajasthan | Jodhpur | Jodhpur | 300 | 290 | 10 |
| | Sri-Ganganagar | Sri-Ganganagar | 4250 | 5050 | -800 |
| | | Rawla | 268 | 50 | 218 |
| | | Gharsana | 50 | 50 | Unch |
| | | Raisinghnagar | 290 | 50 | 240 |
| | Bikaner | Bikaner | 7100 | 7200 | -100 |
| | | Nokha | 4900 | 4350 | 550 |
| | | Khajuwala | 1650 | 1750 | -100 |
| | | Lunkaransar | 5800 | 4300 | 1500 |
| | Hanumangarh | Hanumangarh | 800 | 565 | 235 |
| | | Nohar | - | - | - |
| | | Pilibanga | - | - | - |
| | Nagaur | Nagaur | 1463 | 2142 | -679 |



| | | | | | |
|------------------------------|-------------|-----------|-------|-------|------|
| | Churu | Churu | - | - | - |
| | Alwar | Alwar | 47 | - | - |
| Haryana | Hisar | Adampur | 5100 | 3900 | 1200 |
| | Bhiwani | Bhiwani | 3400 | 2600 | 800 |
| | | Siwani | 2400 | 270 | 2130 |
| | Sirsa | Sirsa | 6800 | 5800 | 1000 |
| | | Dhabwali | - | - | - |
| | | Ellanabad | - | - | - |
| | Fatehabad | Fatehabad | 320 | 310 | 10 |
| Gujarat | Banaskantha | Deesa | - | - | - |
| | Patan | Patan | 160 | 139 | 21 |
| | Rajkot | Rajkot | 380 | 840 | -460 |
| | Jamnagar | Dhrol | - | - | - |
| Madhya Pradesh | Gwalior | Dabra | - | - | - |
| Total Arrivals/Above Markets | | | 45478 | 39656 | 5822 |

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