



## Guar Weekly Research Report

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## *Executive Summary*

## *Domestic Guar Seed Market Summary*

This week Guar seed prices at Jodhpur remained sideways and witnessed mild gains, decrease in arrivals supported price gains. Guar gum prices too remained sideways and decreased by more than 1%, However it is likely to rebound from this level on good rally in crude oil prices due to supply concerns and good demand.

Oil rig count in the US went up this week, jumped by 15 in Jan and rising for 17<sup>th</sup> straight month, it is a positive sign for guar export demand for the upcoming months.

### **Outlook – Guar seed (Spot, Jodhpur basis):**

Guar seed delivery prices are expected to trade range bound with firm bias supported by good export demand and firm crude oil prices. The seed prices are likely to trade in the range between 6,200 –6,500/Qtl. in the short-run.

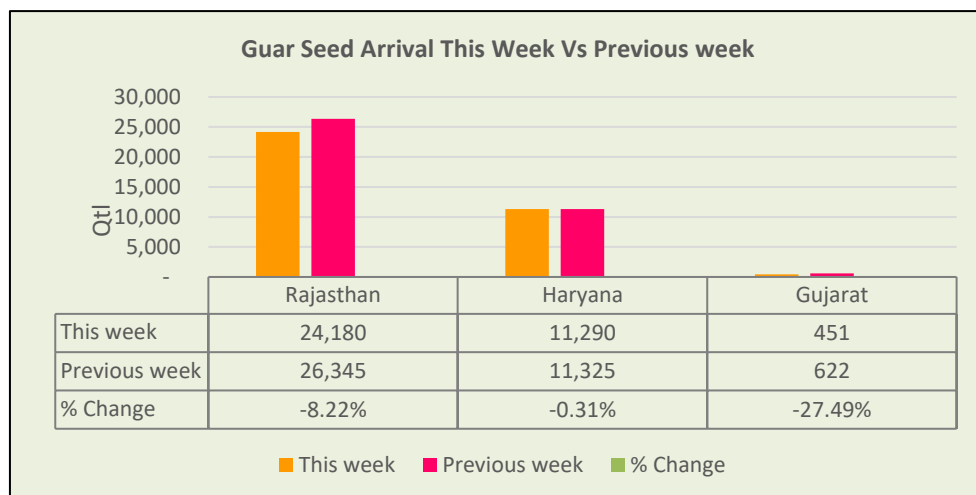
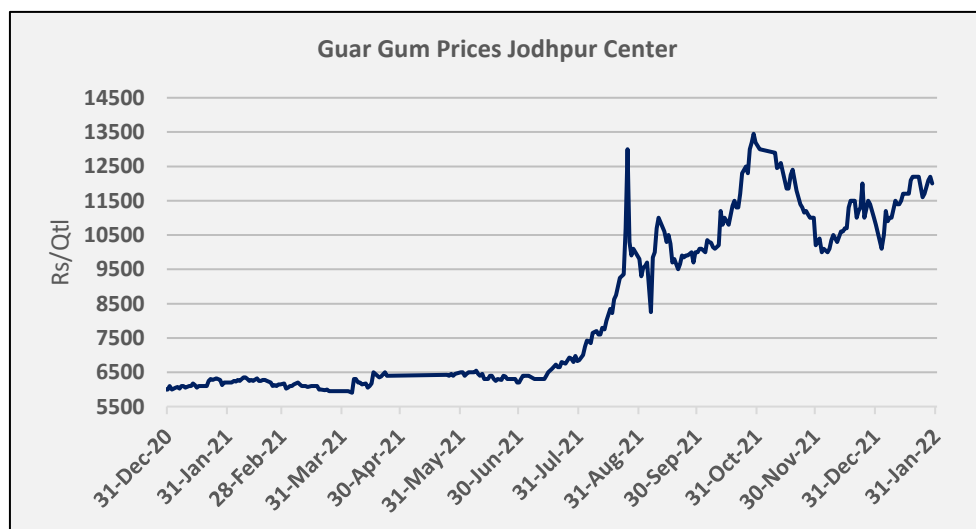
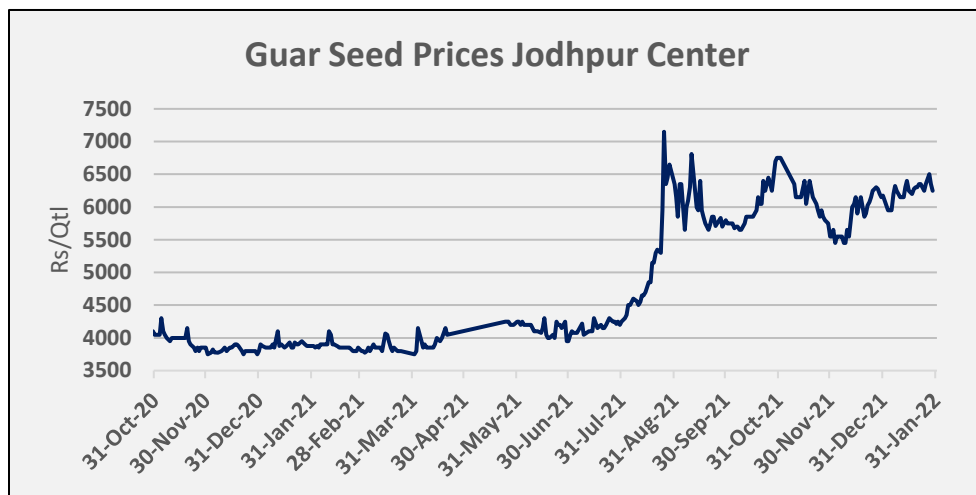
## Domestic Market Fundamentals

Overall arrivals went down in Rajasthan and Haryana and Gujarat this week.

The average weekly price of Jodhpur Guar seed delivery stayed sideways and increased by 0.72% to Rs. 6,500 a quintal, compared to Rs.6,453 a week ago. The market made a low of 6,405 and high of 6,668 during the week. Prices remained rangebound with firm bias amid tight arrivals.

The average weekly prices of Jodhpur Guar gum remained sideways and decreased by 1.5% to Rs. 11,920 a quintal, compared to Rs.12,100 a week ago. The market made a low of 11,600 and high of 12,200 during the week. Guar gum prices remained weak this week. However, it is likely to rebound on firmness in crude prices in upcoming week. Crude oil is currently hovering above \$85/ barrel and trading near seven year high on supply concerns.

Week ended 29th of January, Overall Guar seed arrivals went down by 6% as compared to previous week and arrivals went down by 8.22% in Rajasthan, in Haryana down by 0.31% and in Gujarat up by 27.49% as compared to previous week.



As on 29th Jan'2021, as per data released by Baker Hughes, the number of oilrigs in USA went up by 4 to 495 compared to 491 previous week. Monthly oilrig count in Dec'21 stood at 474 vs 259 last year same period. Oil rig count is at highest level since April 2011.

India's guar gum exports Increased in the month of December 2021 by 44.70% to 25,274 tonnes compared to 17,466 tonnes during previous month at an average FoB of US \$ 2466 per tonne in the month of Dec'2021 as compared to US \$ 2169 per tonne previous month. Further, the gum shipments were up by 43.24% in Dec'2021 compared to the same period last year. Of the total exported quantity, around 7,671 tonnes bought by US, Russia bought 6,964 tonnes, Germany 3,092 tonnes, china 1,036 tonnes, Australia 835 tonnes and Canada 687 tonnes. YoY good export demand has underpinned the guar prices triggered by good rally in crude oil prices and weak USD/INR. In upcoming months too guar gum exports likely to remain good.

Additionally, India's guar split exports too increased in the month of Dec'2021 by 24.73% to 3,268 tonnes compared to 2,620 tonnes previous month at an average FoB of US \$ 1,639 per tonne in the month of Dec'21 compared to US \$ 1,557 per tonne previous month. However, the guar split shipments gone up by 16.71 % in Dec'21 2021 compared to the same period last year. Of the total exported quantity, around 1,360 tonnes bought by China, US 960 tonnes, Mexico 528 tonnes and Switzerland 240 tonnes.

According to Agriwatch estimates, 2021 Guar seed production is estimated at 4.5 lakh tonnes lower than previous year at 5.83 lakh tonnes.

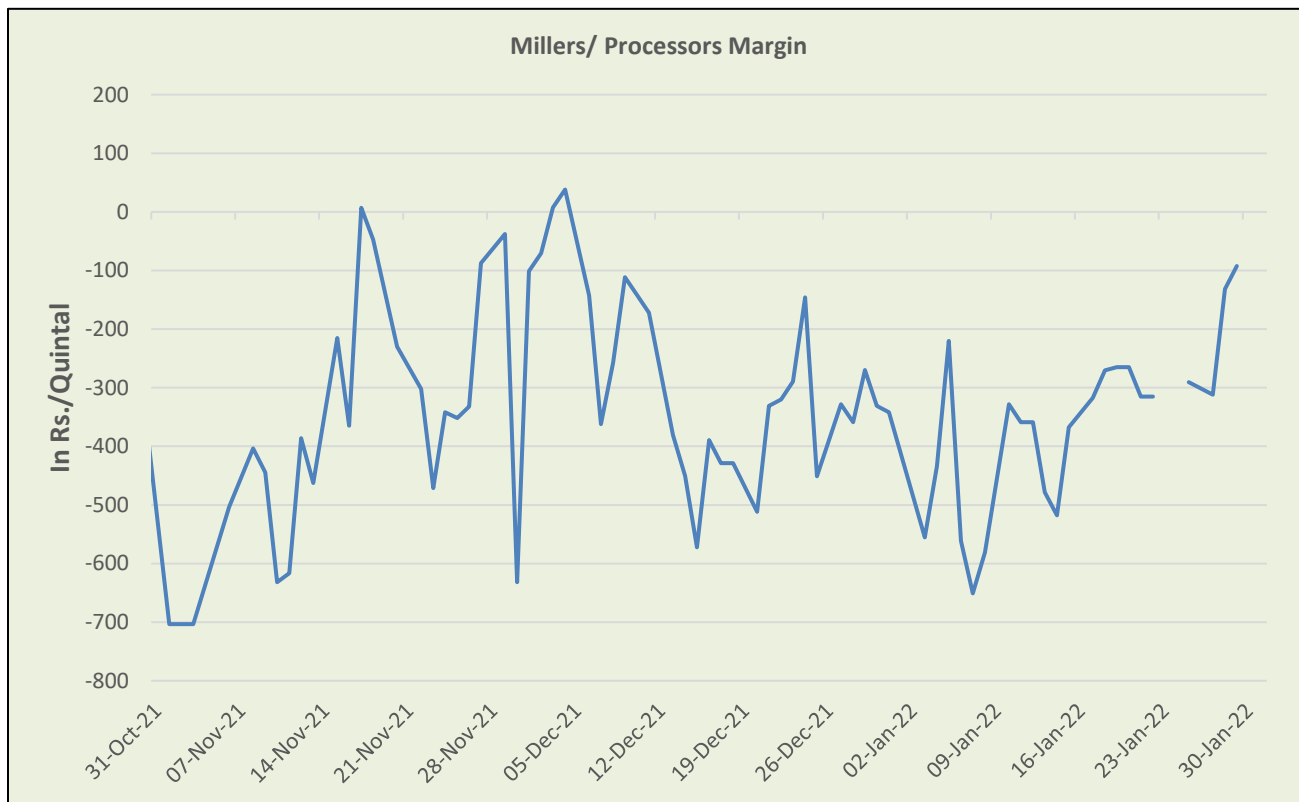
#### **Previous Updates:**

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. However, 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 was imported by US, Russia 4,000 tonnes, Germany 1,322 tonnes, China 1,070 tonnes, Australia 1,041 tonnes and Canada 862 tonnes.

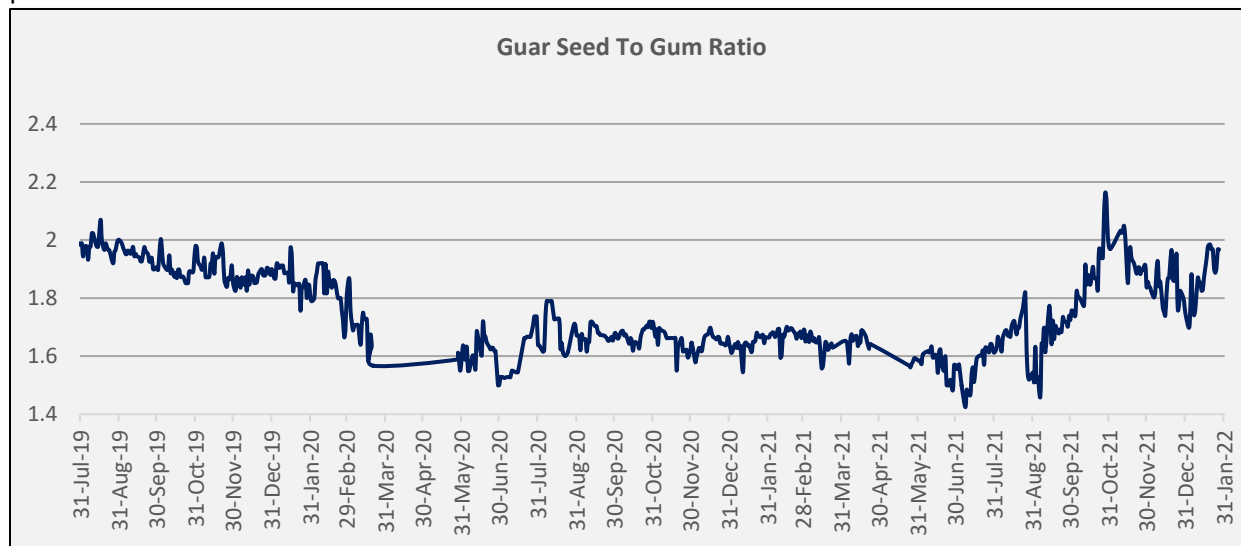
India's guar split exports increased in the month of Nov'2021 by 1.55% to 2,620 tonnes compared to 2,580 tonnes previous month at an average FoB of US \$ 1,557 per tonne in the month of Nov'21 compared to US \$ 1,325 per tonne previous month. However, the guar split shipments went down by 42.51 % in 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.

**Millers/Processors Margin**

As seen in the chart, the average crush margin of guar seed has decreased in January'22 (till 29<sup>th</sup> Jan) as compared to December'21, the average crush margin decreased to Rs. -363/quintal in Jan'22 compared to Rs. -283/quintal in Dec'21. Lower guar product prices like churi and korma have pushed down the processors' margin.

**Guar Seed to Gum Ratio**

The average weekly Ratio of guar seed to gum stood at 1.93 as compared to last week 1.97. Overall, good demand of gum from domestic markets has kept overall ratio on higher side, However ratio remained slightly lower than previous week.



## Guar Gum Weekly Export

Week On Week Exports	Quantity in MT	Average FoB (\$/T)
01-08 December-2021	6387	2219
9-15 December-2021	6145	2691
16-22 December-2021	5558	2800
23-31 December-2021	7183	2152
<b>Total</b>	<b>25274</b>	<b>2466</b>

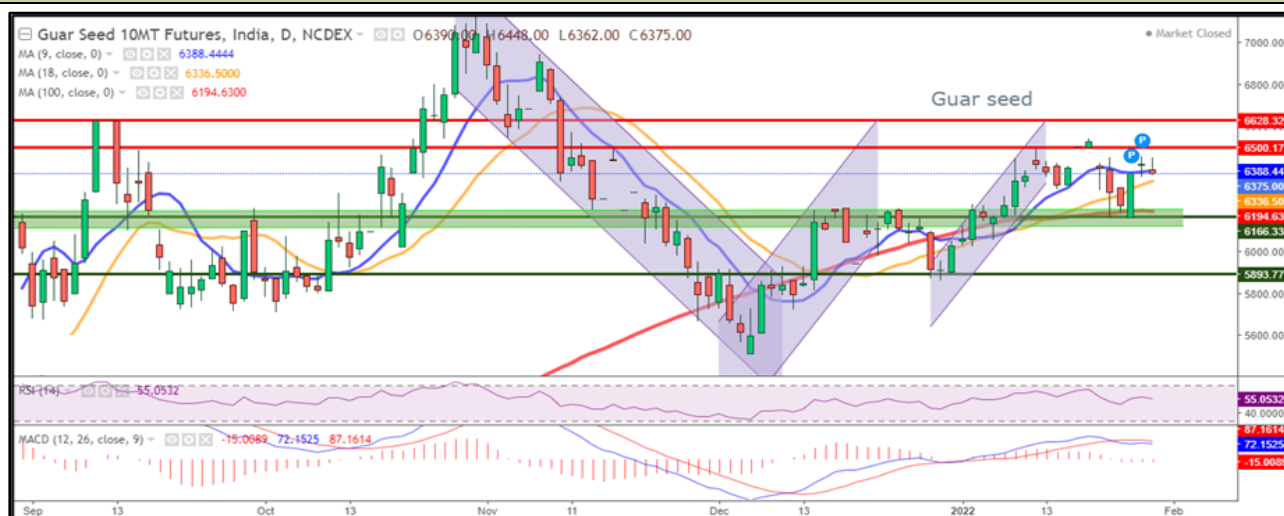
Source:Trade

## Technical Analysis (Guar Seed)

Commodity: Guar Seed  
Contract: February

Exchange: NCDEX  
Expiry: February 20, 2021

### Guar Seed (Feb, Daily Chart)



### Technical Commentary:

- This week, Guar seed posted 1.45% gain on Friday, and closed at 6375.
- Prices closed above 9 and 18 DMA, indicating firm tone in near-term, 100DMA emerged as good support.
- MACD cross over indicating steady tone in near term.
- RSI is 60, indicating good buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Seed	NCDEX	Feb	6200	6100	6375	6600	6700
			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Feb	BUY	Above 6300	6400	6500	6250



## Technical Analysis (Guar Gum)

Commodity: Guar Gum  
Contract: February

Exchange: NCDEX  
Expiry: February 20, 2021

### Guar Gum (Feb, Daily Chart)



### Technical Commentary:

- Guar gum posted 2.04% gain on buyers interest and closed at 11975
- Prices closed above 9 and 18 DMA, indicating firm tone in near-term.
- MACD cross over indicating firm tone in near term.
- RSI at 63 indicating good buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar Gum	NCDEX	Feb	11500	11000	11975	12500	12800
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Feb	BUY	Near 11900	12000	12300	11800

Guar by – Products Weekly Average Prices:				
Commodity	Centre	24th Jan to 29th Jan 2022	17th Jan to 22nd Jan 2022	Change
Churi	Jodhpur	2650	-	-
Korma	Jodhpur	3539	-	-
Churi	Sri-Ganganagar	2625	-	-
Korma	Sri-Ganganagar	3600	-	-
Prices in Rs/75 kg				

Guar Export Weekly Average Prices:				
Commodity	Variety	24th Jan to 29th Jan 2022	17th Jan to 22nd Jan 2022	Change
Guargum Split		1608	-	-
Guargum Powder	200 Mesh 5000 CPS	1804	-	-
	200 Mesh 3500 CPS	1741	-	-
Guargum Meal	40%	527	-	-
	50%	620	-	-
Prices in \$/MT				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			24th Jan to 29th Jan 2022	17th Jan to 22nd Jan 2022	
Rajasthan	Jodhpur	Jodhpur (Loose)	6190	6146	44
		Jodhpur(Delivery)	6500	6453	46
	Sri-Ganganagar	Sri-Ganganagar(Loose)	6220	5992	228
		Sri-Ganganagar (Delivery)	6370	6142	228
		Rawla (Loose)	5970	6083	-113
		Gharsana (Loose)	6090	6150	-60
		Raisinghnagar (Loose)	6152	6254	-102
	Bikaner	Bikaner (Loose)	6088	6162	-74
		Bikaner (Delivery)	6392	6470	-77
		Nokha(Loose)	6024	6133	-109
		Nokha (Delivery)	6325	6440	-115
		Khajuwala (Loose)	5980	6250	-270

		Khajuwala (Delivery)	6279	6563	-284
		Lunkaransar (Loose)	6026	6175	-149
	Hanumangarh	Hanumangarh (Loose)	5924	5928	-4
		Hanumangarh (Delivery)	6220	6225	-5
		Nohar (Loose)	6056	6110	-54
		Pilibanga (Loose)	5952	5922	30
	Nagaur	Nagaur (Loose)	5960	6175	-215
	Churu	Churu (Delivery)	5850	-	-
	Alwar	Alwar (Loose)	5730	5558	172
Haryana	Hisar	Adampur (Loose)	5954	6050	-96
		Adampur (Delivery)	6252	6353	-101
	Bhiwani	Bhiwani (Delivery)	-	-	-
		Siwani (Loose)	6100	6167	-67
	Sirsa	Sirsa (Loose)	5898	6003	-105
		Dhabwali (Loose)	5893	6007	-114
		Dhabwali (Delivery)	6188	6307	-119
		Ellanabad (Loose)	5892	6132	-240
	Fatehabad	Fatehabad (Loose)	5618	5642	-24
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	5753	5797	-44
	Rajkot	Rajkot (Loose)	6015	5947	68
	Jamnagar	Dhrol (Loose)	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	11920	12100	-180
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	-	-	-
	Sirsa	Sirsa	11840	12117	-277
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	11870	12125	-255

### Guar Cumulative Arrivals in Key Centers:

Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			24th Jan to 29th Jan 2022	17th Jan to 22nd Jan 2022	
Rajasthan	Jodhpur	Jodhpur	210	420	-210

	Sri-Ganganagar	Sri-Ganganagar	3600	4100	-500
		Rawla	485	490	-5
		Gharsana	680	530	150
		Raisinghnagar	430	360	70
	Bikaner	Bikaner	4900	4800	100
		Nokha	1900	3550	-1650
		Khajuwala	1950	1450	500
		Lunkaransar	4000	3500	500
	Hanumangarh	Hanumangarh	690	650	40
		Nohar	2205	2385	-180
		Pilibanga	980	615	365
	Nagaur	Nagaur	1500	2800	-1300
	Churu	Churu	350	520	-170
	Alwar	Alwar	300	175	125
Haryana	Hisar	Adampur	3500	4000	-500
	Bhiwani	Bhiwani	0	-	-
		Siwani	1100	730	370
	Sirsa	Sirsa	4350	3600	750
		Dhabwali	1050	1335	-285
		Ellanabad	880	1360	-480
	Fatehabad	Fatehabad	410	300	110
Gujarat	Banaskantha	Deesa	0	-	-
	Patan	Patan	123	63	60
	Rajkot	Rajkot	328	559	-231
	Jamnagar	Dhrol	0	-	-
Madhya Pradesh	Gwalior	Dabra	0	-	-
Total Arrivals/Above Markets			35921	38292	-2371

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			27-Jan-22	20-Jan-22	29-Dec-21	28-Jan-21
Rajasthan	Jodhpur	Jodhpur (Loose)	6350	6150	6050	3725
		Jodhpur(Delivery)	6668	6458	6353	3911
	Sri-Ganganagar	Sri-Ganganagar(Loose)	6300	6000	5850	3650
		Sri-Ganganagar (Delivery)	6450	6150	6000	3800
		Rawla (Loose)	5900	6200	5950	-
		Gharsana (Loose)	6200	6300	6000	3750
		Raisinghnagar (Loose)	6200	6250	5700	3760
	Bikaner	Bikaner (Loose)	6170	6100	5750	3750
		Bikaner (Delivery)	6479	6405	6038	3938
		Nokha(Loose)	6100	6100	5600	Closed
		Nokha (Delivery)	6405	6405	5880	Closed
		Khajuwala (Loose)	6000	6200	5850	3700
		Khajuwala (Delivery)	6300	6510	6143	3885
		Lunkaransar (Loose)	6100	6150	5700	3700
	Hanumangarh	Hanumangarh (Loose)	6000	5900	5800	3650
		Hanumangarh (Delivery)	6300	6195	6090	3833
		Nohar (Loose)	6100	6190	-	-
		Pilibanga (Loose)	5950	5985	5600	-
	Nagaur	Nagaur (Loose)	5900	6250	5800	Closed
	Churu	Churu (Delivery)	5800	5600	5900	-
	Alwar	Alwar (Loose)	5900	5800	5350	-
Haryana	Hisar	Adampur (Loose)	6000	6000	5700	3750
		Adampur (Delivery)	6300	6300	5985	3938
	Bhiwani	Bhiwani (Delivery)	-	-	6000	3900
		Siwani (Loose)	6200	6150	5750	3875
	Sirsa	Sirsa (Loose)	6025	6000	5650	3700
		Dhabwali (Loose)	5945	6080	-	3650
		Dhabwali (Delivery)	6242	6384	-	3833
		Ellanabad (Loose)	5600	6195	-	-
	Fatehabad	Fatehabad (Loose)	5800	5650	5250	3550
Gujarat	Banaskantha	Deesa (Loose)	-	-	-	-

	<b>Patan</b>	Patan (Loose)	5830	5700	5355	3785
	<b>Rajkot</b>	Rajkot (Loose)	5975	6000	5575	3650
	<b>Jamnagar</b>	Dhrol (Loose)	-	-	-	-
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	-	-	-	-
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	12100	12200	11200	6125
	<b>Alwar</b>	Alwar	-	-	-	-
	<b>Hanumangarh</b>	Nohar	-	-	-	-
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	-	-	11200	6025
	<b>Sirsa</b>	Sirsa	12000	12100	11700	6100
		Dhabwali	-	-	-	6250
		Ellanabad	-	-	-	-
	<b>Fatehabad</b>	Fatehabad	12000	12200	11300	6200

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