



## Guar Weekly Research Report

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## *Executive Summary*

## *Domestic Guar Seed Market Summary*

During the week ending 17<sup>th</sup> March, weekly average Guar seed prices at Jodhpur went up by 2.86% to Rs 6,486/qrtl on good demand. In tandem with Guar seed, Guar gum prices also went up by 2.81% to Rs. 11,450/qrtl during the week under review. Guar prices may find some support from Russia-Ukraine negotiation talks. However, uncertainty prevails which may keep prices of Guar complex volatile.

Oil rig count decreased this week by 3 to 524, Crude oil prices slipped near \$103/ barells due to demand concern and supply disruption fears and surging COVID-19 cases in China.

India's guar export in Oct'21-Feb'22 is up by 28% to 1,25,921 MT as compared to 98,379 MT previous year same period. In Feb'22 Russia bought 3,579 MT, 17.44% of the total guar gum exports during the month as compared to 3,519 MT (16.47% of the total gum export of the month) previous months.

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

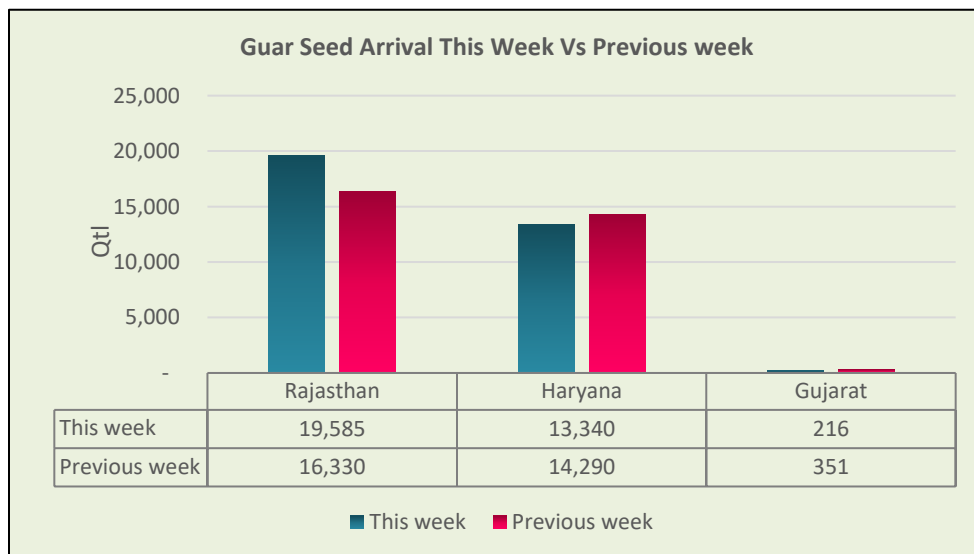
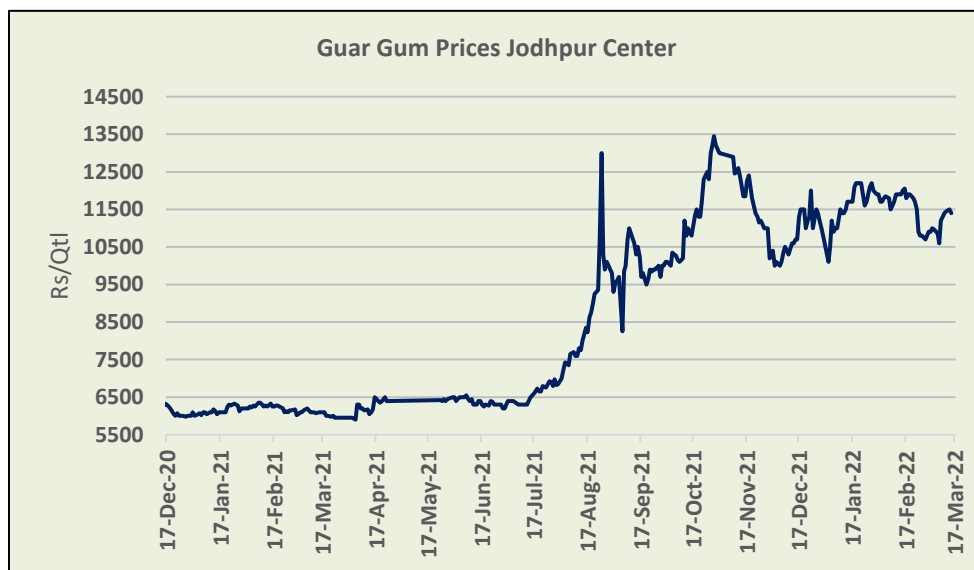
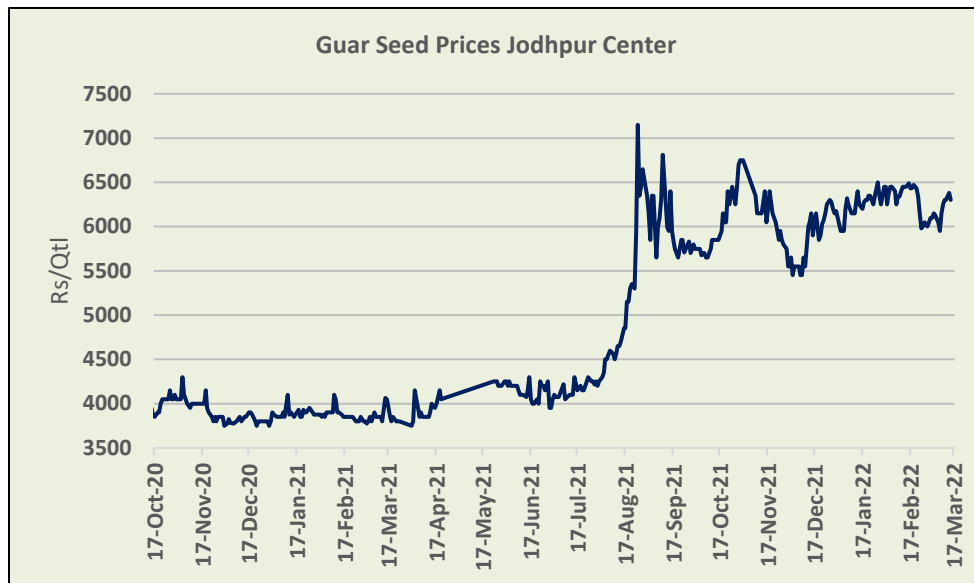
Guar seed -prices are expected to remain range bound bias and sideways amid Russia-Ukraine conflict and export demand concern. The Jodhpur Guar seed delivery prices are likely to trade in the range between 6,200 –6,500/Qtl. in the short-run.

## Domestic Market Fundamentals

The average weekly price of Jodhpur Guar seed delivery continued to gain from the recent lows and went up by 2.86% to Rs. 6,486 a quintal, compared to Rs.6,305 a quintal a week ago. The market made a low of 6,458 and high of 6,542 during the week. Prices went up on good demand at lower level and expectation of Russian guar export demand due to negotiation talks between Russia -Ukraine to end the war. Moreover, increase in oil rig count on bullish crude oil prices too underpinned prices.

The average weekly prices of Jodhpur Guar gum also increased by 2.81% to Rs. 11,450 a quintal, compared to Rs.11,137 a quintal week ago. The market made a low of Rs.10,400 and high of Rs.11,500 a quintal during the week. Crude oil remained volatile this week and slipped just above \$103/ barrel amid Russia-Ukraine conflict.

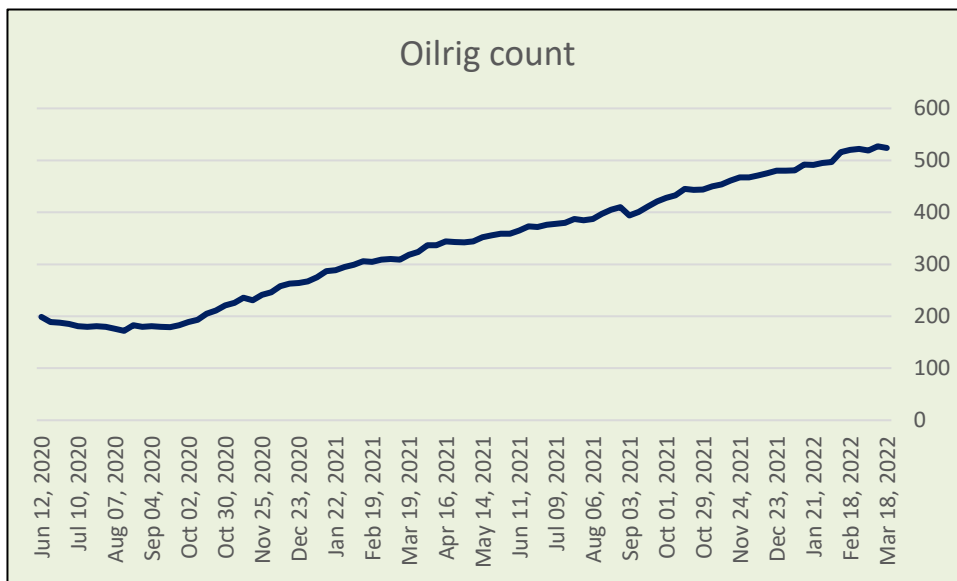
Overall Guar seed arrivals during the week ending March 18<sup>th</sup>, remained higher by 6% as compared to previous week. Arrivals went up by 20 % in Rajasthan, while in Haryana and Gujarat arrivals recorded down by



6.65% and 38% as compared to previous week respectively.

As per data released by Baker Hughes as on 18<sup>th</sup> March, 2022, the number of oilrigs in USA went down by 3 to 524 as compared to previous week's 527.

Overall, India's guar export in Oct'21-Feb'22 is up by 28% to 1,25,921 MT as compared to 98,379 MT previous same period last year. Increase in oilrig count and weak Indian currency supported export demand.



India's guar gum exports decreased in the month of February 2022 by 4% to 20,518 MT compared to 21,373 MT during previous month at an average FoB of US \$2,326 per MT as compared to US \$2,171 per MT previous month. However, the gum shipments were up by 14.53% in Feb'2022 compared to the same period last year. Out of the total exported quantity, around 6,406 MT (31.22%) bought by US, Russia bought 3,579 MT (17.44%), Germany bought 2,356 MT (11.48%), China bought 1,230 MT (5.99%), and Canada bought 897 MT (4.37%) respectively.

Additionally, India's Guar split exports increased in the month of Feb'2022 by 35.60% to 5,485 MT as compared to 4,045 MT previous month at an average FoB of US \$ 1,815 per MT compared to US \$ 1,780 per MT last month. However, the guar split shipments went up by 85.03 % to 5,485 MT in Feb'22 compared to the same period last year at 2,964 MT. Out of the total exports, around 3,460 MT (72.20%) bought by China, US bought 760 MT (13.86%), Mexico bought 405 MT (7.38%) and Switzerland bought 360 MT(6.56%).

Meanwhile, according to Agriwatch estimates, 2021 Guar seed production is estimated at 4.5 lakh MT lower than previous year's 5.83 lakh MT.

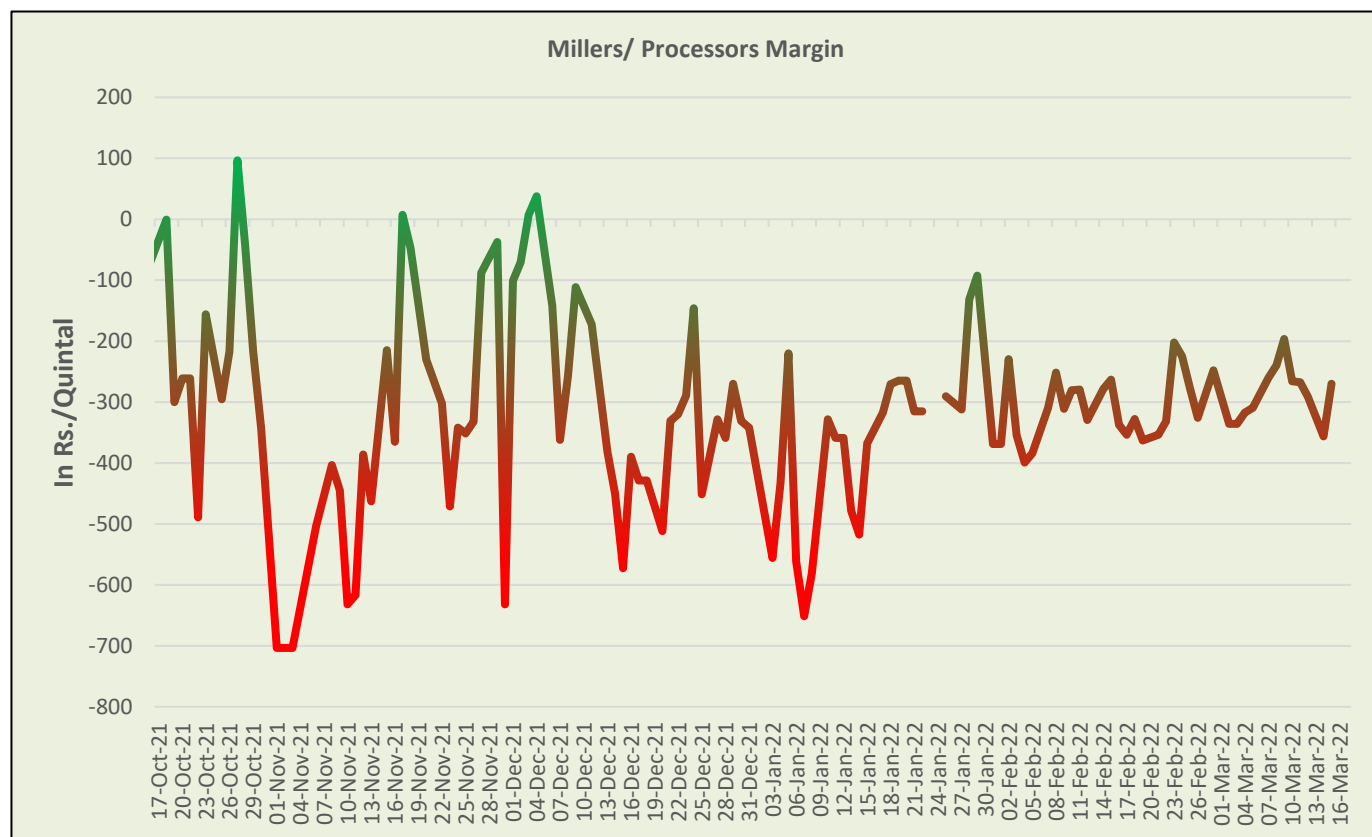
### Previous months exports:

India's guar gum exports decreased in the month of January 2022 by 15.43% to 21,373 MT compared to 25,274 MT during previous month at an average FoB of US \$2,171 per MT as compared to US \$2,466 per MT previous month. However, the gum shipments were up by 35.18% in Jan'2022 compared to the same period last year. Of the total exported quantity, around 6,473 MT bought by US, Russia bought 3,519 MT, Germany bought 2,640 MT, China bought 1,282 MT, and Canada bought 696 MT.

Additionally, India's guar split exports increased in the month of Jan'2022 by 23.78% to 4,045 MT compared to 3,268 MT previous month at an average FoB of US \$ 1,780 per MT compared to US \$ 1,639 per MT previous month. However, the guar split shipments gone down by 26.61 % in Jan'22 compared to the same period last year. Of the total exported quantity, around 3,460 MT bought by China, US bought 500 MT, and Mexico bought 78 MT.

## Millers/Processors Margin

This week, the average crush margin of Guar seed has increased to -305/qrtl as compared to previous week's -256/qrtl. Lower guar product prices (churi and korma) have pushed down the processors' margin.



## Guar gum Weekly Export

<b>Week On Week Exports</b>	<b>Quantity in MT</b>	<b>Average FoB (\$/T)</b>
01-08 February-2022	5910	2622
9-15 February-2022	5196	2191
16-22 February-2022	5459	2307
23-28 February-2022	3952	2117
<b>Total</b>	<b>20518</b>	<b>2326</b>

Source:Trade

## Technical Analysis (Guar seed)

Commodity: Guar seed  
Contract: April

Exchange: NCDEX  
Expiry: April 20, 2022

### Guar seed (April, Daily Chart)



### Technical Commentary:

- As seen in the chart, prices are moving in the channel, where prices are making higher lows and high, lower channel line acting as support and upper as resistance, prices are expected to remain within the channel.
- Week ending 17<sup>th</sup> March, Guar seed remained sideways and went barely down by 0.66% and closed at 6160 during the week Guar seed made low of 6032 and a high of 6316.
- Prices closed above 9, 18, indicating firm tone in near-term.
- Trading below 100 DMA support, characterized as resistance.
- MACD cross over indicating bullish tone in near term.
- RSI at near 53, indicating firm buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar seed	NCDEX	April	6000	5800	6160	6400	6500
			Call	Entry	T1	T2	SL
Guar seed	NCDEX	April	BUY	Near 6150	6200	6300	6100

## Technical Analysis (Guar gum)

Commodity: Guar gum  
Contract: April

Exchange: NCDEX  
Expiry: April 20, 2022

## Guar gum (April, Daily Chart)



## Technical Commentary:

- As seen in the above chart, prices are moving in the channel, where prices are making higher lows and high, lower channel line acting as support and upper as resistance, prices are expected to remain within the channel.
- Guar gum went down by 1.15% and closed at 11240, during the week market made low of 10940 and a high of 11554.
- Prices closed above 9 and 18 DMA, characterized as support.
- Trading below 100 DMA support, characterized as resistance.
- MACD cross over indicating steady tone in near term.
- RSI at near 50 indicating firm buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar gum	NCDEX	April	11100	10800	11240	11500	11800
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar gum	NCDEX	April	BUY	Near 11220	11300	11400	11180

## Guar by – Products Weekly Average Prices:

Commodity	Centre	12th March 22 to 17th Mar 2022	05th March 22 to 11th Mar 2022	Change
Churi	Jodhpur	2688	2650	38
Korma	Jodhpur	3597	3497	99
Churi	Sri-Ganganagar	2607	2588	19
Korma	Sri-Ganganagar	3600	3558	42

Prices in Rs/75 kg

## Guar Export Weekly Average Prices:

Commodity	Variety	12th March 22 to 17th Mar 2022	05th March 22 to 11th Mar 2022	Change
Guargum Split		-	1472	-
Guargum Powder	200 Mesh 5000 CPS	-	1720	-
	200 Mesh 3500 CPS	-	1655	-
Guargum Meal	40%	-	508	-
	50%	-	607	-

Prices in \$/MT

## Guar Seed Weekly Average Prices:

Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			12th March 22 to 17th Mar 2022	05th March 22 to 11th Mar 2022	
Rajasthan	Jodhpur	Jodhpur (Loose)	6177	6005	172
		Jodhpur(Delivery)	6486	6305	180
	Sri-Ganganagar	Sri-Ganganagar(Loose)	5810	5710	100
		Sri-Ganganagar (Delivery)	5960	5860	100
		Rawla (Loose)	5813	5587	226
		Gharsana (Loose)	5875	5758	117
		Raisinghnagar (Loose)	5920	5853	67
	Bikaner	Bikaner (Loose)	5938	5800	138
		Bikaner (Delivery)	6234	6090	144
		Nokha(Loose)	5950	5792	158
		Nokha (Delivery)	6248	6081	166
		Khajuwala (Loose)	-	-	-
		Khajuwala (Delivery)	-	-	-



		Lunkaransar (Loose)	5913	5775	138
	Hanumangarh	Hanumangarh (Loose)	5631	5600	31
		Hanumangarh (Delivery)	5913	5880	33
		Nohar (Loose)	6196	6012	184
		Pilibanga (Loose)	5722	5457	265
	Nagaur	Nagaur (Loose)	5992	5777	215
	Churu	Churu (Delivery)	5900	5608	292
	Alwar	Alwar (Loose)	5640	5451	189
Haryana	Hisar	Adampur (Loose)	5700	5675	25
		Adampur (Delivery)	5985	5959	26
	Bhiwani	Bhiwani (Delivery)	-	-	-
		Siwani (Loose)	5971	5796	175
	Sirsa	Sirsa (Loose)	5634	5561	73
		Dhabwali (Loose)	5702	5591	111
		Dhabwali (Delivery)	5987	5870	117
		Ellanabad (Loose)	5666	5530	136
	Fatehabad	Fatehabad (Loose)	5430	5304	126
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	-	-	-
	Rajkot	Rajkot (Loose)	-	-	-
	Jamnagar	Dhrol (Loose)	-	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	11450	11137	313
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	-	-	-
	Sirsa	Sirsa	11340	11150	190
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	11040	10950	90

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			12th March 22 to 17th Mar 2022	05th March 22 to 11th Mar 2022	
Rajasthan	Jodhpur	Jodhpur	620	795	-175
	Sri-Ganganagar	Sri-Ganganagar	4100	3600	500

		Rawla	70	230	-160
		Gharsana	305	310	-5
		Raisinghnagar	570	580	-10
	Bikaner	Bikaner	1500	1375	125
		Nokha	1650	1600	50
		Khajuwala	600	200	400
		Lunkaransar	2900	2700	200
	Hanumangarh	Hanumangarh	460	700	-240
		Nohar	2635	1500	1135
		Pilibanga	395	480	-85
	Nagaur	Nagaur	1045	575	470
	Churu	Churu	2480	1370	1110
	Alwar	Alwar	255	315	-60
Haryana	Hisar	Adampur	3100	2400	700
	Bhiwani	Bhiwani	100	200	-100
		Siwani	2300	1650	650
	Sirsa	Sirsa	5800	7500	-1700
		Dhabwali	880	1190	-310
		Ellanabad	860	950	-90
	Fatehabad	Fatehabad	300	400	-100
Gujarat	Banaskantha	Deesa	-	200	-
	Patan	Patan	53	51	2
	Rajkot	Rajkot	163	100	63
	Jamnagar	Dhrol	-	-	-
Madhya Pradesh	Gwalior	Dabra	-	295	-
Total Arrivals/Above Markets			33141	31266	1875

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