



# Guar Weekly Research Report

## Table of Contents

- ❖ **Executive Summary**
- ❖ **Outlook**
- ❖ **Domestic Market Fundamentals**
- ❖ **Processing Margins**
- ❖ **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*

Guar seed weekly average prices at Jodhpur (delivery prices) extended previous week loss and went marginally down by 0.16% to INR. 4,817/qtl. And Guar gum prices went up by 2% at INR. 8,700/Qtl amid higher production expectation.

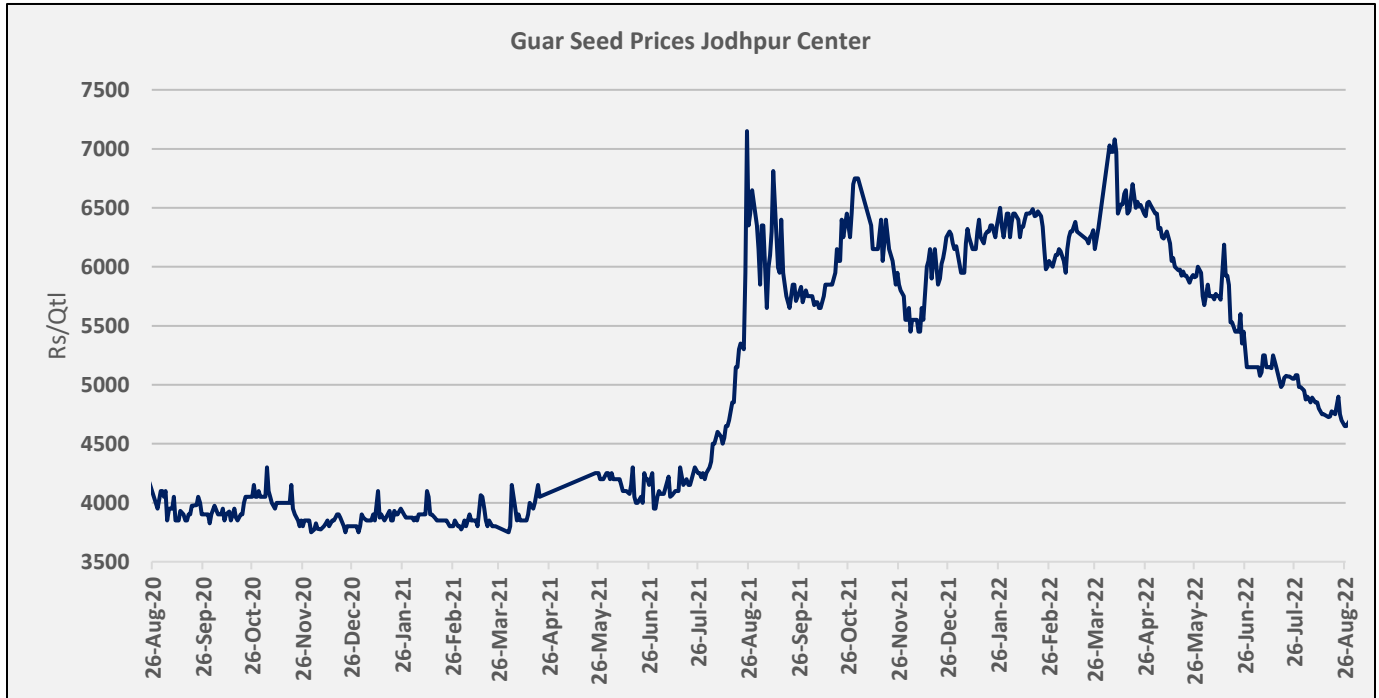
As on 26th Aug'2022, as per data released by Baker Hughes, the number of oilrigs in USA increased by 4 from 601 in the previous week to 605 this week.

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

Guar seed - prices are expected to remain weak amid higher production expectation. The Jodhpur Guar seed delivery prices are likely to trade in the range between INR 4,600 –5,000/Qtl. in the short-run. And Guar gum is expected to trade in the range of 8,400-9,000/qtl in near term.

## Domestic Market Fundamentals

Guar seed Jodhpur delivery weekly average prices extended previous week loss and went marginally down by 0.16% to INR 4,817/qtl as compared to previous week's at INR 4,825/qtl. amid expectation of higher production.



During the week under review weekly average prices of guar gum witnessed gains and went up by 2.05% at INR 8,700/qtl. vs previous week at INR 8,525/qtl. in tandem with guar seed prices.



Overall Guar seed arrivals recorded up by 123% during the week under review as compared to previous week. Arrivals recorded up in Rajasthan by 161%, while in Haryana arrivals went up by 88% as compared to previous week.

In Qtl	Rajasthan	Haryana	Gujarat
20th Aug to 26th Aug 2022	8,068	8,029	287
13th Aug to 19th Aug 2022	3,080	4,251	-
% Change	161.95%	88.87%	-

### Weather and sowing Updates

As of 24th Aug '22, According to the Department of Agriculture, Rajasthan, Guar sowing is up by 50% at 30.79 Lakh hectare as compared to 20.48 Lakh hectare previous year same period. This season sowing area is high due to early rains and better returns.

Guar seed sowing progress 2022-23			
State	Area of Kharif-2021 During Corresponding Period	Progressive Area of Kharif 2022	% change over previous year
Rajasthan (As on 24 Aug'22)	20.48	30.79	50%
Gujarat (As on 29 Aug'22)	1.08	1.02	-6%
Source: State government		Area in Lakh Ha	

In western Rajasthan, from 1<sup>st</sup> June to 29<sup>th</sup> Aug'2022 Cumulative rainfall recorded up by 79%. Higher acreage amid good rainfall kept Guar seed and gum prices under pressure. The prices have corrected by more than 30% since April due to forecast of normal rains and improved area under Guar seed.

Western Rajasthan Districts	Cumulative Rainfall Departure (%) 1st June to 29th Aug'22 In Western Rajasthan Districts
Ganganagar	127%
Bikaner	104%
Jaisalmer	133%
Barmer	94%
Jodhpur	82%
Churu	58%
Nagaur	54%
Jalor	69%
Hanumangarh	40%
Pali	19%
West Rajasthan	79%
Rajasthan	48%

### Oil Rig count

As on 26<sup>th</sup> Aug'2022, as per data released by Baker Hughes, the number of oilrigs in USA increased by 4 from 601 in the previous week to 605 this week.

## Guar Split Exports

India's Guar split exports decreased in the month of July'2022 by 32% to 5,882 MT as compared to 8,620 MT previous month. However, the Guar split shipments up by 3.92% in July'22 compared to the same period last year. Out of the total exports, around 4,220 MT (71.74%) bought by China, 302 MT (9.98%) bought by USA.

Country	Qty in MT	% Share
CHINA	4220	71.74%
USA	960	16.32%
MEXICO	302.4	5.14%
RUSSIA	200	3.40%
SWITZERLAND	120	2.04%
NETHERLANDS	80	1.36%
<b>Grand Total</b>	<b>5882.4</b>	<b>100.00%</b>

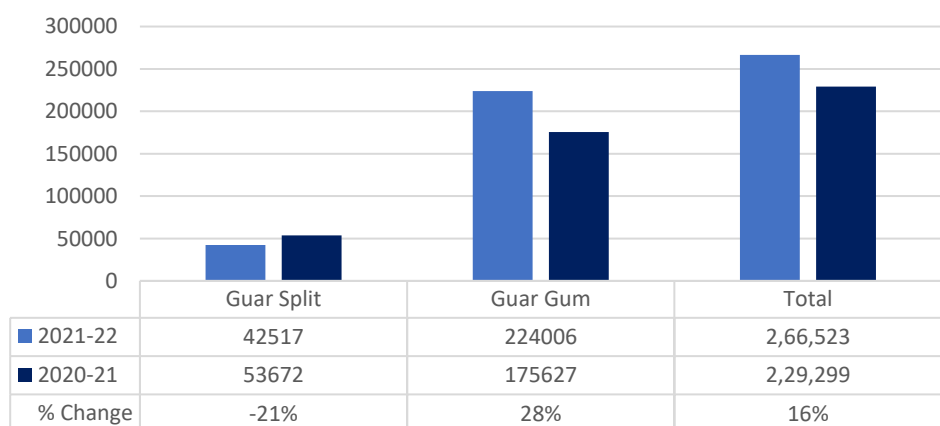
**Guar Gum Exports:** India's Guar gum exports decreased in the month of July 2022 by 23% to 22,501 MT compared to 29,236 MT during previous month. However, the gum shipments were up by 36.12% in July 2022 compared to the same period last year. Out of the total exported quantity, around 5737 MT (25.50%) was bought by the US, Russia bought 4077 MT (18.12%), China 1,884 MT (8.37%), Germany 2,270 MT (10.09%). Export demand declined amid correction in crude oil prices. We expect Guar gum export in Aug'22 around 22,000-25,000 tonnes, as WTI crude oil corrected by 9.72% in Aug'22.

Country	Quantity in (MT)	% Share
USA	5737	25.50%
RUSSIA	4077	18.12%
GERMANY	2270	10.09%
CHINA	1884	8.37%
BRAZIL	1055	4.69%
CANADA	906	4.03%
NETHERLANDS	746	3.32%
AUSTRALIA	618	2.74%
UAE	475	2.11%
ITALY	387	1.72%
Others	4347	19%
<b>Total</b>	<b>22501</b>	<b>100%</b>

## Total Cumulative Guar exports

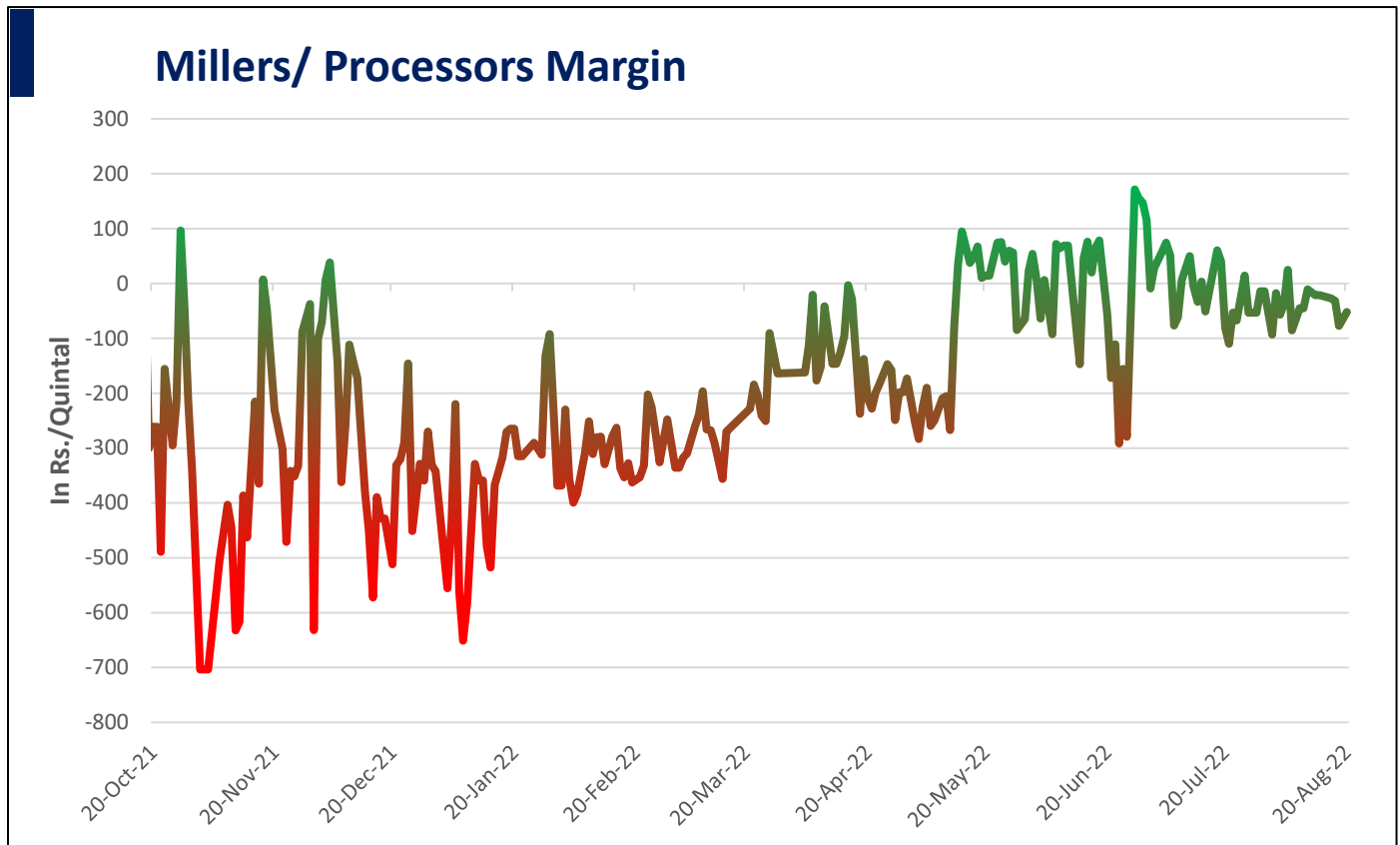
Oct-July'22 recorded up by 16% to 2.66 Lakh tonnes as compared to 2.29 Lakh tonnes previous year same period amid bullish crude oil prices and increase in oil rig count

Cumulative guar exports 2020-21 Vs 2021-22 (Oct-July)



■ 2021-22 ■ 2020-21

**Millers/Processors Margin-** Average net crush margin remained negative amid weakness in churi korma prices. During the week under review, the average net crush margin of Guar seed remained at INR. -45/qtl as compared to INR. -38/qtl. previous week. In upcoming week too, guar crush margin likely to remain squeezed.



### Technical Analysis (Guar seed)

Commodity: Guar seed  
 Contract: Sept

Exchange: NCDEX  
 Expiry: Sept 20, 2022

#### Guar seed (Sept, Daily Chart)



Violet histogram Indicates WTI crude oil daily price movement.

#### Technical Commentary:

- As seen in above chart during the week under review, market went above 9 and 18 DMA which might be indicative of trend reversal.
- During the week, Guar seed went marginally down by 0.06% and closed at 4727, during the week Guar seed made low at 4517 and a high of 4748.
- MACD cross over and DIF indicating weak momentum.
- RSI is near 49 ,steady to firm buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar seed	NCDEX	Sept	4500	4400	4727	5000	5200
			Call	Entry	T1	T2	SL
Guar seed	NCDEX	Sept	Sell	4800	4700	4600	4900



## Technical Analysis (Guar gum)

Commodity: Guar gum

Contract: Sept

Exchange: NCDEX

Expiry: Sept 20, 2022

### Guar gum (Sept, Daily Chart)



Voilet histogram Indicates WTI crude oil daily price movement.

### Technical Commentary:

- As seen in above chart market is currently in down trend and making lower lows and trading below 9,18,50 and 100 DMA indicating weak sentiments.
- During the week Guar gum went up by 0.40%, market made low at 8,425, high at 8,880 and closed at 8853.
- MACD and DIF indicating a weak momentum.
- RSI is near 50 indicating firm buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar gum	NCDEX	Sept	8500	8300	8853	9300	10000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar gum	NCDEX	Sept	Sell	9000	8600	8500	9100



Guar by – Products Weekly Average Prices:				
Commodity	Centre	20th Aug to 26th Aug 2022	13th Aug to 19th Aug 2022	Change
Churi	Jodhpur	2033	2100	-67
Korma	Jodhpur	3163	3188	-25
Churi	Sri-Ganganagar			Unch
Korma	Sri-Ganganagar			Unch
Prices in Rs/75 kg				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			20th Aug to 26th Aug 2022	13th Aug to 19th Aug 2022	
Rajasthan	Jodhpur	Jodhpur (Loose)	4588	4595	-8
		Jodhpur(Delivery)	4817	4825	-8
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4317	4500	-183
		Sri-Ganganagar (Delivery)	4467	4650	-183
		Rawla (Loose)	4450	4460	-10
		Gharsana (Loose)	4395	-	-
		Raisinghnagar (Loose)	4274	4431	-157
	Bikaner	Bikaner (Loose)	4417	4517	-100
		Bikaner (Delivery)	4638	4751	-114
		Nokha(Loose)	4433	4563	-129
		Nokha (Delivery)	4655	4791	-136
		Khajuwala (Loose)	4392	4500	-108
		Khajuwala (Delivery)	4611	4725	-114
		Lunkaransar (Loose)	4450	4575	-125
	Hanumangarh	Hanumangarh (Loose)	4325	4500	-175
		Hanumangarh (Delivery)	4541	4725	-184
		Nohar (Loose)	-	-	-
		Pilibanga (Loose)	-	-	-
	Nagaur	Nagaur (Loose)	4463	4527	-65
	Churu	Churu (Delivery)	-	-	-
	Alwar	Alwar (Loose)	-	-	-
Haryana	Hisar	Adampur (Loose)	4470	4588	-118
		Adampur (Delivery)	4694	4817	-123

	Bhiwani	Bhiwani (Delivery)	-	-	-
		Siwani (Loose)	4633	4734	-101
	Sirsa	Sirsa (Loose)	4330	4461	-131
		Dhabwali (Loose)	4508	4457	51
		Dhabwali (Delivery)	4508	4680	-172
		Ellanabad (Loose)	4413	4315	98
	Fatehabad	Fatehabad (Loose)	4000	-	-
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	4325	-	-
	Rajkot	Rajkot (Loose)	4461	-	-
	Jamnagar	Dhrol (Loose)	4495	-	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8700	8525	175
	Alwar	Alwar	-	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	-	-	-
	Sirsa	Sirsa	8670	8533	137
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	-	-	-

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			20th Aug to 26th Aug 2022	13th Aug to 19th Aug 2022	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	500	180	320
		Rawla	288	125	163
		Gharsana	484	159	325
		Raisinghnagar	299	365	-66
	Bikaner	Bikaner	1150	450	700
		Nokha	480	150	330
		Khajuwala	1100	300	800
		Lunkaransar	3100	1200	1900
	Hanumangarh	Hanumangarh	220	75	145
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch



	Nagaur	Nagaur	447	76	371
	Churu	Churu	0	0	Unch
	Alwar	Alwar	0	0	Unch
Haryana	Hisar	Adampur	2550	1500	1050
	Bhiwani	Bhiwani	0	0	Unch
		Siwani	2200	1200	1000
	Sirsa	Sirsa	1950	461	1489
		Dhabwali	200	81	119
		Ellanabad	1123	1009	114
	Fatehabad	Fatehabad	6	0	6
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	10	0	10
	Rajkot	Rajkot	255	0	255
	Jamnagar	Dhrol	22	0	22
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			16384	7331	9053

#### 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> © 2022 Indian Agribusiness Systems Limited