



# Guar Weekly Research Report

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## *Executive Summary*

## *Domestic Guar Seed Market Summary*

Guar seed weekly average prices at Jodhpur (delivery prices) remained stable at INR. 4,737/qtl. And Guar gum prices went up by 3% at INR. 8,967/Qtl amid higher production expectation.

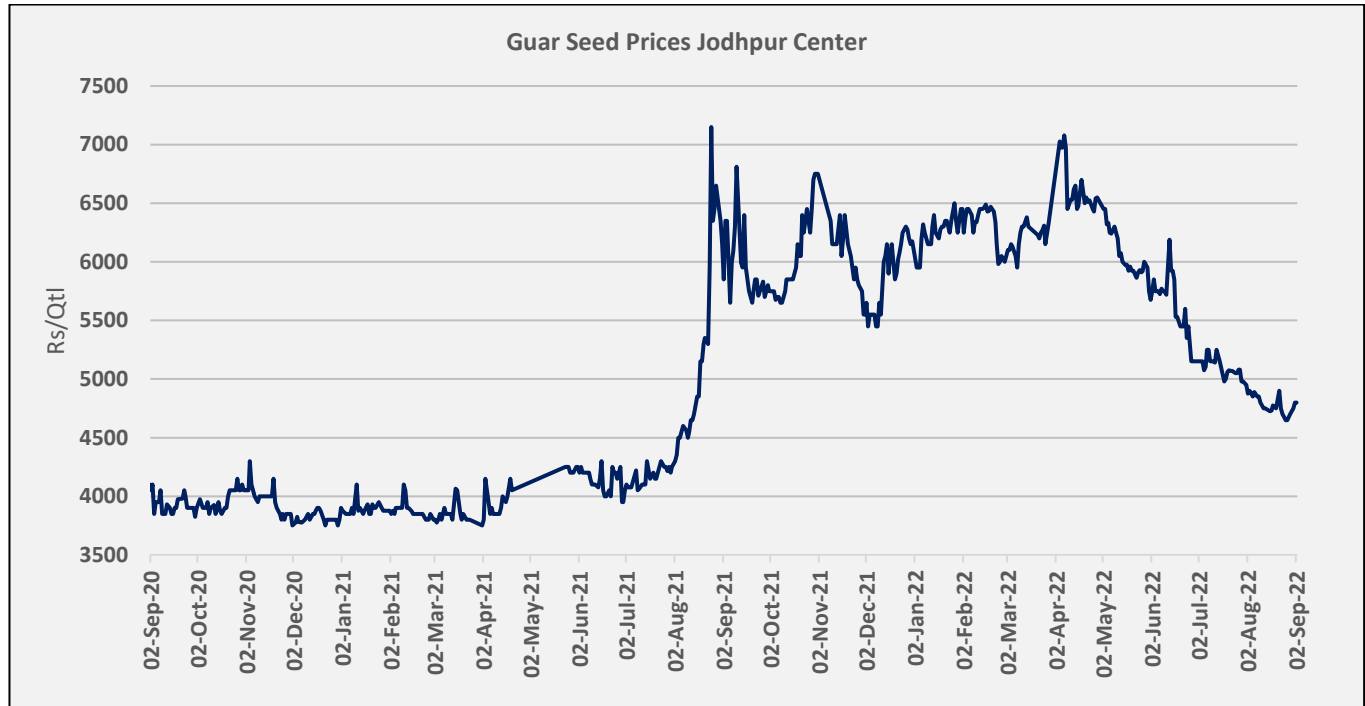
As on 02nd Sep'2022, as per data released by Baker Hughes, the number of oilrigs in USA decreased by 9 from 605 in the previous week to 596 this week.

### **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 4,700 –5,000/Qtl. in the short-run. And Guar gum is expected to trade in the range of 8,600-9,200/qtl in near term.

## Domestic Market Fundamentals

Guar seed Jodhpur delivery weekly average prices during the week under review remained stable at INR 4,737/qrtl as compared to previous weeks at INR 4,737/qrtl. amid expectation of higher production.

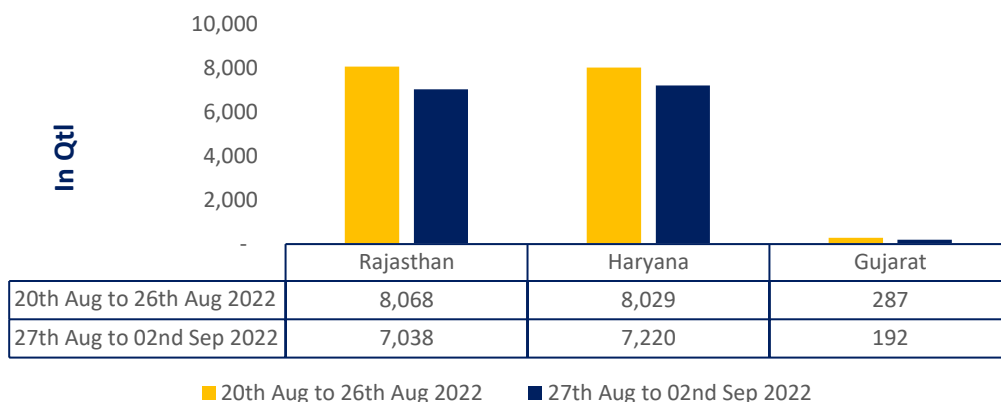


During the week under review weekly average prices of guar gum witnessed gains and went up by 3% at INR 8,967/qrtl. vs previous week at INR 8,700/qrtl. in tandem with guar seed prices, rebound in crude oil prices kept guar gum on positive note.



Overall Guar seed arrivals recorded down during the week under review as compared to previous week. Arrivals recorded down in Rajasthan at 7,038 Qtl while in Haryana arrivals went up at 7,220 qtl as compared to previous week.

### Guar Seed Arrival This Week Vs Previous week



### 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 02<sup>nd</sup> Sep'2022 Cumulative rainfall recorded up by 73%. 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 2nd Sep'22 In Western Rajasthan Districts
Ganganagar	117%
Bikaner	97%
Jaisalmer	123%
Barmer	86%
Jodhpur	76%
Churu	55%
Nagaur	50%
Jalor	64%
Hanumangarh	37%
Pali	15%
West Rajasthan	73%
Rajasthan	43%

### Oil Rig count

As on 02<sup>nd</sup> Sep'2022, as per data released by Baker Hughes, the number of oilrigs in USA decreased by 9 from 605 in the previous week to 596 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>

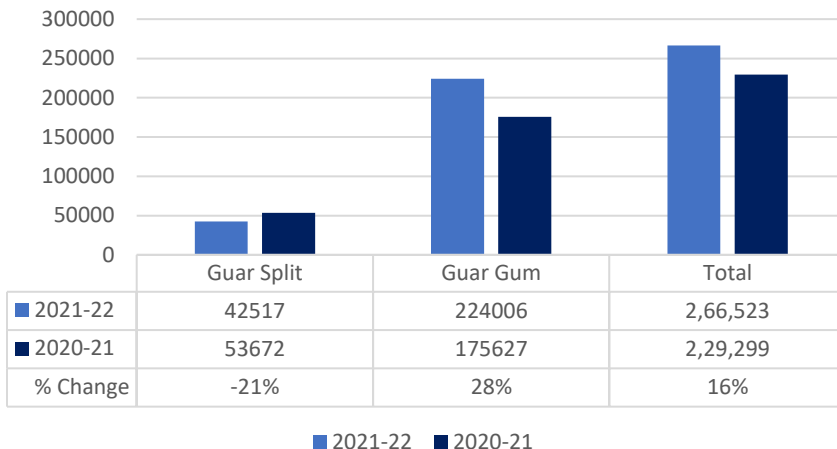
**Guar Gum Exports:** India's Guar gum exports decreased in the month of July 2022 by 23% to 22,501 MT compared to 29,236 MT during previous month. However, the gum shipments were up by 36.12% in July 2022 compared to the same period last year. Out of the total exported quantity, around 5737 MT (25.50%) 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>

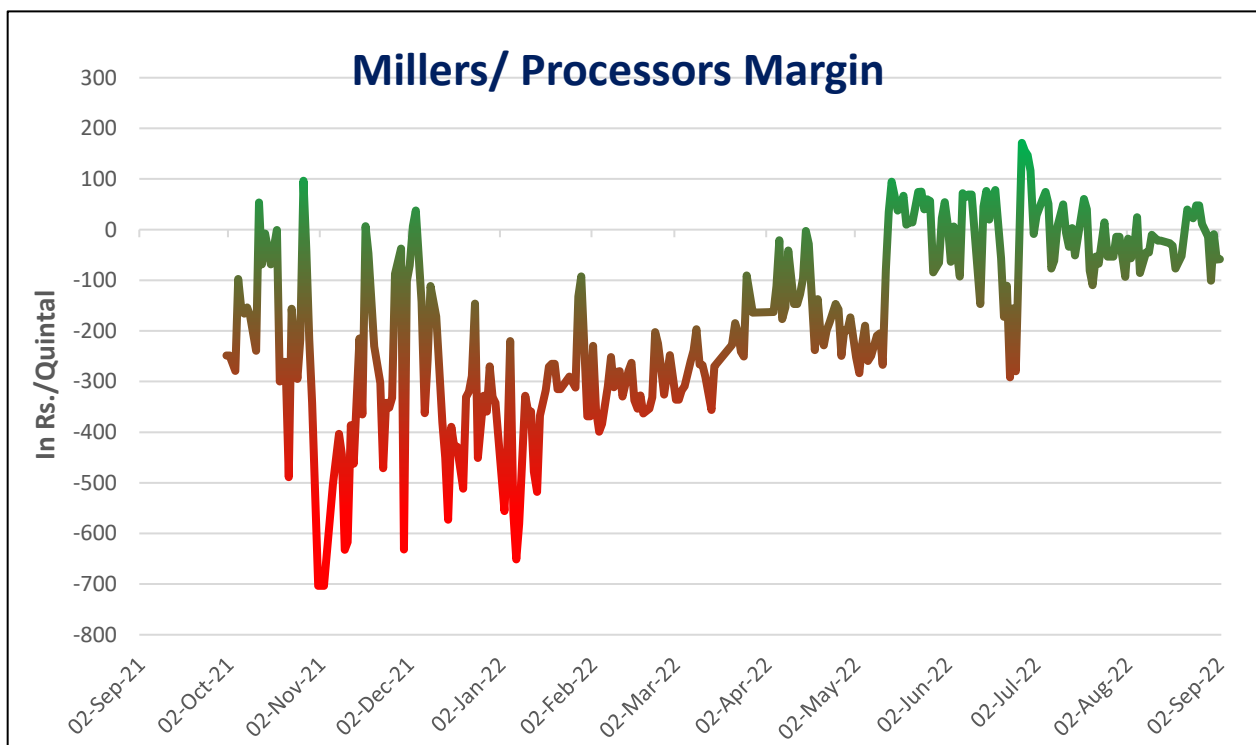
### Total Cumulative Guar exports:

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)



**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. -38/qtl as compared to INR. 22/qtl. previous week. In upcoming week too, guar crush margin likely to remain squeezed.





## Technical Analysis (Guar seed)

Commodity: Guar seed  
Contract: Oct

Exchange: NCDEX  
Expiry: Oct 20, 2022

### Guar seed (Oct, 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 up by 2.74% and closed at 4910, during the week Guar seed made low at 4713 and a high of 5036.
- MACD cross over and DIF indicating weak momentum.
- RSI is near 51, steady to firm buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar seed	NCDEX	Oct	4500	4400	4910	5200	5300
			Call	Entry	T1	T2	SL
Guar seed	NCDEX	Oct	Sell	5000	4800	4600	5100



### Technical Analysis (Guar gum)

Commodity: Guar gum  
 Contract: Oct

Exchange: NCDEX  
 Expiry: Oct 20, 2022

#### Guar gum (Oct, 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 gum went up by 5.46%, market made low at 8,879, high at 9,680 and closed at 9,449.
- MACD and DIF indicating a weak momentum.
- RSI is near 58 indicating firm buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar gum	NCDEX	Oct	9000	8800	9449	9800	10000
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar gum	NCDEX	Oct	<b>Sell</b>	9500	9200	9000	9600



Guar by – Products Weekly Average Prices:				
Commodity	Centre	27th Aug to 02nd Sep 2022	20th Aug to 26th Aug 2022	Change
Churi	Jodhpur	1933	2033	-100
Korma	Jodhpur	3163	3163	Unch
Prices in Rs/75 kg				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			27th Aug to 02nd Sep 2022	20th Aug to 26th Aug 2022	
Rajasthan	Jodhpur	Jodhpur (Loose)	4588	4588	-1
		Jodhpur(Delivery)	4817	4817	0
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4300	4317	-17
		Sri-Ganganagar (Delivery)	4450	4467	-17
		Rawla (Loose)	4314	4450	-136
		Gharsana (Loose)	4465	4395	70
	Bikaner	Raisinghnagar (Loose)	4276	4274	2
		Bikaner (Loose)	4590	4417	173
		Bikaner (Delivery)	4820	4638	182
		Nokha(Loose)	4525	4433	92
		Nokha (Delivery)	4751	4655	96
		Khajuwala (Loose)	4510	4392	118
		Khajuwala (Delivery)	4736	4611	125
		Lunkaransar (Loose)	4544	4450	94
	Hanumangarh	Hanumangarh (Loose)	4375	4325	50
		Hanumangarh (Delivery)	4594	4541	53
		Nohar (Loose)	-	-	-
		Pilibanga (Loose)	4000	-	-
	Nagaur	Nagaur (Loose)	4603	4463	140
	Churu	Churu (Delivery)	4800	-	-
	Alwar	Alwar (Loose)	4600	-	-
Haryana	Hisar	Adampur (Loose)	4612	4470	142
		Adampur (Delivery)	4842	4694	148
	Bhiwani	Bhiwani (Delivery)	4800	-	-
		Siwani (Loose)	4742	4633	109
	Sirsa	Sirsa (Loose)	4442	4330	112

		Dhabwali (Loose)	4405	4508	-103
		Dhabwali (Delivery)	4405	4508	-103
		Ellanabad (Loose)	4378	4413	-35
	Fatehabad	Fatehabad (Loose)	-	4000	-
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	4400	4325	75
	Rajkot	Rajkot (Loose)	4555	4461	94
	Jamnagar	Dhrol (Loose)	-	4495	-
Madhya Pradesh	Gwalior	Dabra (Loose)	-	-	-
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	8967	8700	267
	Alwar	Alwar	9500	-	-
	Hanumangarh	Nohar	-	-	-
Haryana	Bhiwani	Bhiwani	-	-	-
	Sirsa	Sirsa	9000	8670	330
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	Fatehabad	Fatehabad	-	-	-

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			27th Aug to 02nd Sep 2022	20th Aug to 26th Aug 2022	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	500	500	Unch
		Rawla	26	288	-262
		Gharsana	276	484	-208
		Raisinghnagar	174	299	-125
	Bikaner	Bikaner	850	1150	-300
		Nokha	625	480	145
		Khajuwala	800	1100	-300
		Lunkaransar	2600	3100	-500
	Hanumangarh	Hanumangarh	180	220	-40
		Nohar	0	0	Unch
		Pilibanga	3	0	3
	Nagaur	Nagaur	304	447	-143
	Churu	Churu	700	0	700
	Alwar	Alwar	0	0	Unch



Haryana	Hisar	Adampur	2400	2550	-150
	Bhiwani	Bhiwani	0	0	Unch
		Siwani	2100	2200	-100
	Sirsa	Sirsa	1450	1950	-500
		Dhabwali	93	200	-107
		Ellanabad	1177	1123	54
	Fatehabad	Fatehabad	0	6	-6
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	5	10	-5
	Rajkot	Rajkot	187	255	-68
	Jamnagar	Dhrol	0	22	-22
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			14450	16384	-1934

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