



# Guar Weekly Research Report

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## *Executive Summary*

### *Domestic Guar Seed Market Summary*

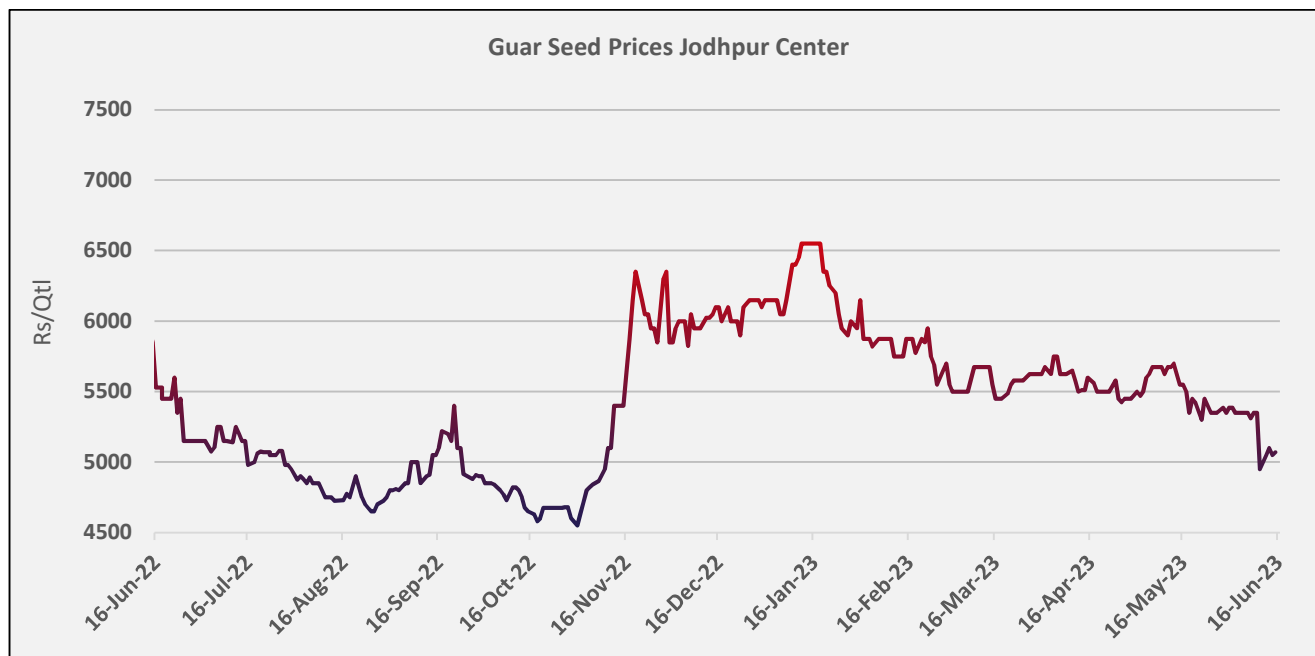
- During the week, the guar prices showed bearish sentiments due to lower demand amid the weakness in crude oil prices and sufficient stocks of guar seeds being available in the market.
- The weekly Jodhpur delivery Guarseed price went down by 4.6% while the gum price declined by 7%.
- The total arrivals during the week was down by 12% as compared to the previous week amid the bearish prices.
- As on 16<sup>th</sup> June '2023, The Baker Hughes rig count declined for the 7<sup>th</sup> week in a row amid the weaker crude oil prices and less demand.
- Guar sowing has started in some parts of North western Rajasthan and Gujarat. But the expectation of drier monsoon this year may lead to lower sowing this season.
- The guar seed prices may increase in the medium term amid the potential for a drier monsoon in 2023 due to El Nino. The lack of sufficient rainfall would directly affect the sowing progress and yield of guar seeds in 2023. However, there is abundant availability of guar seeds in the market, which is likely to limit excessive price gains. Additionally, the export demand for gum is expected to remain weak due to the decline in crude oil prices.

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

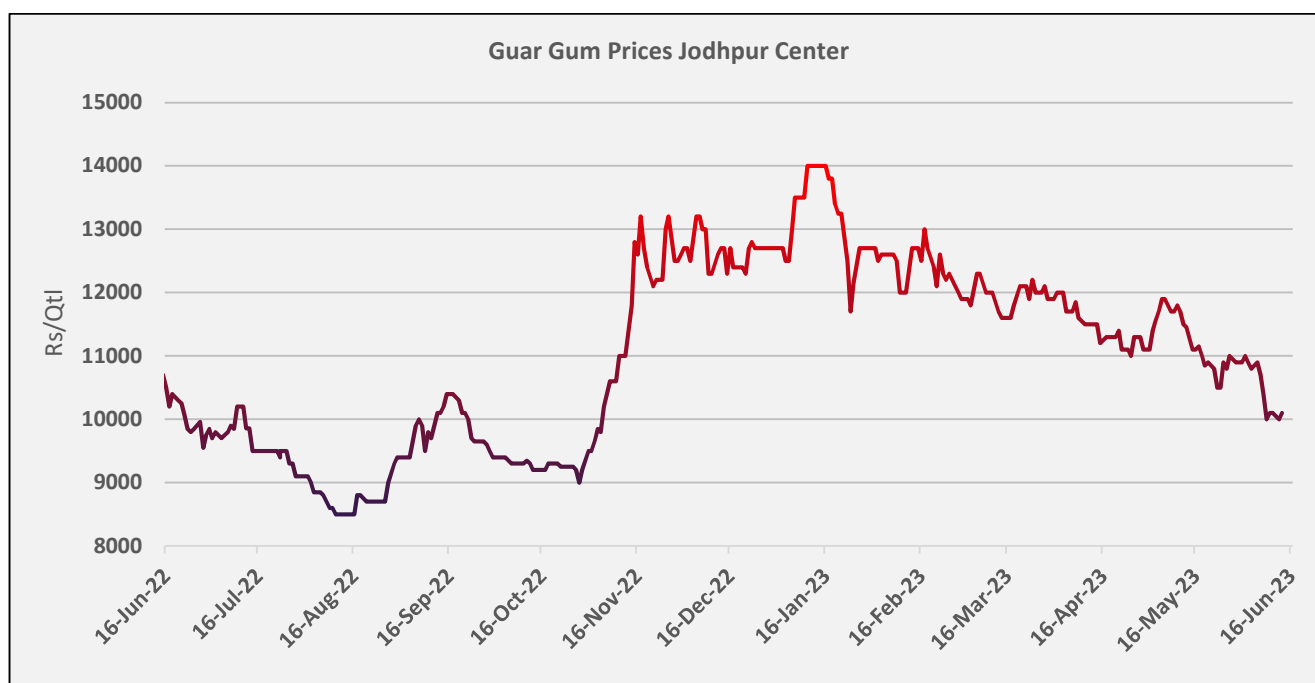
- Guar seed is expected to show bearish sentiments in the market. The Jodhpur Guar seed delivery prices are likely to stay in the range between INR 4,900–5,400/Qtl. in the short-run. Guar gum is expected to trade in the range of 10,000-10,800/qtl in near term.

## Domestic Market Fundamentals

During the week under review, the market was bearish and Guar seed Jodhpur delivery weekly average prices went down by 4.6% to INR 5,095/qtl. as compared to previous week at INR 5,343/qtl. due to continued decline of demand in the market.



During the week under review, weekly average prices of guar gum went down by 7% at INR 10,117/qtl. as compared to INR 10,843/qtl. the previous week amid the falling U.S. oil rig count and decline in guar gum exports.

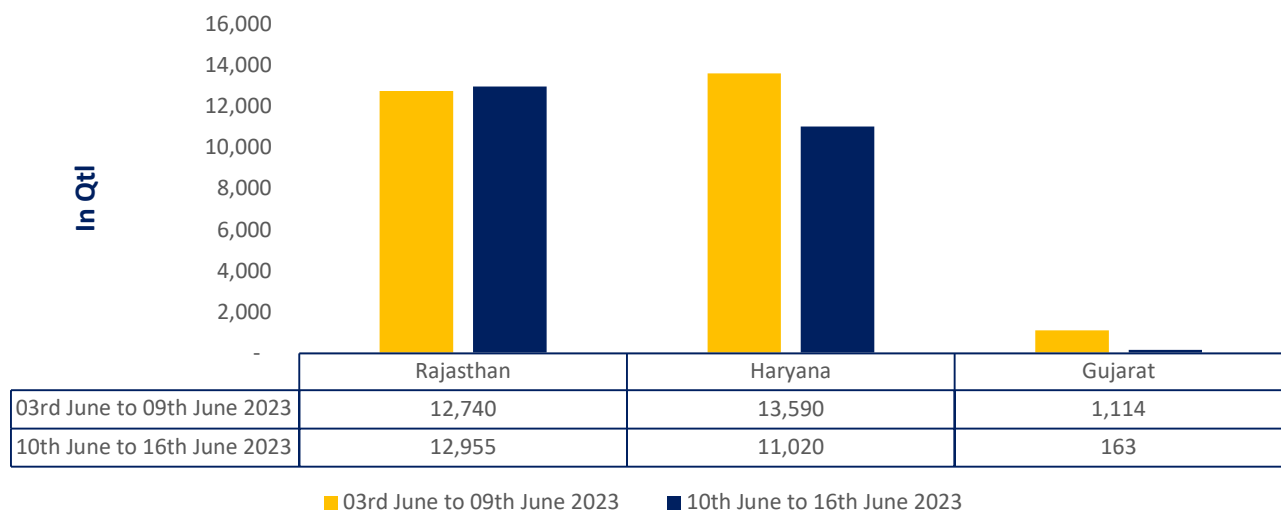


### Weather and Sowing Updates:

- The Guar sowing has started in some parts of North-western parts of Rajasthan like Sri Ganganagar and Hanumangarh and Gujarat. As per the latest data released by the Gujarat Agriculture Department, the Guar seed crop has been sown in 2,964 Ha of area as compared to last three-year average in 3,830 Ha.
- As per the market sources, the guar sowing area in the Bikaner (Khajuwala) region is very likely to decline by 15-20% due to the continued bearish price trend during the current season and that area is more likely to be shifted to Moong crop.
- The expectation of drier Monsoon this year is likely to lower the guar production and acreage as it is a rainfed crop and requires 3-4 spells of rain for better germination and growth.

**Guar seed arrivals:** During the week under review, the overall guar seed arrivals went down by 12% at 24,138 qtl. as compared to the last week at 27,444 qtl. The arrivals during the week went down due to lesser demand in the market. In Rajasthan, the arrivals went up by 1.6% while in Haryana it went down by 19% during this week. As of now, 50-55% of the estimated production has arrived in the market.

### Guar Seed Arrival This Week Vs Previous week



### Guar Exports: April 2023

#### Guar Split Exports:

In the month of April 2023, India's guar split saw a jump of 16% to 3,500 tonnes at an average FoB of US\$ 1489 per tonne, as compared to 3,010 tonnes in the month of March '23 at an average FoB of US\$ 1,646 per tonne. However, the guar split shipments went down by 13% as compared to the same period last year. This month, China was the only importer of guar split.

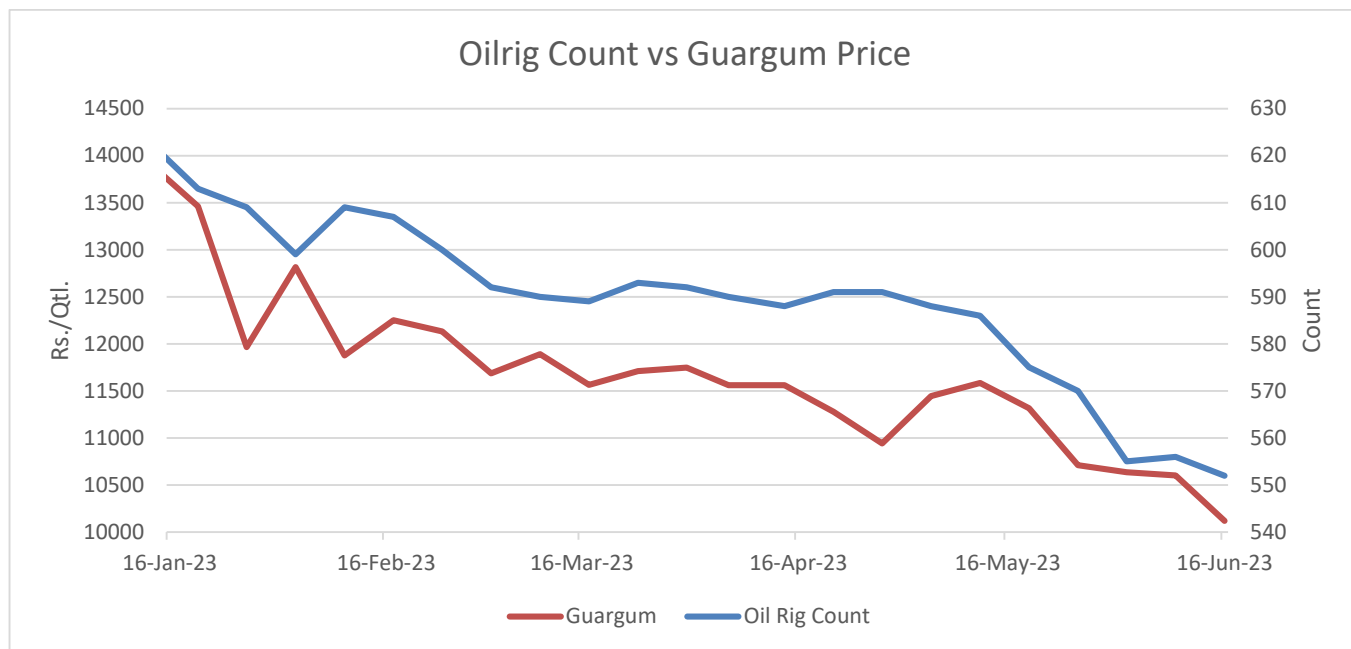
## Guar Gum Exports:

The Guar gum exports in the month of April 2023 dropped down by 14.6% to 16,219 tonnes at an average FoB of US \$1,455 per tonne as compared to 19,001 tonnes in the month of March 2023 at a FoB of US \$1,558 per tonne. Further, the gum shipments also went down by 15% in April '23 as compared to the corresponding year. The decline in exports during April can be attributed to a decrease in demand from major exporting countries. This drop in demand is exemplified by the decrease in the US oil rig count, which has reached its lowest point in a year, indicating reduced demand for crude oil in the current period.

COUNTRIES	Guar Gum Exported in Apr '23( MT)	Guar Gum export (% Share)
RUSSIA	3349	20.65%
USA	2990	18.44%
CHINA	1961	12.09%
GERMANY	1808	11.15%
ITALY	736	4.54%
AUSTRALIA	717	4.42%
BRAZIL	410	2.52%
INDONESIA	378	2.33%
JAPAN	352	2.17%
POLAND	320	1.97%
OTHERS	3198	17.72%
<b>TOTAL</b>	<b>16219</b>	<b>100%</b>

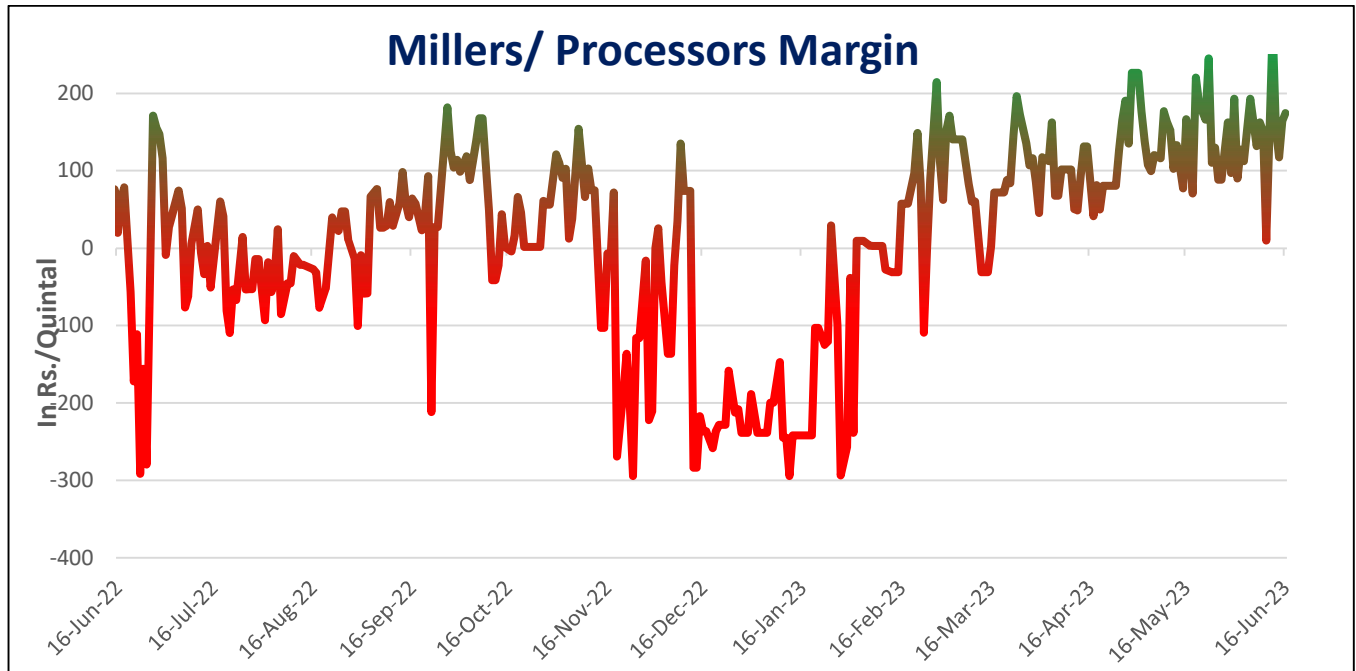
## Oil Rig Count (Baker Hughes)

As per the data released by Baker Hughes, as on 16<sup>th</sup> June '2023, the U.S. oil rigs fell by 3 to 552 this week, lowest since April' 22 as compared to previous week at 555. If we look at this year's oilrig count, it is continuously declining due to lesser demand of crude oil. The guar gum prices are also bearish and have remained sideways during the week under review amid the less export demand from US and Russia.



### Millers/Processors Margin

During the week under review, weekly average net crush margin of Guar seed remained steady at INR 152/qtl. as compared to the previous week amid weaker demand. The churi and korma prices have also decreased during the week.



### Technical Analysis (Guar seed)

**Commodity: Guar seed**

**Contract: July**

**Exchange: NCDEX**

**Expiry: July 20, 2023**

#### Guar seed ( July, Weekly Chart)



## Technical Commentary:

- As seen in above chart, during the week under review, the market traded below 9, 18, 50 and 100 DMA, indicating bearish sentiments in the market.
- During the week, Guar seed went down by 3.2%. The market closed at 5,125, made low at 5,084 and a high of 5,296.
- As per weekly chart, MACD is indicating negative momentum.
- RSI is near 37, indicating weak buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar seed	NCDEX	July	4900	4800	5125	5600	5800
			Call	Entry	T1	T2	SL
Guar seed	NCDEX	July	<b>SELL</b>	5200	5050	5000	5300

## Technical Analysis (Guar gum)

Commodity: Guar gum  
Contract: July

Exchange: NCDEX  
Expiry: July 20, 2023

### Guar gum ( July, Weekly Chart)



## Technical Commentary:

- As seen in above chart, during the week under review, the market traded below 9,18, 50 and 100 DMA, indicating bearish sentiments in the market.
- During the week, Guar gum went down by 5.4%, market made low at 9,720, high at 10,337 and closed at 9,850.
- As per weekly chart, MACD is indicating negative momentum.
- RSI is near 35, indicating weak buying strength.

Weekly Supports & Resistances			S1	S2	PCP	R1	R2
Guar gum	NCDEX	July	9500	9400	9850	10700	10800
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar gum	NCDEX	July	<b>SELL</b>	10000	9700	9600	10100

Guar by – Products Weekly Average Prices:				
Commodity	Centre	10th June to 16th June 2023	03rd June to 09th June 2023	Change
Churi	Jodhpur	2267	2300	<b>-33</b>
Korma	Jodhpur	3119	3150	<b>-31</b>
Prices in Rs/75 kg				

Guar Seed Weekly Average Prices:					
Commodity	District	Centre	Weekly Prices (Average ) (Rs/Qtl)		Change
Guar Seed			10th June to 16th June 2023	03rd June to 09th June 2023	
Rajasthan	Jodhpur	Jodhpur (Loose)	4945	5193	<b>-248</b>
		Jodhpur(Delivery)	5192	5453	<b>-261</b>
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4959	5190	<b>-231</b>
		Sri-Ganganagar (Delivery)	5109	5340	<b>-231</b>
		Rawla (Loose)	4997	5200	<b>-203</b>
		Gharsana (Loose)	4947	5180	<b>-233</b>
		Raisinghnagar (Loose)	4963	5180	<b>-217</b>
	Bikaner	Bikaner (Loose)	4963	5200	<b>-238</b>
		Bikaner (Delivery)	5211	5460	<b>-249</b>
		Nokha(Loose)	4958	5142	<b>-183</b>



		Nokha (Delivery)	5206	5399	-193
		Khajuwala (Loose)	4980	5275	-295
		Khajuwala (Delivery)	5229	5539	-310
		Lunkaransar (Loose)	5206	5425	-219
	Hanumangarh	Hanumangarh (Loose)	4975	5083	-108
		Hanumangarh (Delivery)	5224	5338	-114
		Pilibanga (Loose)	4733	5175	-442
	Nagaur	Nagaur (Loose)	4929	5183	-254
	Churu	Churu (Delivery)	4967	5267	-300
	Alwar	Alwar (Loose)	4700	4967	-267
Haryana	Hisar	Adampur (Loose)	4986	5184	-198
		Adampur (Delivery)	5235	5443	-208
	Bhiwani	Bhiwani (Delivery)	5058	5375	-317
		Siwani (Loose)	5170	5363	-193
	Sirsa	Sirsa (Loose)	4925	5177	-252
		Dhabwali (Loose)	4950	5217	-267
		Dhabwali (Delivery)	5198	5478	-280
		Ellanabad (Loose)	4950	5233	-283
	Fatehabad	Fatehabad (Loose)	4867	5017	-150
	Patan	Patan (Loose)	5110	NA	-
	Rajkot	Rajkot (Loose)	5105	5318	-213
	Jamnagar	Dhrol (Loose)	5050	5159	-109
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	10117	10867	-750
	Alwar	Alwar	10125	10800	-675
Haryana	Bhiwani	Bhiwani	10083	10567	-483
	Sirsa	Sirsa	9933	10767	-833
		Dhabwali	10000	10800	-800
		Ellanabad	10000	10833	-833
	Fatehabad	Fatehabad	10067	10800	-733

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			10th June to 16th June 2023	03rd June to 09th June 2023	
	Sri-Ganganagar	Sri-Ganganagar	1450	1575	-125
		Gharsana	690	950	-260
		Raisinghnagar	150	250	-100
	Bikaner	Bikaner	2800	4000	-1200
		Nokha	2500	2400	100

		Khajuwala	1250	740	510
		Lunkaransar	3950	2650	1300
	Hanumangarh	Hanumangarh	150	175	-25
	Nagaur	Nagaur	15	0	15
Haryana	Hisar	Adampur	3300	5400	-2100
	Bhiwani	Bhiwani	800	450	350
		Siwani	3700	3800	-100
	Sirsa	Sirsa	2500	3150	-650
		Dhabwali	360	410	-50
		Ellanabad	360	380	-20
	Patan	Patan	4	2	2
	Rajkot	Rajkot	150	875	-725
	Jamnagar	Dhrol	9	237	-228
Total Arrivals/Above Markets			24138	27444	-3306

Week on Week Price: Scenario of Guarseed and Guargum:						
Commodity	District	Centre	Today	Week Ago	Month Ago	Year Ago
Guar Seed			16-Jun-23	9-Jun-23	19-May-23	15-Jun-22
Rajasthan	Jodhpur	Jodhpur (Loose)	4920	5200	5200	5500
		Jodhpur(Delivery)	5166	5460	5460	5775
	Sri-Ganganagar	Sri-Ganganagar(Loose)	4920	5100	5270	5800
		Sri-Ganganagar (Delivery)	5070	5250	5420	5950
		Rawla (Loose)	5000	5200	5350	NA
		Gharsana (Loose)	4950	5150	5200	NA
		Raisinghnagar (Loose)	5000	5180	5300	5350
	Bikaner	Bikaner (Loose)	4950	5150	5300	5500
		Bikaner (Delivery)	5198	5408	5565	5775
		Nokha(Loose)	4950	5150	5250	5525
		Nokha (Delivery)	5198	5408	5513	5801
		Khajuwala (Loose)	5000	5200	5400	5350
		Khajuwala (Delivery)	5250	5460	5670	5618
		Lunkaransar (Loose)	5303	5408	5565	5500
	Hanumangarh	Hanumangarh (Loose)	5000	5000	5300	5000
		Hanumangarh (Delivery)	5250	5250	5565	5250
		Nohar (Loose)	NA	NA	NA	5750

		Pilibanga (Loose)	4600	5200	5350	5200
	<b>Nagaur</b>	Nagaur (Loose)	4875	5100	5250	NA
	<b>Churu</b>	Churu (Delivery)	5000	5200	5400	NA
	<b>Alwar</b>	Alwar (Loose)	4700	4900	5200	NA
<b>Haryana</b>	<b>Hisar</b>	Adampur (Loose)	5035	5100	5300	5500
		Adampur (Delivery)	5287	5355	5565	5775
	<b>Bhiwani</b>	Bhiwani (Delivery)	5000	5350	5450	NA
		Siwani (Loose)	5150	5300	5460	5550
	<b>Sirsa</b>	Sirsa (Loose)	5000	5150	5300	5280
		Dhabwali (Loose)	4900	5150	5300	5305
		Dhabwali (Delivery)	5145	5408	5565	5570
		Ellanabad (Loose)	4900	5150	5350	5067
	<b>Fatehabad</b>	Fatehabad (Loose)	4900	5000	5100	NA
<b>Gujarat</b>	<b>Banaskantha</b>	Deesa (Loose)	NA	NA	11000	NA
	<b>Rajkot</b>	Rajkot (Loose)	NA	5270	5450	5425
	<b>Jamnagar</b>	Dhrol (Loose)	NA	5100	5250	5350
<b>Guar Gum</b>						
<b>Rajasthan</b>	<b>Jodhpur</b>	Jodhpur	10100	10700	11100	11000
	<b>Alwar</b>	Alwar	10100	10700	11000	NA
	<b>Hanumangarh</b>	Nohar	NA	NA	NA	11000
<b>Haryana</b>	<b>Bhiwani</b>	Bhiwani	9950	10500	10950	NA
	<b>Sirsa</b>	Sirsa	10000	10700	11000	11000
		Dhabwali	9900	10600	11200	11000
		Ellanabad	9900	10700	11200	NA
	<b>Fatehabad</b>	Fatehabad	10000	10700	11000	NA

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