



Guar Weekly Research Report

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Executive Summary

Domestic Guar Seed Market Summary

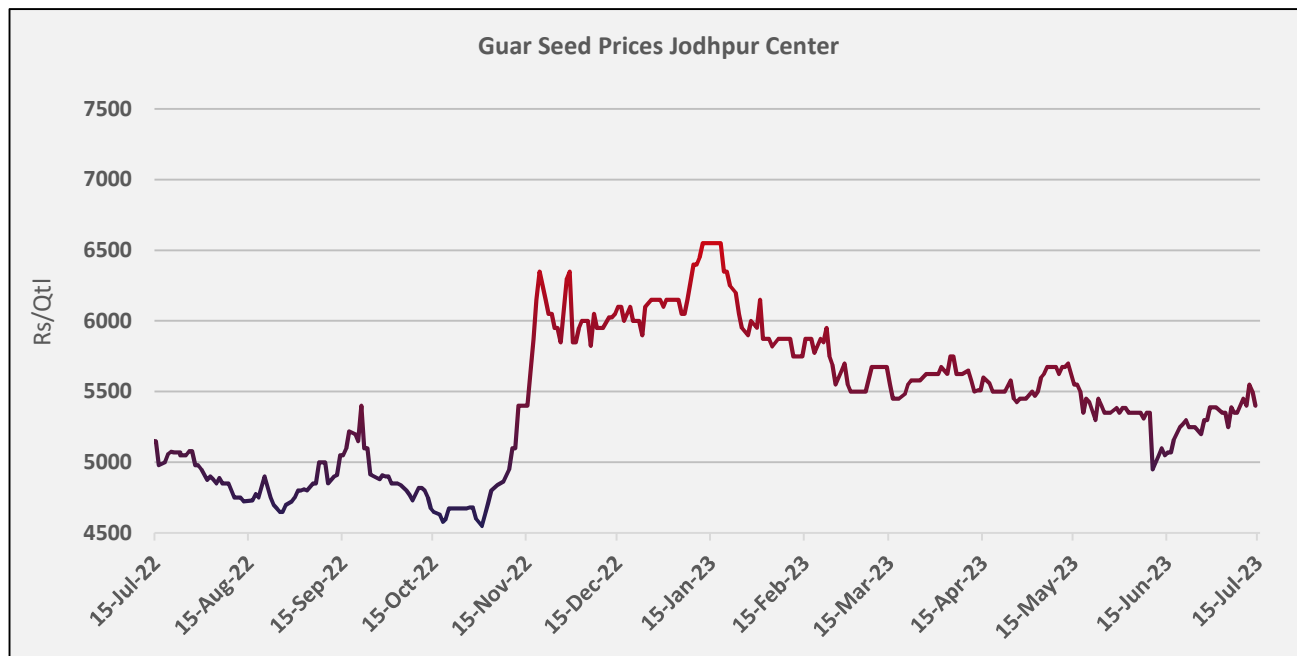
- Area under guar is expected to fall in year 2023 in wake of significant rise in area under bajra and moong in Rajasthan amid the good rainfall in the region. The overall area too is likely to be down due to lower realization on guar over the last two years.
- During the week, the guar prices extended the previous week's gain amid the expectations of acreage shift to other more profitable crops reversing the trend where guar remained bearish for the last few months.
- The weekly Jodhpur delivery Guarseed price went up by 1.4% and the gum by 3%.
- The total arrivals during the week was up by 3% as compared to the previous week.
- As on 14th July '2023, the Baker Hughes rig count declined for the 11th week in a row amid the weaker crude oil prices and lower demand.

Outlook – Guar seed (Spot, Jodhpur basis):

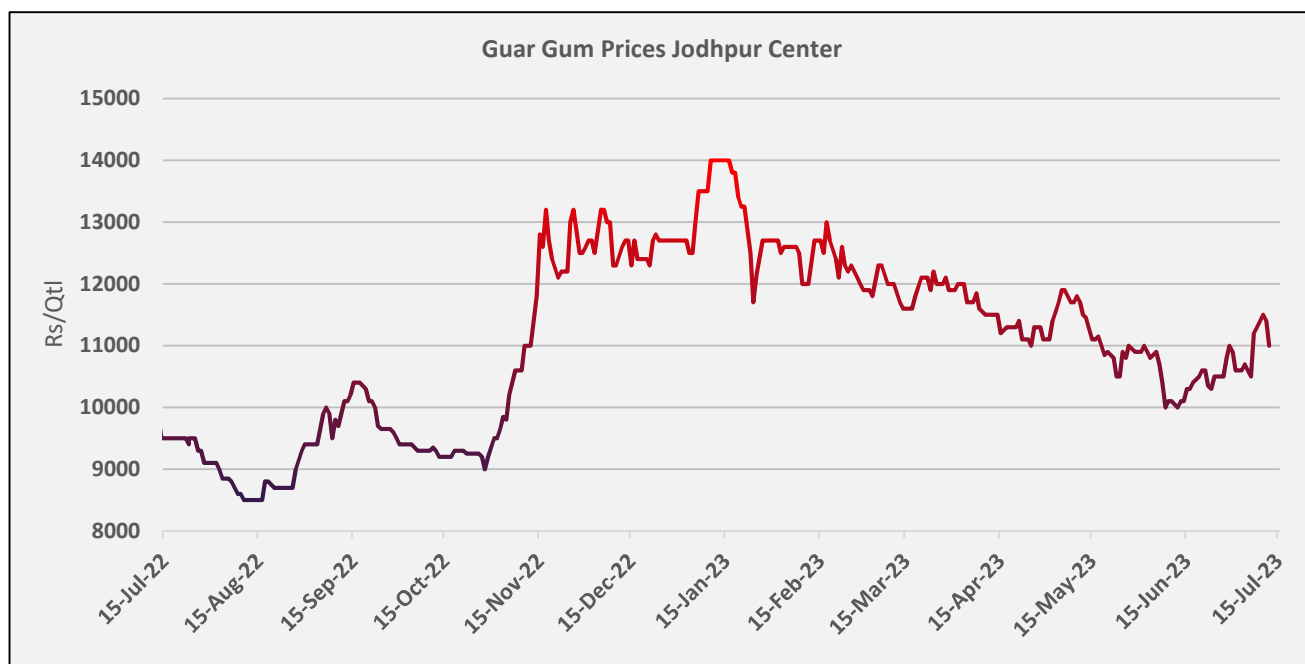
- The Jodhpur Guar seed delivery prices are likely to stay in the range between INR 5,000–5,500/Qtl. in the short-run. Guar gum is expected to trade in the range of 10,500-11,500/qtl in near term amid the bullish market trend.

Domestic Market Fundamentals

During the reviewed week, the market exhibited a bullish trend, continuing the previous week's gains and prices went up for the 4th week in a row. The average weekly prices for Guar seed Jodhpur delivery experienced a 1.4% increase, reaching INR 5,429 per quintal compared to the previous week's INR 5,353 per quintal amid the expectations of acreage shift.



During the week under review, weekly average prices of guar gum went up by 3% at INR 11,071/qtl. as compared to INR 10,767/qtl. the previous week in tandem with guar seed prices.



Weather and Guar Sowing Updates:

Guar seed sowing progress 2023-24			
State	Area of Kharif-2022 During Corresponding Period	Progressive Area of Kharif 2023	% change over previous year
Rajasthan (As on 13th Jul '23)	13.3	15.7	18%
Gujarat (As on 03rd Jul '23)	0.001	0.11	10900%
Source: State government		Area in Lakh Ha	

- As per the latest data released by the government of Rajasthan, the guar sowing in the state is 18% ahead at 15.7 lakh Ha as compared to the previous year same period at 13.3 Lakh Ha. The gain in Guar acreage may be attributed to the good rainfall received in the parts of western Rajasthan, which has, as on 14th July received 118% of excessive rainfall.
- The key reason attributed to the increase in acreage so far in Rajasthan is the rains brought in by the cyclone in June that allowed for early planting in the western part of the state including districts of Sriganganagar, Hanumangarh etc.. This year farmers in Rajasthan are cultivating Guar along with Moong and other crops. Normally the sowing of the crop starts from 1st week of July onwards. Overall, the crop condition is reportedly good at this point of time amid good rainfall over the state. Even though the sowing was early in a few districts and the planting / sowing numbers seem high for this time of the year, in the key growing areas of Rajasthan like Bikaner, Jodhpur etc. the pace of planting is still slow and yet to pick up. But looking at the rainfall activity over the state and good realization to farmers in other crops it is likely that overall, the planted area this year in Rajasthan may remain lower

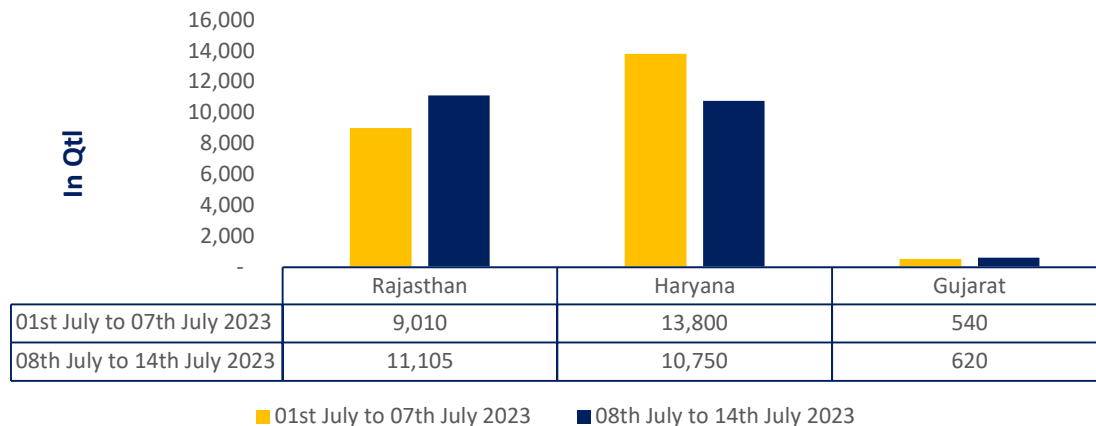
- In western Rajasthan, in the period between 1st June to 14th July '2023, cumulative rainfall is 118% of LPA. As the region is receiving good rainfall, the major crops like moong and cotton have been sown in the early June '23 and from this week guar as well as moth sowing has also started. The major acreage of guar is in Jaisalmer, Barmer and Bikaner districts, in which sowing has just started and most likely will be completed in the month of July '23.

Western Rajasthan Districts	Cumulative Rainfall Departure (%) 1st June to 14th Jul '23 In Western Rajasthan Districts
Ganganagar	66%
Bikaner	65%
Jaisalmer	96%
Barmer	353%
Jodhpur	204%
Churu	45%
Nagaur	149%
Jalor	447%
Hanumangarh	37%
Pali	370%
West Rajasthan	187%
Rajasthan	118%

- Guar sowing in Lunkransar, Nokha, and Anupgarh districts of Rajasthan is nearly finished, and market sources indicate that the acreage dedicated to guar in these regions is lower by approximately 10-15% this season compared to the previous year. Farmers have opted to cultivate more profitable crops such as moong and cotton. Consequently, there is an expectation of a price increase for guar this season due to the anticipated lower production.

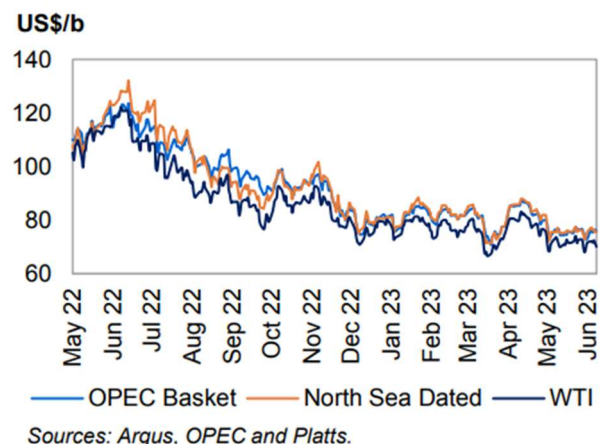
Guar seed arrivals: During the week under review, the overall guar seed arrivals went down by 3.7% at 22,475 qtl. as compared to the last week at 23,350 qtl. In Rajasthan, the arrivals went up by 23% amid the good prices and increased demand of guar in the market, while in Haryana it went down by 22% during this week amid the unfavourable weather conditions. As of now, 50-55% of the estimated production of the previous season has arrived in the market.

Guar Seed Arrival This Week Vs Previous week



Crude Oil- Spot Price

Crude spot prices experienced a significant decline, completely wiping out the gains made in the previous month. The decline can be attributed to selloffs in futures markets, abundant crude oil supply in Northwest Europe, an uncertain demand outlook, and mixed refining margins. Furthermore, soft buying interest from multiple Asian buyers, caused by refinery turnarounds, added downward pressure on spot prices. Diesel margins also experienced weeks of continuous decline, particularly in Asia, further contributing to the weakening of oil prices. Despite the overall bearish sentiment, certain factors provided some support to spot prices. A significant reduction in US crude oil stocks during the week of May 16 provided some relief to the market.

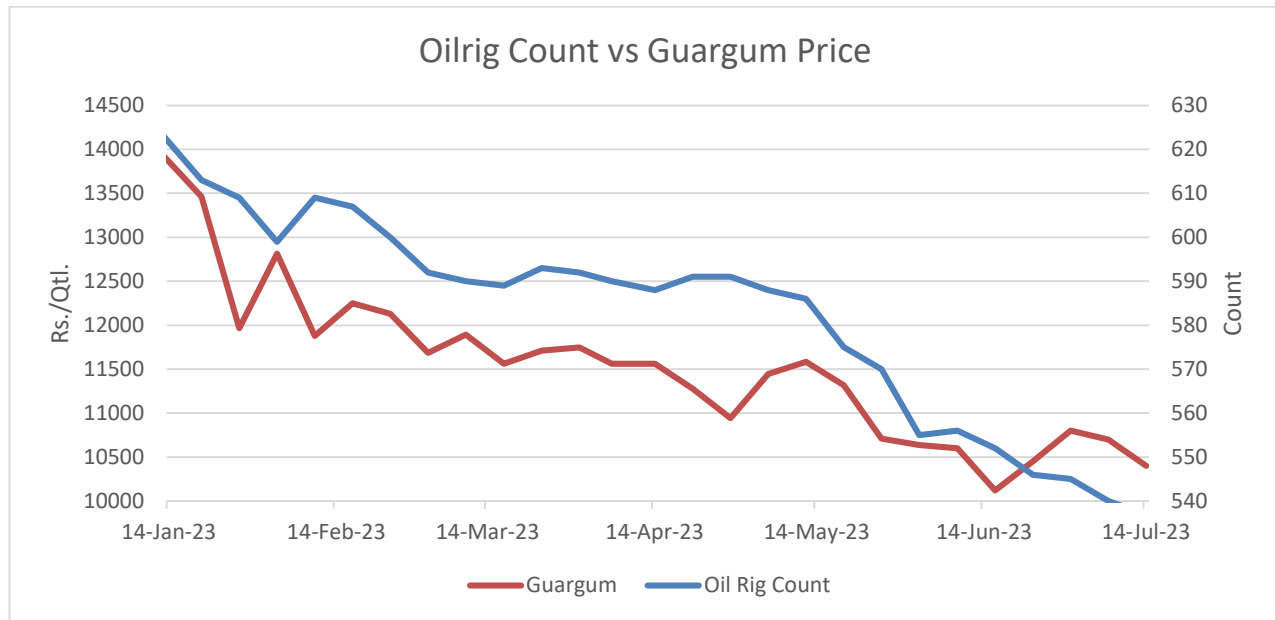


WTI Crude Oil

WTI Crude oil 14th July '23	% Change
14th July '23	-0.14%
1 Week	3.98%
Month till date	8.76%

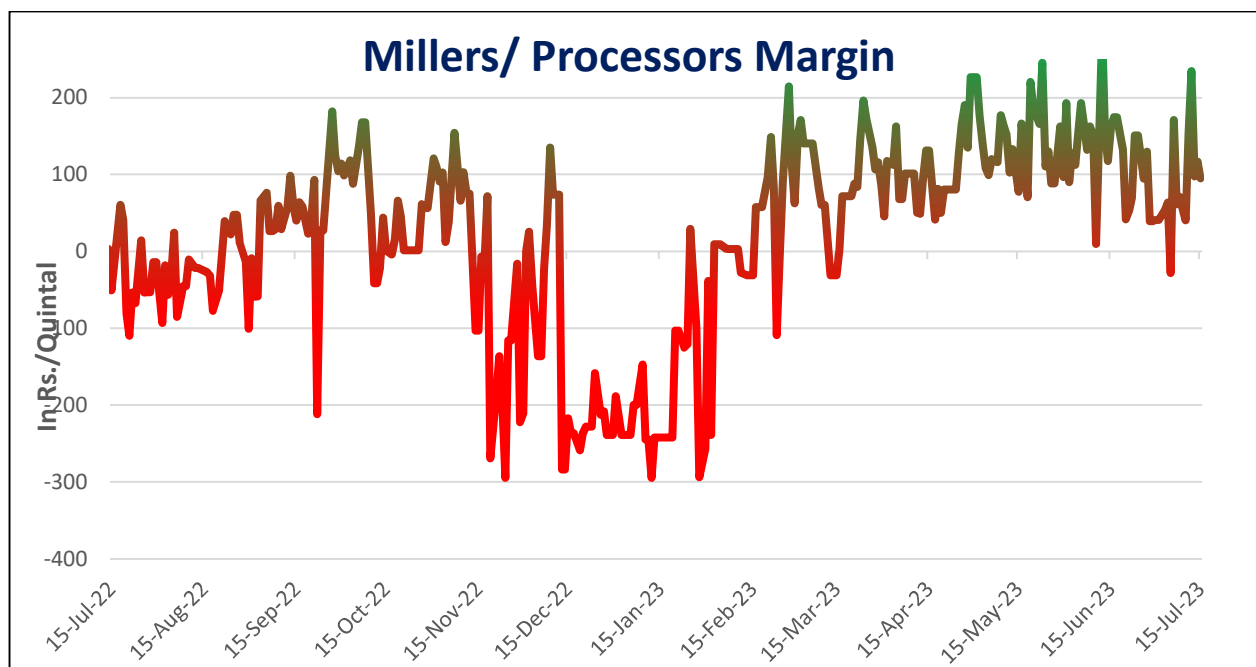
Oil Rig Count (Baker Hughes)

As per the data released by Baker Hughes, as on 14th July '2023, the U.S. oil rigs fell by 3 to 537 this week as compared to 540 in the previous week, lowest since April' 22 amid the low crude oil price. If we look at this year's oilrig count, it is continuously declining due to lesser demand of crude oil.



Millers/Processors Margin

During the week under review, weekly average net crush margin of Guar seed went up at INR 116/qtl. as compared to the previous week at INR 60/qtl. amid good domestic demand in the market.



Technical Analysis (Guar seed)

Commodity: Guar seed
Contract: Aug

Exchange: NCDEX
Expiry: Aug 20, 2023

Guar seed (Aug, Weekly Chart)



Technical Commentary:

- As seen in above chart, during the week under review, the market traded above 9, 18 and 50 and 100 DMA, indicating bearish market sentiments.
- During the week, Guar seed went up by 4.48%. The market closed at 5,688, made low at 5,420 and a high of 5,790.
- As per weekly chart, MACD is indicating positive momentum.
- RSI is near 52, indicating good buying strength.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar seed	NCDEX	Aug	5000	5200	5688	6000	6100
			Call	Entry	T1	T2	SL
Guar seed	NCDEX	Aug	BUY	5600	5830	5880	5550

Technical Analysis (Guar gum)

Commodity: Guar gum
Contract: Aug

Exchange: NCDEX
Expiry: Aug 20, 2023

Guar gum (Aug, Weekly Chart)



Technical Commentary:

- As seen in above chart, during the week under review, the market traded above 9, 18, 50 DMA and 100 DMA, indicating bullish market sentiments.
- During the week, Guar gum went up by 7.95%, market made low at 10,430, high at 11,738 and closed at 11,423.
- As per weekly chart, MACD is indicating positive momentum.
- RSI is near 51, indicating good buying strength.

Weekly Supports & Resistances			S2	S1	PCP	R1	R2
Guar gum	NCDEX	Aug	10000	10200	11423	12000	12100
Weekly Trade Call			Call	Entry	T1	T2	SL
Guar gum	NCDEX	Aug	BUY	11400	11800	11850	11350

Guar by – Products Weekly Average Prices:

Commodity	Centre	08th July to 14th July 2023	01st July to 07th July 2023	Change
Churi	Jodhpur	2267	2217	50
Korma	Jodhpur	3150	3100	50

Guar Seed Weekly Average Prices:

Commodity	District	Centre	Weekly Prices (Average) (Rs/Qtl)		Change
			08th July to 14th July 2023	01st July to 07th July 2023	
Rajasthan	Jodhpur	Jodhpur (Loose)	5283	5203	80
		Jodhpur(Delivery)	5548	5464	84
	Sri-Ganganagar	Sri-Ganganagar(Loose)	5237	5199	38
		Sri-Ganganagar (Delivery)	5387	5349	38
		Rawla (Loose)	5258	5242	17
		Gharsana (Loose)	5270	5227	43
		Raisinghnagar (Loose)	5153	5117	37
	Bikaner	Bikaner (Loose)	5380	5133	247
		Bikaner (Delivery)	5641	5381	260
		Nokha(Loose)	5308	5225	83
		Nokha (Delivery)	5574	5486	88
		Khajuwala (Loose)	5358	5258	100
		Khajuwala (Delivery)	5626	5521	105
		Lunkaransar (Loose)	5583	5486	96
	Hanumangarh	Hanumangarh (Loose)	5102	5099	3
		Hanumangarh (Delivery)	5357	5354	3
		Pilibanga (Loose)	4954	4892	63
	Nagaur	Nagaur (Loose)	5275	5250	25
	Churu	Churu (Delivery)	5467	5408	58
	Alwar	Alwar (Loose)	5225	5192	33
Haryana	Hisar	Adampur (Loose)	5217	5140	77
		Adampur (Delivery)	5478	5397	81
	Bhiwani	Bhiwani (Delivery)	5483	5475	8
		Siwani (Loose)	5379	5346	33
	Sirsa	Sirsa (Loose)	5133	5087	47
		Dhabwali (Loose)	5150	5117	33
		Dhabwali (Delivery)	5408	5373	35
		Ellanabad (Loose)	5150	5108	42

	Fatehabad	Fatehabad (Loose)	5133	5058	75
Gujarat	Banaskantha	Deesa (Loose)	NA	5250	-
	Rajkot	Rajkot (Loose)	5439	5359	80
	Jamnagar	Dhrol (Loose)	NA	4838	-
	Guar Gum				
Rajasthan	Jodhpur	Jodhpur	11083	10767	317
	Alwar	Alwar	11067	10800	267
Haryana	Bhiwani	Bhiwani	10975	10775	200
	Sirsa	Sirsa	11000	10700	300
		Dhabwali	10850	10583	267
		Ellanabad	10883	10583	300
	Fatehabad	Fatehabad	11100	10733	367

Guar Cumulative Arrivals in Key Centers:					
Commodity	District	Centre	Weekly Arrivals (Quintals)		Change
Guar Seed			08th July to 14th July 2023	01st July to 07th July 2023	
	Sri-Ganganagar	Sri-Ganganagar	1300	920	380
		Gharsana	680	680	Unch
		Raisinghnagar	430	220	210
	Bikaner	Bikaner	2700	1300	1400
		Nokha	2250	2100	150
		Khajuwala	1150	650	500
		Lunkaransar	2200	2450	-250
	Hanumangarh	Hanumangarh	195	170	25
	Nagaur	Nagaur	100	170	-70
	Churu	Churu	100	350	-250
Haryana	Hisar	Adampur	5000	5300	-300
	Bhiwani	Bhiwani	900	850	50
		Siwani	3000	4800	-1800
	Sirsa	Sirsa	1850	2850	-1000
	Rajkot	Rajkot	620	530	90
	Jamnagar	Dhrol	0	10	-10
Total Arrivals/Above Markets			22475	23350	-875



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