

Guar Monthly Research Report

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Executive Summary**Domestic Guar Seed Market Summary**

This Month Guar seed and guar gum witnessed weakness on good rainfall in western Rajasthan and other key growing areas. Overall guar likely to trade rangebound with weak bias amid good rainfall in key growing areas of guar.

According to state govt, As on 27th sept,21 In Gujarat, Guar Seed sowing is down and sown in 1,13,778 hectares as compared to last year 1,22,305 hectares. As on 2nd sept,21 In Rajasthan 21.13 lakh hectare sowing have been done as compared to 23.84 lakh hectare same period last year.

As per data released by Baker Hughes, the number of oilrigs in USA increased by 7 to 428 as on 1st Oct 2021 compared to 421 previous week. Monthly oilrig count in Sept'21 stood at 406 vs 180 last year same period. Increase in oilrig count in US likely to boost export demand which is major importer of guar. Additionally, Currently rupee against US dollar is near one month low, likely to stimulate guar exports.

India's guar gum exports increased in the month of August 2021 by 10.48% to 18,262 tonnes compared to 16,530 tonnes during July 2021 at an average FoB of US \$ 1699 per tonne in the month of Aug'2021 as compared to US \$ 1739 per tonne in the month of July 2021. Further, the gum shipments were up by 42.38% in Aug'2021 compared to the same period last year. Of the total exported quantity, around 5,401 tonnes is bought by US, Russia (3,085 tonnes), Germany (2,535 tonnes) and china 959 tonnes.

India's guar split exports declined in the month of Aug'2021 by 62.54% to 2,120 tonnes compared to 5,660 tonnes during July'2021 at an average FoB of US \$ 1101 per tonne in the month of Aug'21 compared to US \$ 1157 per tonne in the month of July'2021. However, the guar split shipments gone up by 221 % in Aug 2021 compared to the same period last year. Of the total exported quantity, around 940 tonnes bought by China, US (760 tonnes) and Switzerland 240 tonnes.

Previous Updates:

India's guar gum exports declined in the month of July 2021 by 11.64% to 16,530 tonnes compared to 18,707 tonnes during June 2021 at an average FoB of US \$ 1739 per tonne in the month of July 2021 as compared to US \$ 1589 per tonne in the month of June 2021. Further, the gum shipments were up by 0.86% in July 2021 compared to the same period last year. Of the total exported quantity, around 2,656 tonnes is bought US, Russia (4,185 tonnes), Germany (2,749 tonnes) and china 813 tonnes.

India's guar split exports declined in the month of July 2021 by 37.22% to 5,660 tonnes compared to 9,016 tonnes during July 2021 at an average FoB of US \$ 1157 per tonne in the month of July compared to US \$ 1005 per tonne in the month of June 2021. However, the guar split shipments gone up by 424 % in June 2021 compared to the same period last year. Of the total exported quantity, around 4,500 tonnes is bought China, US (980 tonnes) and Switzerland 120 tonnes.

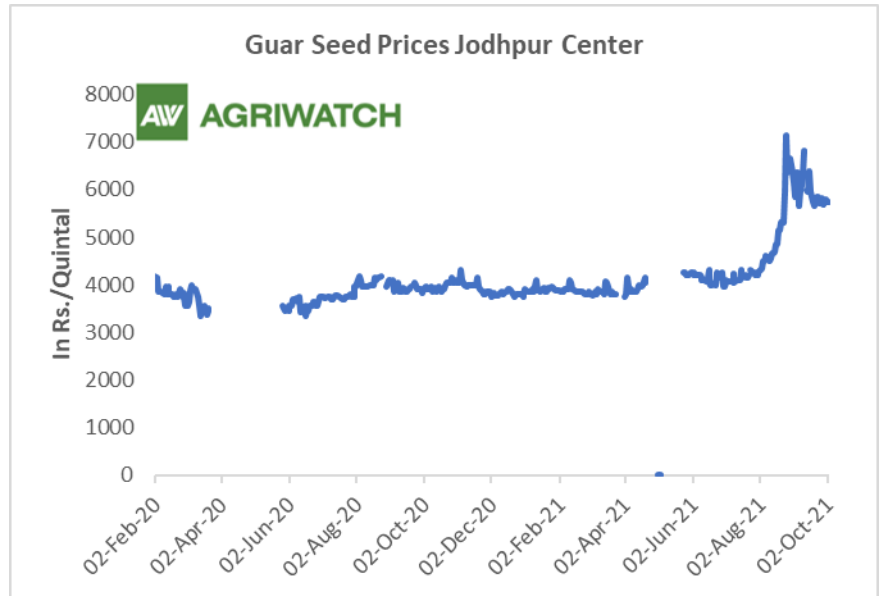
Recommendation:

Monthly Call- : Market participants are advised to sell Guar seed future October contract above 6150 levels for a target of 5800 with a stop loss at 6200.

Guar Seed Fundamental Analysis and Outlook:-

Domestic Front

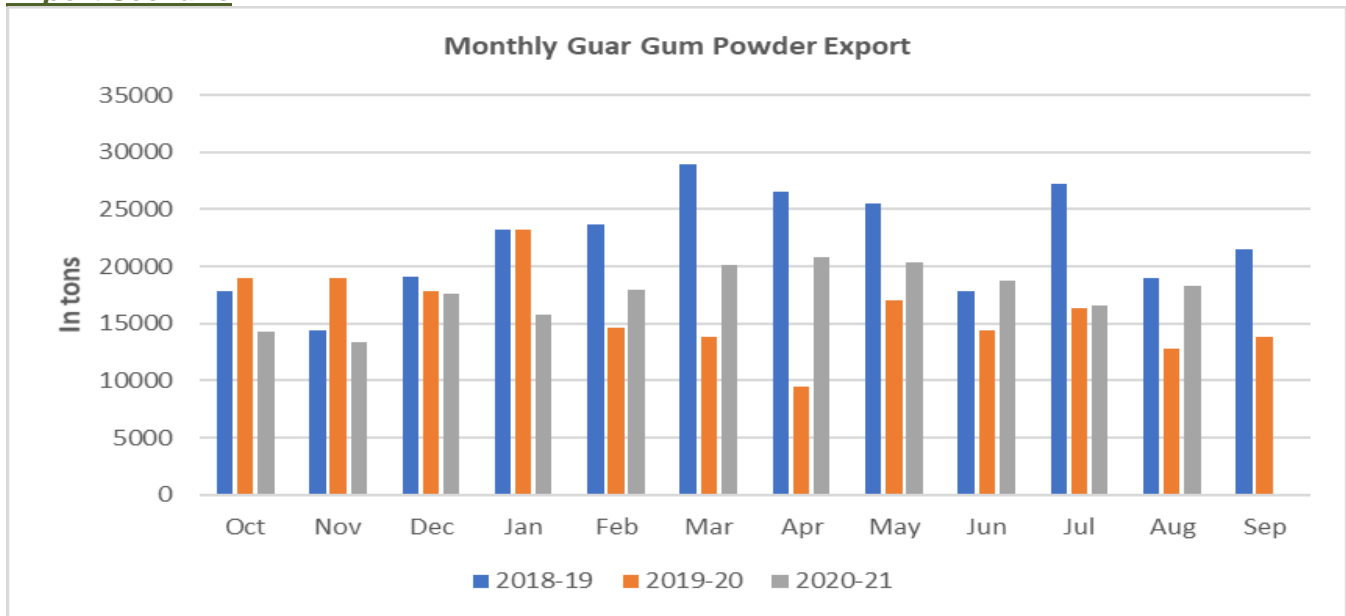
➤ As on 30th September, jodhpur guar seed paid prices witnessed decrease to Rs 5,933/Qtl in sept'21 and made high of Rs 6,825/Qtl, monthly low at Rs 5,775/Qtl compared to previous month at Rs 6,510/Qtl. Mainly due to good rainfall in key growing areas of Rajasthan. In September, According to IMD, Rajasthan has received 175% more than average rainfall. Gujarat has received 268% more than average rainfall, Haryana has received 139% more than average rainfall.



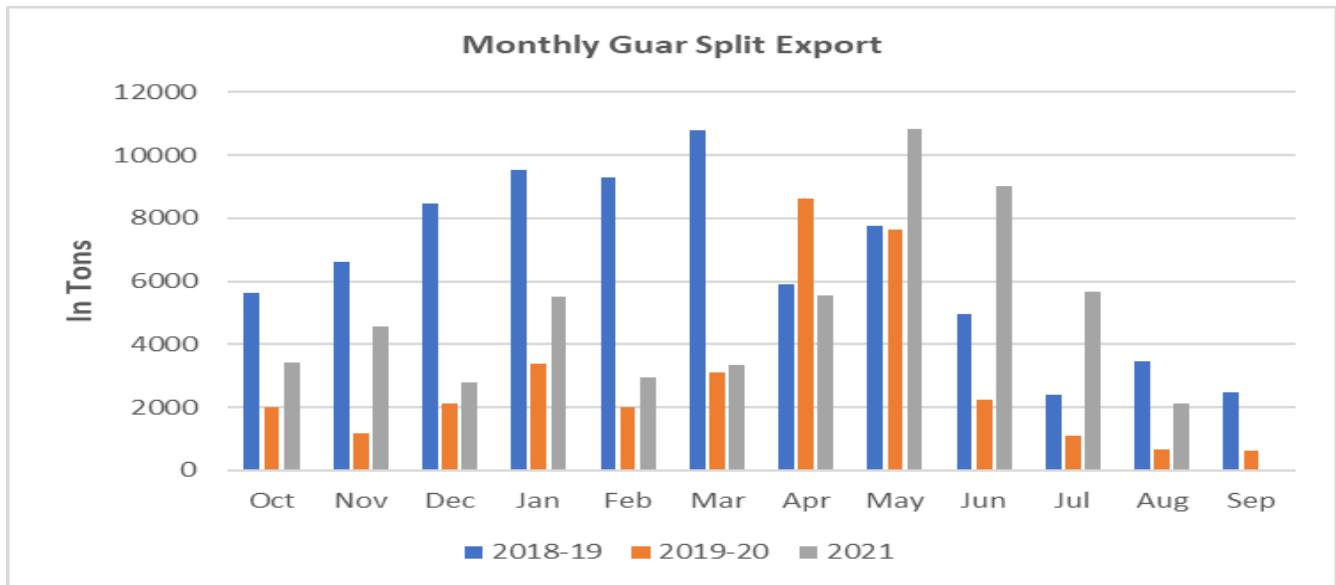
In September, jodhpur guar gum prices witnessed gains in second week of September, and made high of Rs 11000/Qtl, monthly low at Rs9300/Qtl and closed at 10000/Qtl.



Export Scenario

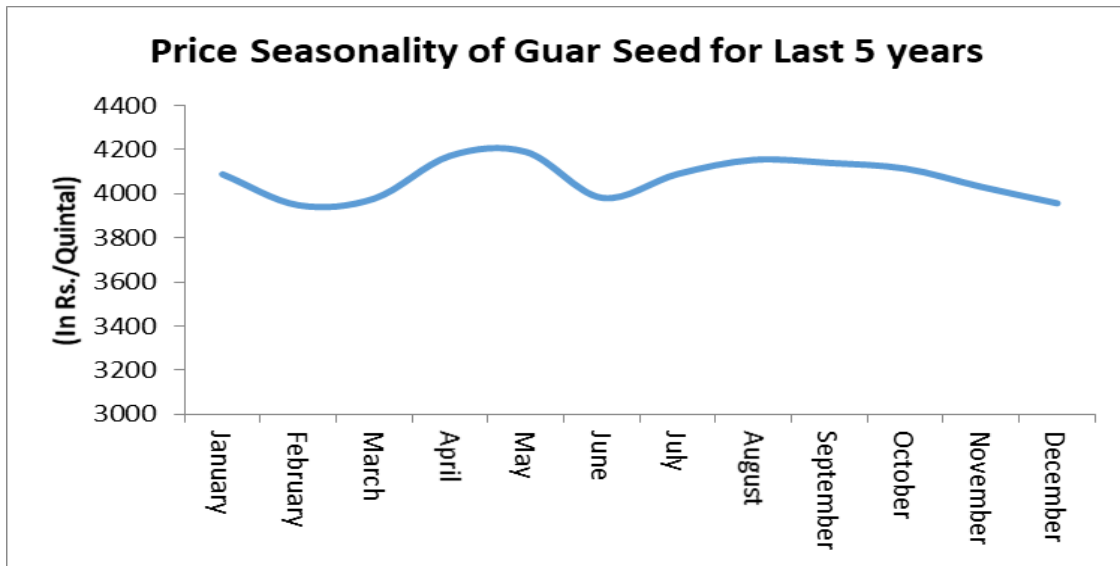


On export front, guar gum demand increased y-o-y in Aug 2021. India has exported 18,262 metric tons of guar gum in the month of Aug, 2021, up by 10.48% compared to previous month and up by 42.38% compared to Aug 2020.



Exports of guar split declined in the month of Aug 2021. India has exported 2,120 metric tonnes of guar split in the month of Aug 2021, down by 62.54% compared to previous month and inclined by 221% compared to Aug 2020.

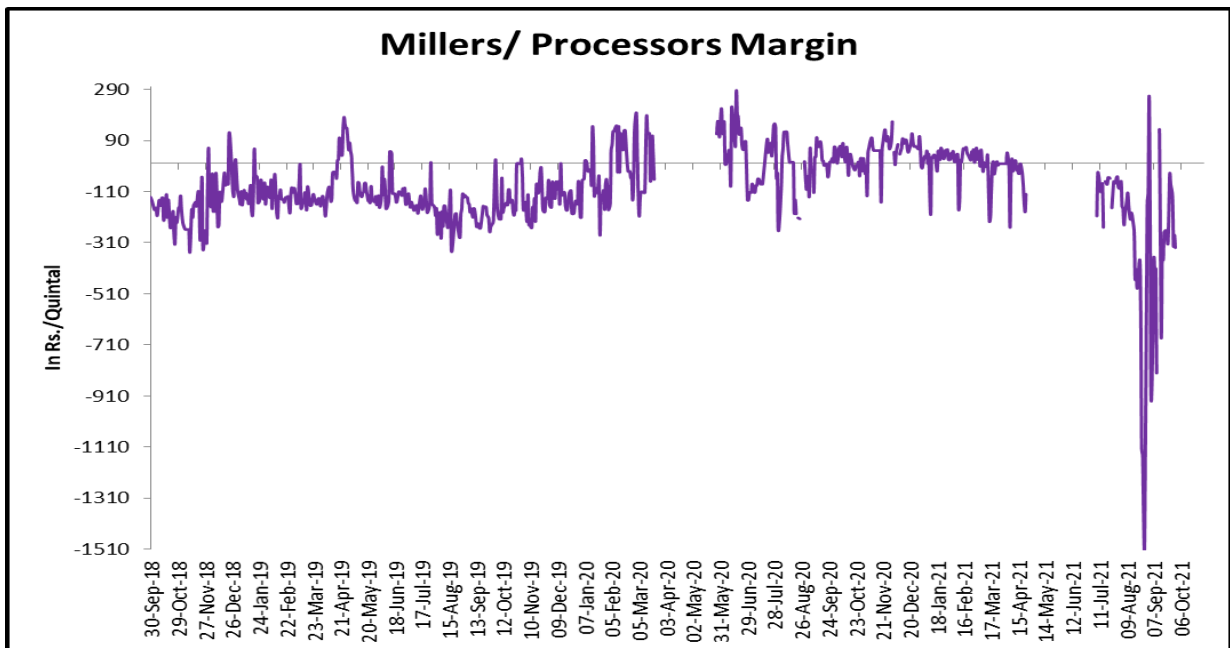
Price Seasonality of Guar Seed



As per the price seasonality chart of guar seed for last 5 years, guar seed prices started to rise from July and continued its rally until October and then fell from higher levels in the month of November and December.

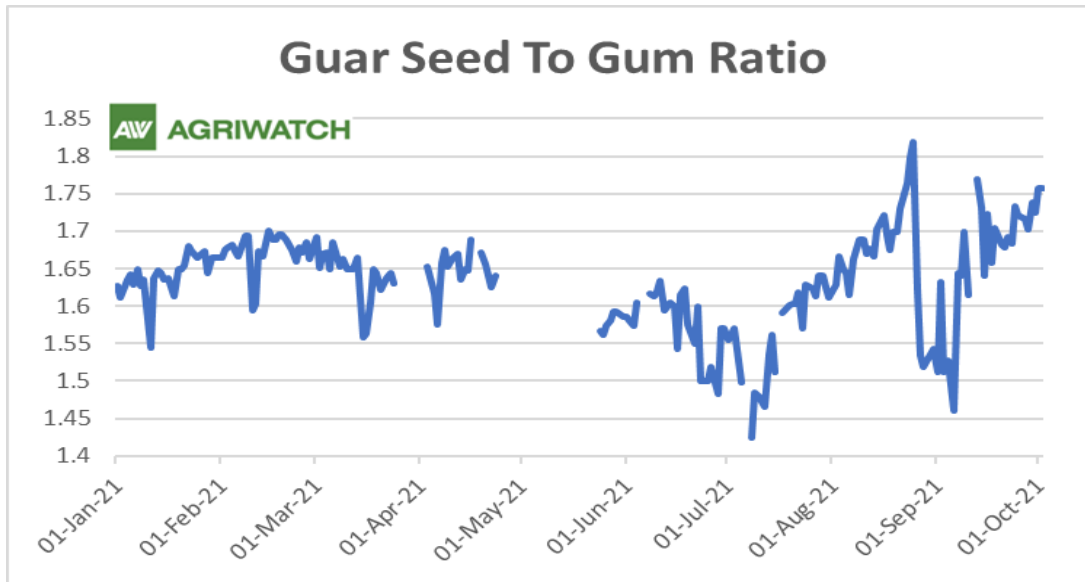
Millers/Processors Margin:

As seen in the chart, the average crush margin of guar seed have increased in September'21 as compared to Aug'21, the average crush margin increased to Rs. -308/quintal in September'21 compared to Rs. -423/quintal in Aug'21.



Guar Seed to Gum Ratio:

The average monthly Ratio of guar seed to gum stood at 1.66 in September'21 while in Aug'21 it was 1.67. Overall, firm demand of gum from domestic market has kept the overall ratio lower side.



Technical Analysis (Guar Seed)

Commodity: Guar Seed -Oct Contract

Exchange: NCDEX

Guar Seed (Technical Chart)



Technical Commentary:

- Guar seed posted loss on sellers pressure in September 21.
- Prices closed above 9 and 18 DMA.
- RSI and stochastic indicating firm to steady buying strength.
- MACD crossover indicating weak to steady momentum.

Strategy: Buy

Monthly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	October	5500	5750	6101	6200	6650
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	October	Sell	Above 6150	6000	5800	6200

Technical Analysis (Guar Gum)

Commodity: Guar Gum October Contract

Exchange: NCDEX

Guar Gum (Technical Chart)



Technical Commentary:

- Guar gum posted gain in September on buyers interest.
- RSI and stochastic are rising indicating bullish tone.
- Prices closed Above 9 day and 18 day SMA.
- Prices are expected to trade range bound with firm bias.

Strategy: Buy

Monthly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	October	9800	10000	10206	10300	10500
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	October	Sell	10300	10050	9850	10350

Guar Seed & Gum Prices at Key Spot Markets

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			30-Sep-21	31-Aug-21	
Rajasthan	Jodhpur	Jodhpur (Loose)	5650	6200	-550
		Jodhpur(Delivery)	5933	6510	-578
	Sri-Ganganagar	Sri-Ganganagar(Loose)	5150	6200	-1050
		Sri-Ganganagar (Delivery)	5300	6350	-1050
		Rawla (Loose)	0	0	Unch
		Gharsana (Loose)	0	0	Unch
	Bikaner	Raisinghnagar (Loose)	0	6000	-6000
		Bikaner (Loose)	5700	5950	-250
		Bikaner (Delivery)	5985	6248	-263
		Nokha(Loose)	5700	6050	-350
		Nokha (Delivery)	5985	6353	-368
		Khajuwala (Loose)	5800	6100	-300
		Khajuwala (Delivery)	6090	6405	-315
	Hanumangarh	Lunkaransar (Loose)	5900	6200	-300
		Hanumangarh (Loose)	5700	6200	-500
		Hanumangarh (Delivery)	5985	6510	-525
		Nohar (Loose)	0	0	Unch
	Nagaur	Pilibanga (Loose)	0	0	Unch
		Nagaur (Loose)	5700	6200	-500
		Churu (Delivery)	0	0	Unch
Alwar	Alwar (Loose)	0	0	Unch	
Haryana	Hisar	Adampur (Loose)	6100	6200	-100
		Adampur (Delivery)	6405	6510	-105
	Bhiwani	Bhiwani (Delivery)	5400	6600	-1200
		Siwani (Loose)	5900	5800	100
	Sirsa	Sirsa (Loose)	5600	6200	-600
		Dhabwali (Loose)	0	6150	-6150
		Dhabwali (Delivery)	0	6458	-6458
		Ellanabad (Loose)	0	0	Unch
Fatehabad	Fatehabad (Loose)	5700	6200	-500	
Gujarat	Banaskantha	Deesa (Loose)	0	0	Unch
	Patan	Patan (Loose)	5460	5805	-345
	Rajkot	Rajkot (Loose)	0	0	Unch

	Jamnagar	Dhrol (Loose)	0	0	Unch
Madhya Pradesh	Gwalior	Dabra (Loose)	0	0	Unch
Guar Gum					
Rajasthan	Jodhpur	Jodhpur	10000	9800	200
	Alwar	Alwar	0	0	Unch
	Hanumangarh	Nohar	0	0	Unch
Haryana	Bhiwani	Bhiwani	9500	8000	1500
	Sirsa	Sirsa	10000	9800	200
		Dhabwali	0	10000	-10000
		Ellanabad	0	0	Unch
	Fatehabad	Fatehabad	10000	13000	-3000

Guar Seed Arrivals in Key Centers					
Commodity	District	Centre	Arrivals (Quintals)		Change
Guar Seed			30-Sep-21	31-Aug-21	
Rajasthan	Jodhpur	Jodhpur	0	0	Unch
	Sri-Ganganagar	Sri-Ganganagar	200	100	100
		Rawla	0	0	Unch
		Gharsana	0	0	Unch
		Raisinghnagar	0	4	-4
	Bikaner	Bikaner	200	50	150
		Nokha	200	450	-250
		Khajuwala	30	50	-20
		Lunkaransar	500	200	300
	Hanumangarh	Hanumangarh	300	NA	-
		Nohar	0	0	Unch
		Pilibanga	0	0	Unch
	Nagaur	Nagaur	0	0	Unch
	Churu	Churu	0	0	Unch
Alwar	Alwar	0	0	Unch	
Haryana	Hisar	Adampur	300	1200	-900
	Bhiwani	Bhiwani	50	100	-50
		Siwani	NA	NA	-
	Sirsa	Sirsa	700	500	200
		Dhabwali	0	100	-100
		Ellanabad	0	0	Unch
Fatehabad	Fatehabad	0	0	Unch	
Gujarat	Banaskantha	Deesa	0	0	Unch
	Patan	Patan	17	66	-49

	Rajkot	Rajkot	0	0	Unch
	Jamnagar	Dhrol	0	0	Unch
Madhya Pradesh	Gwalior	Dabra	0	0	Unch
Total Arrivals/Above Markets			2497	2820	-323

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