

# Guar Monthly Research Report

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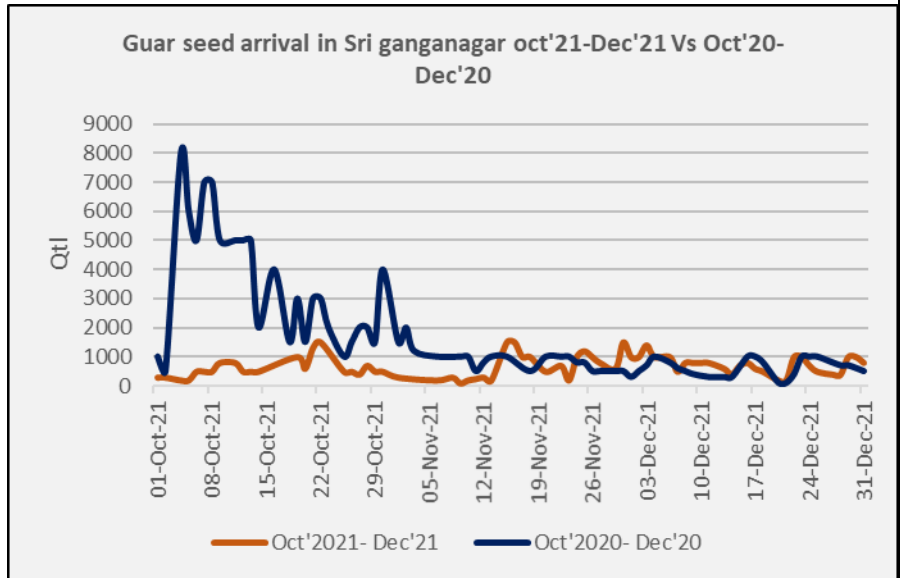
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**Executive Summary**

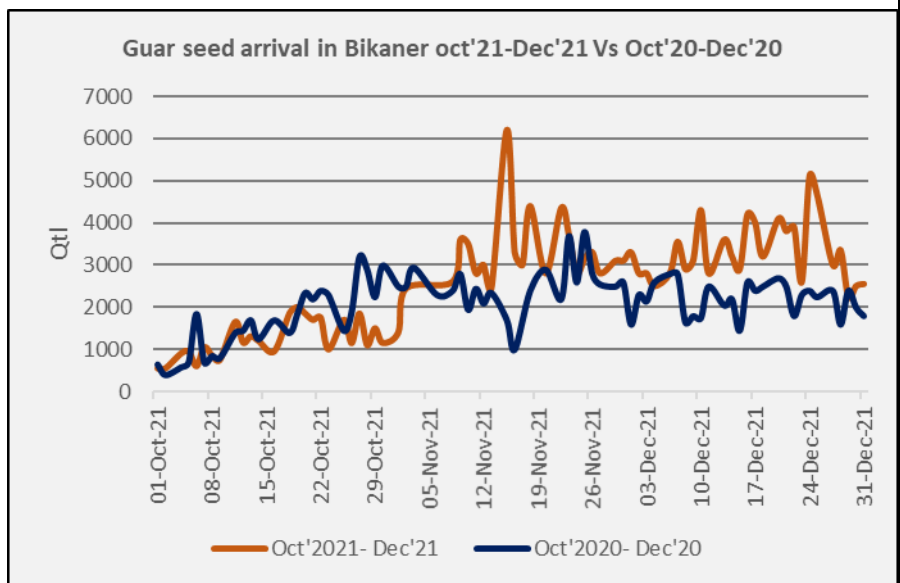
**Domestic Guar Seed Market Summary**

This Month Guar seed and guar gum remained firm on overall tight supply and lower production as compared to previous season.

In sri Ganganagar, Oct-Dec'21 arrival stood 60% lower at 47,350 Qtl vs 118,600 Qtl in same period last year. Whereas, in Dec'21 arrival stood 42% higher at 19,900 Qtl vs 14,000 Qtl in Dec'20 and in Noveber'21 arrival stood 17% lower at 14,050 Qtl vs 16,900 Qtl last year same period.



In Bikaner (Bikaner, Nokha, Khajuwala and Lunkaransar), Oct-Dec'21 arrival went 21% up at 1,88,630 Qtl vs 1,55,580 Qtl in same period last year. Whereas, in Dec'21 arrival stood 51% higher at 89,750 Qtl vs 59,300 Qtl in Dec'20



As per sources, farmers are willing to hold more guar produce this year due to anticipation of higher prices in future.

As on 23rd Dec 2021, data released by Baker Hughes, the number of oilrigs in USA went up by 5 to 480 compared to 475 previous week. Monthly oilrig count in Oct'21 stood at 438 vs 201 last year same period. Increase in oilrig count continued this week as well, increase in oilrig count in US likely to support export demand which is major importer of guar. Additionally, Currently rupee against US dollar remained weak, likely to underpin guar exports.

According to Rajasthan govt 2021-22 first advance estimates, Guar seed production estimate pegged at

13.73 lakh tonnes vs 11.36 lakh tonne last year, Additionally, 2021-22 acreage stood at 21.13 lakh hectare as compared to 24.84 lakh hectare last year. Yield pegged higher at 650 kg/Ha vs 458 kg/Ha last year.

According to Gujarat govt 2021-22 first advance estimates, Guar Seed production estimate pegged at 1.01 lakh tonne Vs 0.85 Lakh tonnes last year, Additionally, 2021-22 acreage stood at 1.21 lakh ha Vs 1.22 lakh ha. Yield pegged higher at 873 kg/ha Vs 699 Kg/ Ha last year.

**Previous Updates:**

India's guar gum exports increased in the month of October 2021 by 21.74% to 23,292 tonnes compared to 19,132 tonnes during previous month at an average FoB of US \$ 1849 per tonne in the month of Oct'2021 as compared to US \$ 1756 per tonne previous month. Further, the gum shipments were up by 62.53% in Oct'2021 compared to the same period last year. Of the total exported quantity, around 10,083 tonnes bought by US, Russia 3,327 tonnes, Germany 2,711 tonnes, china 789 tonnes, Australia 466 tonnes and Canada 911 tonnes.

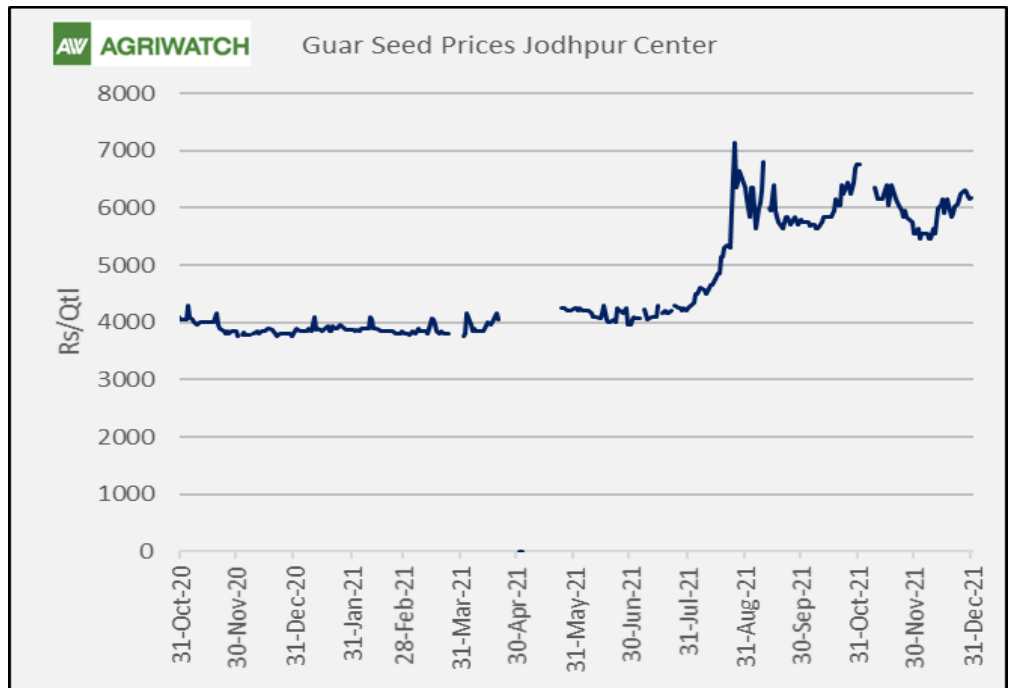
India's guar split exports decreased in the month of Oct'2021 by 29.51% to 2,580 tonnes compared to 3,660 tonnes previous month at an average FoB of US \$ 1325 per tonne in the month of Oct'21 compared to US \$ 1,370 per tonne previous month. However, the guar split shipments gone down by 24.78 % in Oct 2021 compared to the same period last year. Of the total exported quantity, around 1,900 tonnes bought by China, US 500 tonnes and Netherland 120 tonnes

**Recommendation: Monthly Call- : Market participants are advised to Buy Guar seed future January contract near 6000 levels for a target of 6700 with a stop loss at 5800.**

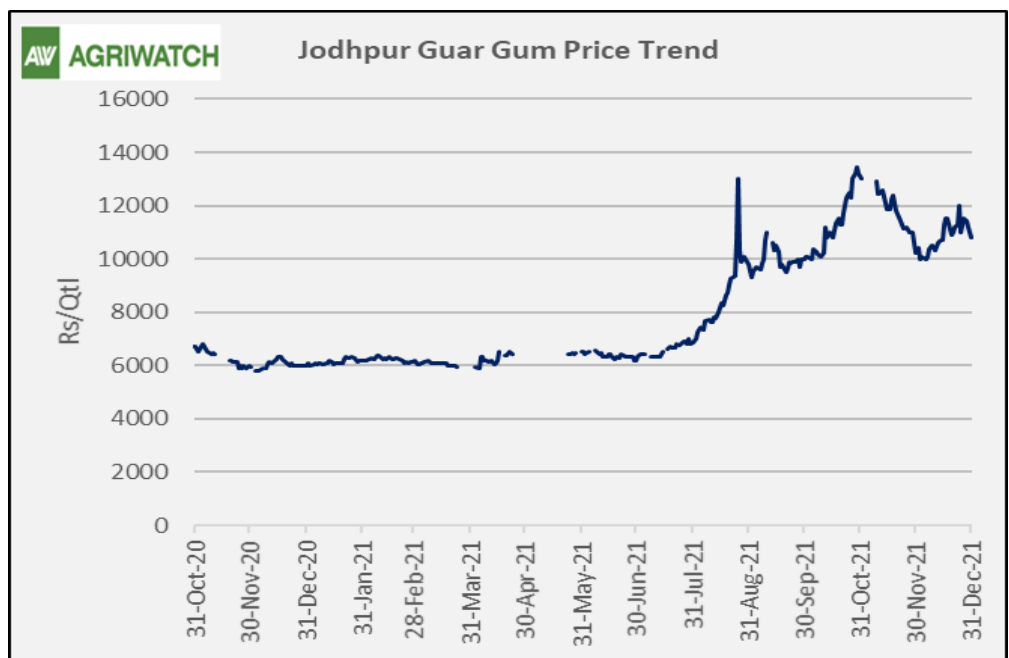
**Guar Seed Fundamental Analysis and Outlook:-**

**Domestic Front**

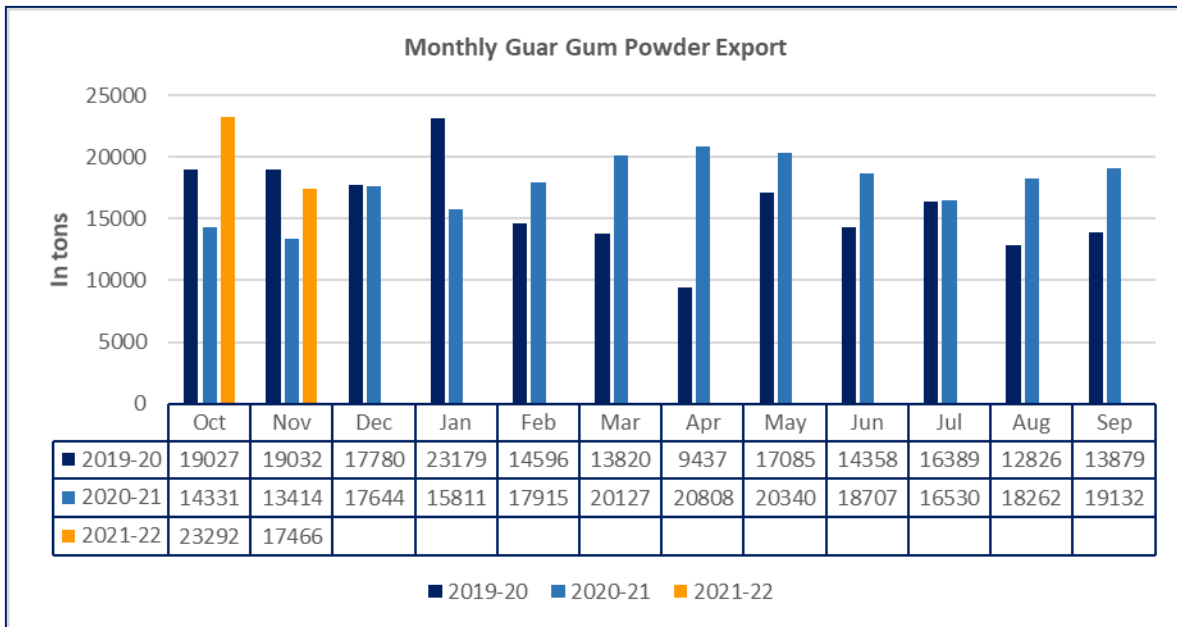
As on 31st December, jodhpur guar seed paid prices went up by 11.26% to Rs 6,220/Qtl compared to previous month at Rs 5,550/Qtl. during the month, market made high of Rs 6,300/Qtl, monthly low at Rs 5,450/Qtl. Market remained firm on overall tight arrival.



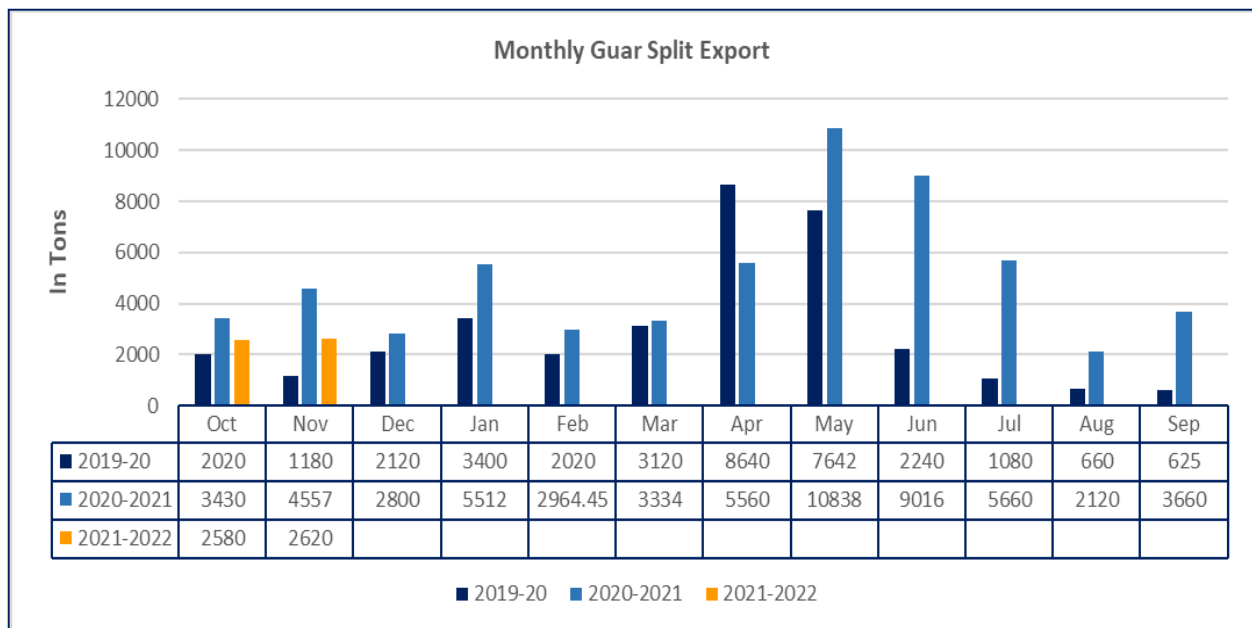
As on 31st December, jodhpur guar gum prices went up by 5.88% to Rs 10,800/Qtl compared to previous month at Rs 10,200/Qtl. during the month, market made high of Rs 12,000/Qtl, monthly low at Rs 10,000/Qtl.



**Export Scenario**

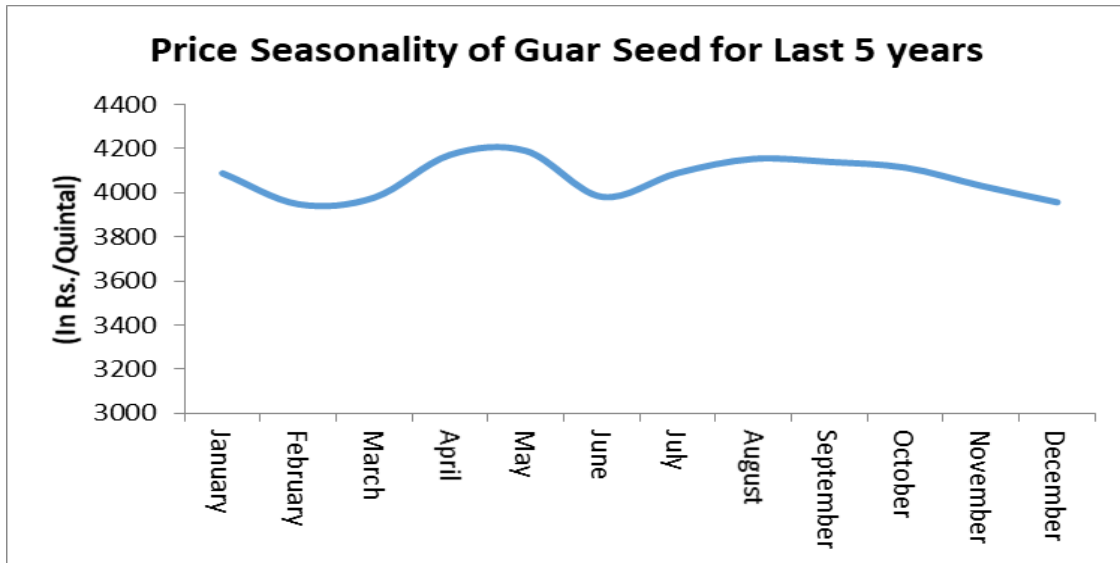


India's guar gum exports decreased in the month of November 2021 by 25.01% to 17,466 tonnes compared to 23,292 tonnes during previous month at an average FoB of US \$ 2169 per tonne in the month of Nov'2021 as compared to US \$ 1849 per tonne previous month. Further, the gum shipments were up by 30.21% in Nov'2021 compared to the same period last year. Of the total exported quantity, around 4,645 tonnes bought by US, Russia 4,000 tonnes, Germany 1,322 tonnes, china 1,070 tonnes, Australia 1,041 tonnes and Canada 862 tonnes.



India's guar split exports increased in the month of Nov'2021 by 1.55% to 2,620 tonnes compared to 2,580 tonnes previous month at an average FoB of US \$ 1,557 per tonne in the month of Nov'21 compared to US \$ 1,325 per tonne previous month. However, the guar split shipments gone down by 42.51 % in Nov'21 2021 compared to the same period last year. Of the total exported quantity, around 1,900 tonnes bought by China, US 660 tonnes and Switzerland 60 tonnes.

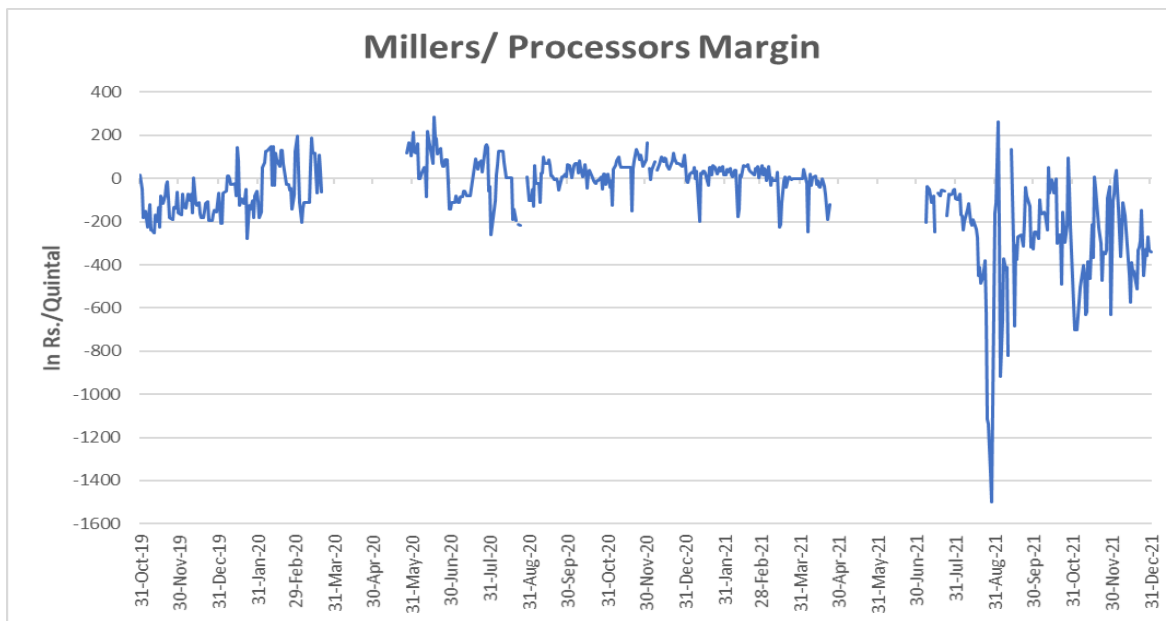
**Price Seasonality of Guar Seed**



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.

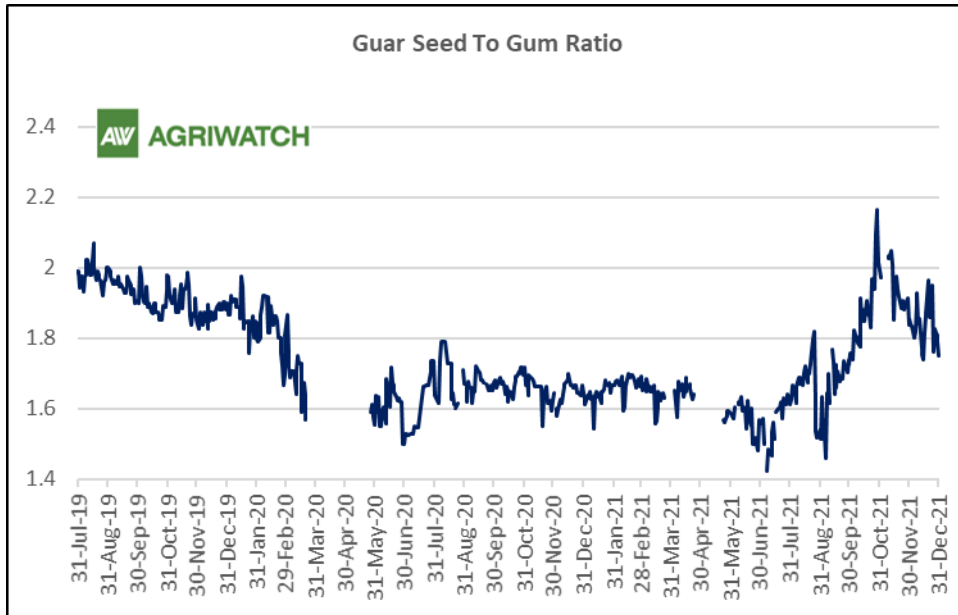
**Millers/Processors Margin:**

As seen in the chart, the average crush margin of guar seed have decreased in December'21 as compared to November'21, the average crush margin decreased to Rs. -283/quintal in Dec'21 compared to Rs. -114/quintal in Nov'21. Decrease in the guar product prices like churi and korma have pushed down the processors' margin.



**Guar Seed to Gum Ratio:**

The average monthly Ratio of guar seed to gum stood at 1.83 in December'21 while in November'21 it was 1.89. Overall, weak demand of gum from domestic markets has kept the overall ratio lower side.



Technical Analysis (Guar Seed)

Commodity: Guar Seed -Feb Contract

Exchange: NCDEX



**Technical Commentary:**

- Guar seed went up on buyers interest.
- Prices closed near resistance zone of 6100-6200.
- RSI and stochastic indicating firm buying strength.
- MACD crossover indicating steady to firm momentum.

Monthly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Seed	NCDEX	Feb	5500	5800	6027	6900	7000
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Seed	NCDEX	Feb	Buy	Near 6000	6500	6700	5800



Technical Analysis (Guar Gum)

Commodity: Guar Gum Feb Contract

Exchange: NCDEX



**Technical Commentary:**

- Guar gum posted gain on buyers interest.
- Prices closed in the range of resistance zone of 11100-11200.
- RSI and stochastic indicating firm buying strength.
- MACD crossover indicating steady momentum.

Monthly Supports & Resistances			S2	S1	PCP	R1	R2
Guar Gum	NCDEX	Feb	9500	10000	10756	12500	13000
Monthly Trade Call			Call	Entry	T1	T2	SL
Guar Gum	NCDEX	Feb	<b>BUY</b>	10500	11000	12000	10300

Guar Seed & Gum Prices at Key Spot Markets

Guar Seed Prices at Key Spot Markets:					
Commodity	District	Centre	Prices (Rs/Qtl)		Change
Guar Seed			31-Dec-21	30-Nov-21	
Rajasthan	Jodhpur	Jodhpur (Loose)	6025	5400	625
		Jodhpur(Delivery)	6326	5670	656
	Sri-Ganganagar	Sri-Ganganagar(Loose)	5800	6050	-250
		Sri-Ganganagar (Delivery)	5950	6200	-250
		Rawla (Loose)	5850	-	-
		Gharsana (Loose)	5800	-	-
		Raisinghnagar (Loose)	6000	-	-
		Bikaner	Bikaner (Loose)	5700	5600
	Bikaner (Delivery)		5985	5880	105
	Nokha(Loose)		5750	5550	200
	Nokha (Delivery)		6038	5828	210
	Khajuwala (Loose)		5800	5500	300
	Khajuwala (Delivery)		6090	5775	315
	Lunkaransar (Loose)		5800	5600	200
	Hanumangarh	Hanumangarh (Loose)	5800	5800	Unch
		Hanumangarh (Delivery)	6090	6090	Unch
		Nohar (Loose)	-	-	-
		Pilibanga (Loose)	5700	-	-
	Nagaur	Nagaur (Loose)	5700	5450	250
	Churu	Churu (Delivery)	5900	-	-
Alwar	Alwar (Loose)	5100	-	-	
Haryana	Hisar	Adampur (Loose)	5650	5300	350
		Adampur (Delivery)	5933	5565	368
	Bhiwani	Bhiwani (Delivery)	6000	6000	Unch
		Siwani (Loose)	5725	5700	25
	Sirsa	Sirsa (Loose)	5650	5450	200
		Dhabwali (Loose)	-	-	-
		Dhabwali (Delivery)	-	-	-
		Ellanabad (Loose)	-	-	-
Fatehabad	Fatehabad (Loose)	5300	5600	-300	
Gujarat	Banaskantha	Deesa (Loose)	-	-	-
	Patan	Patan (Loose)	5490	5575	-85

	<b>Rajkot</b>	Rajkot (Loose)	5570	5575	<b>-5</b>
	<b>Jamnagar</b>	Dhrol (Loose)	-	-	-
<b>Madhya Pradesh</b>	<b>Gwalior</b>	Dabra (Loose)	-	-	-
<b>Guar Gum</b>					
	<b>Jodhpur</b>	Jodhpur	10800	10200	<b>600</b>
<b>Rajasthan</b>	<b>Alwar</b>	Alwar	-	-	-
	<b>Hanumangarh</b>	Nohar	-	-	-
	<b>Bhiwani</b>	Bhiwani	11200	12100	<b>-900</b>
<b>Haryana</b>	<b>Sirsa</b>	Sirsa	11200	10300	<b>900</b>
		Dhabwali	-	-	-
		Ellanabad	-	-	-
	<b>Fatehabad</b>	Fatehabad	10300	10500	<b>-200</b>

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