

GUAR SEED



News & Development

NCDEX Guar Seed future price has been trading bullish in the month of April so far amid reports of steady demand in the domestic market and higher exports of Guar split from India especially in the European Union and United States. Though lockdown situation in the European Union and United States continues to prevail, positive economic data has revived the shale demand for Guar gum. Moreover, rising lockdown situation in India has also led to supply tightness in the local market. Panic buying had been witnessed in almost agriculture commodities which has simultaneously driven the Guar complex prices higher. By 19th April, NCDEX Guar seed price closed at Rs.4113/quintal, higher by 7.81% compared to Rs.3815/quintal reported on 31st March.

Fundamentally for the month ahead, we are estimating NCDEX Guar Seed futures to trade bullish as the global oil prices is forecasted to incline with reports of improved sentiments of global economic recovery. China is forecasted to continue with its heavy buying of crude oil for its industrial production. Most of the guar cash markets in Gujarat and Rajasthan remained closed for lockdown restrictions. However, firm sentiments witnessed in the guar seed markets which were operational while guar gum featured steady to weak tone in the cash market. We expect India's March guar gum export figure to be once again positive as in February. India's February guar gum exports slightly improved as compared to the same period last year. We expect the March export figures too to be higher compared to the same period last year. India's guar gum exports improved in the month of February 2021 by over +13% to 17,915 tonnes compared to 15,811 tonnes during January 2021. The exports of guar gums seems to be gradually picking-up with gradual increase in the oilrig counts. But then, extreme bullishness can be capped in the May month in case India's monsoon sentiment becomes favourable for the Guar crop. Overall, we can expect bullish trend in NCDEX Guar Seed futures for the month ahead.



On a weekly timeframe, NCDEX Guar seed (May) future is forming **Inverse Head & Shoulder** Patterns, which is a reversal pattern and indicates a trend reversal. Moreover, the price has been consolidating above the **Ichimoku Cloud** formation and 200-week **Exponential Moving Averages**, which supports the bullish trend for the long term. A volume activity has also been rising from the last couple of weeks, suggests buying interest among the trades. Weekly oscillator Stochastic showed positive crossover, which points out bullish strengths in the counter. **So, based on the above technical parameter, one can initiate a long position in NCDEX Guar seed (May) future at 4120 or a fall in the prices till 4090 levels can be used as a buying opportunity for the upside target of Rs. 4800. However, the bullish view will be negated if NCDEX Guar seed (May) closes below the support of 3770.**