



SHREE RAM GUM CHEMICALS PVT. LTD.

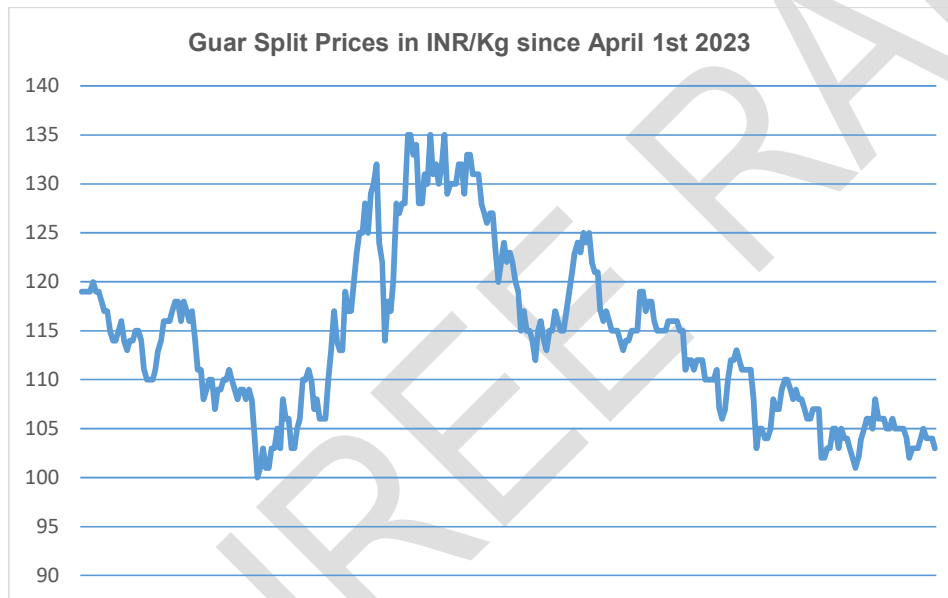
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ANNUAL REPORT

Today, we complete another Financial year from April 2023 to March 2024. We wish to extend our sincere heartfelt thanks to all our valued Buyers, Suppliers, Service Providers, associates, etc for their support and co-operation over the last year.

As the world limps towards normalcy the Russia-Ukraine conflict rages on. The Israel-Hamas conflict also effected the attempt for normalcy. The attack of Houthis on container vessels caught everyone unawares. As a result the freight and shipping time to the European sector ex-India went up significantly.

The Spot Price price movement for the Guar Splits from April 1st to March 31st was as follows



Crop Guesstimate

2022 Crop : 11-12 Million Bags (1.1~1.2 Million MT of Guar Seed)

2023 Crop : 7 ~ 7.5 Million Bags (700,000 ~ 750,000 MT)

The **exports from India of Guar Gum** were as follows

Current Year exports	Quantity in MT*
April 2022 – March 2023	241,510
April 2023 – Jan 2024	163,171

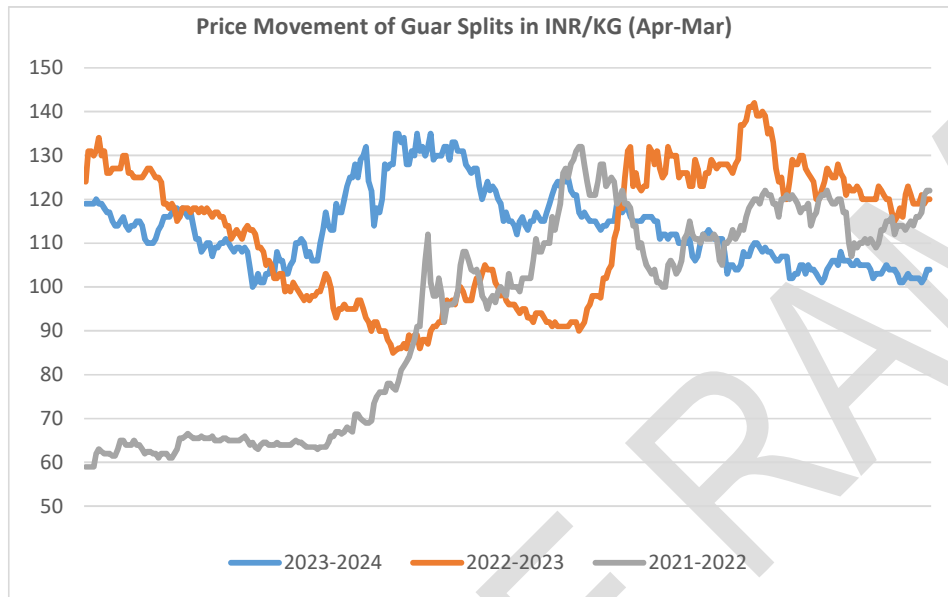
**We are mentioning here only the exports of Guar Gum Powder. The quantity exported in the form of splits is additional*



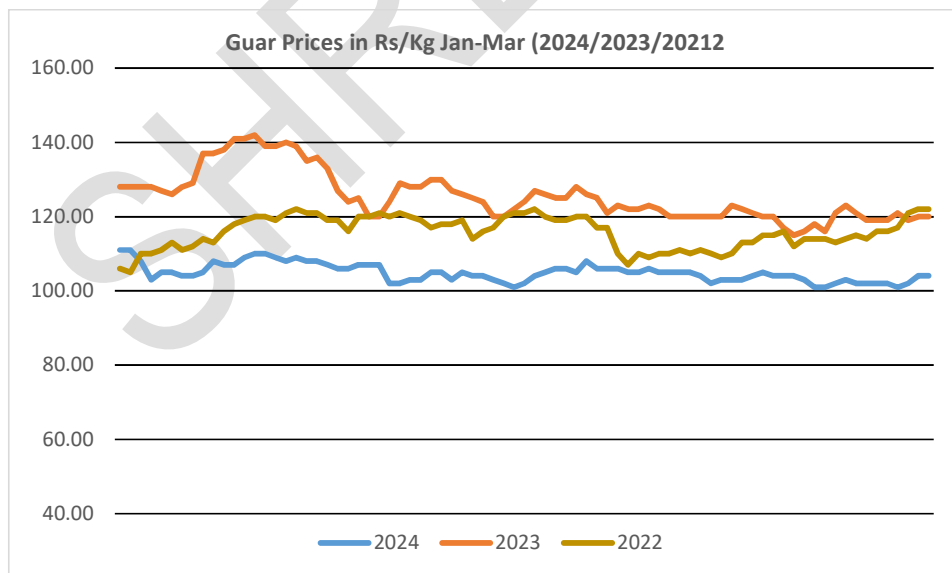
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The Spot Price price movement for the Guar Splits from April (preceding year) to March (following year) (2023-24, 2022-23 and 2021-22) was as follows



The Spot Price price movement for the Guar Splits from Jan-Mar (2024, 2023 and 2022) was as follows

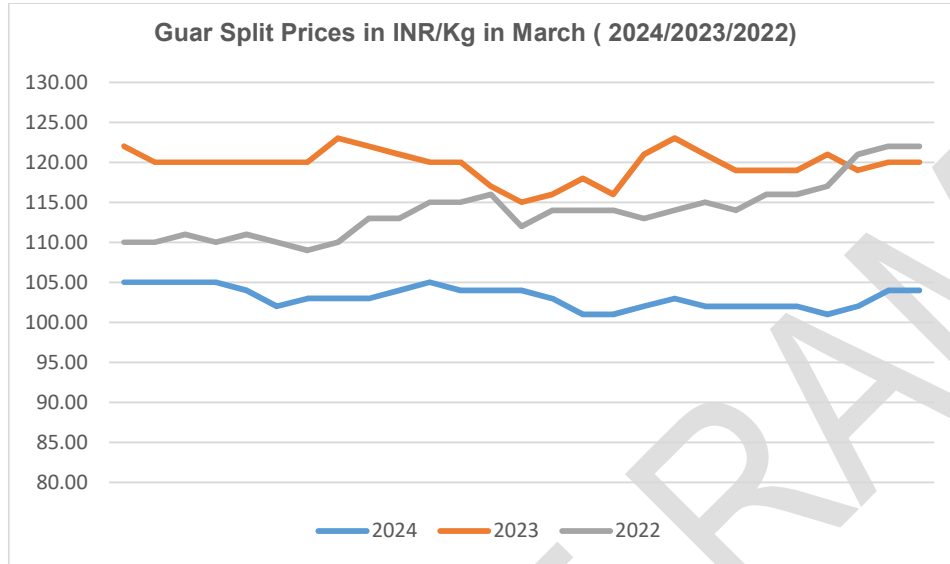




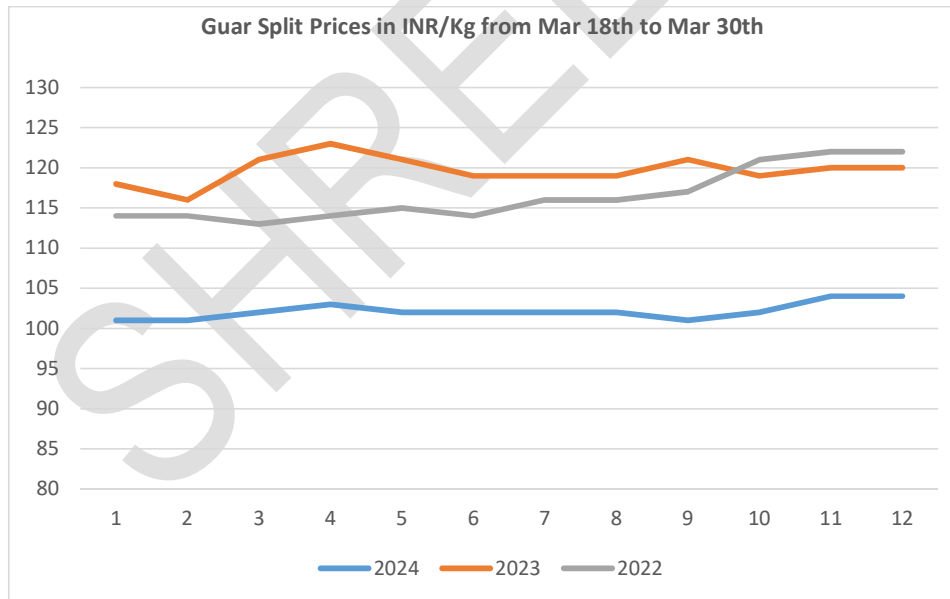
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The Spot Price price movement for the Guar Splits during March (2024, 2023 and 2022) was as follows



The Spot Price price movement for the Guar Splits in the last fortnight





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RECAP OF OUR COMMENTARIES

April 2023

This month saw the forecast from two of the leading weather forecasters of the country, the Indian Meteorological Department and Skymet weather. Both forecasted below normal rains for the Indian peninsula. The threat of 'El Nino' is also quite evident. The 'El Nino' phenomenon is not considered good for the Southwest Monsoons. Overall the outlook for the Southwest Monsoons is not good.

This time, contrary to expectations there was no reaction by the traders / speculators. Historically speaking also, if we look at the graph of prices over the last three years, there has not been much price fluctuations during the month by Guar standards. The prices continued to drop over the month. Having breached the earlier support level of Rs.120/Kg the prices for the Guar Split levelled off at around Rs.115/Kg during mid month.

At the end of the month the prices fell further to Rs.110/Kg which had shown a strong support last year..

May 2023

The prices of Guar during the month traded in a very narrow range. This has been the trend now for the last three years as we can see from the graph. The prices during the last fortnight once again breached the Rs.110/Kg (for Guar Splits) support levels though there was an attempt towards the end of the week to close over that level. As mentioned in our earlier reports we are seeing a strong support at these levels but this time the traders are facing a lot of pressure to maintain this level. With the updated forecast issued yesterday it will be interesting to see the opening prices next week as an indication of the traders sentiments

June 2023

The period of intense speculation in the Guar market has started with the first good round of rain. During the next three months, normally we see price swings depending upon the rains, crop sowing, crop progress, etc. If everything stays normal we can expect a stable price. If the subsequent rainfall comes as required and the weather conditions are conducive, the output can go up a little and that will put pressure on the prices to go down.

If anything adverse happens affecting the output then the prices will go up. With the first good round of rainfall, required to start sowing, happening so early in the season all the crop options are now available to the farmers. As per the current feedback, the primary sowing at this stage has been mainly Oil seeds (peanuts), Millets and Cotton.



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The reaction can already be seen as the market went up by almost 10% in the last week of June. There is a lot of time still to go before a guesstimate figure will be available depending on the acreage under Guar crop.

July 2023

The Guar sowing stands now at almost 87% against the targeted area in Rajasthan and around 66% in the state of Gujarat. The other two states that sow Guar that is Punjab and Haryana, the reports are comparatively less area is covered under the Guar crop.

During the month the market went up by almost 18%. The prices breached the resistance of Rs.120/Kg around July 21st and then continued going up. Much of the increase is attributed to traders and speculator activities rather than any increase in demand. Now that the sowing period is almost over, all eyes will be on the way the crop develops and the expected yield. If all factors remain favorable and the crop yield is good then the prices should correct itself later. However, if there are any adverse events till the harvesting like, no rain for an extended period of time or untimely rain at the time of harvesting, then the prices may go up further.

August 2023

The Guar sowing stands now at almost 102% against the targeted area in Rajasthan and around 91% in the state of Gujarat. The other two states that sow Guar that is Punjab and Haryana, the reports are that comparatively less area is covered under the Guar crop.

The traders forecast that there are less chances of rainfall in August/September has held true at least for the month of August 2023 The Guar belt had no rain during the entire month of August. If you go through our earlier reports, the Guar sowing picked up towards the end of the rains after the farmers had sown the other crops. This late sowing needed a round of rainfall for the growth of the plant, which did not come. As a result the crop is now getting effected and is withering. The immediate forecast of rainfall for the first fortnight of September also is not very good.

The speculators and traders for the moment have a grip on the market. As can be seen the prices have been fluctuating around the Rs.130/Kg level since the past three weeks. By Guar standards the fluctuations have been within a very narrow band of the Rs.128/Kg level to Rs.135/Kg level. Currently no trend can be seen as the traders are assessing the crop situation.

September 2023

For the most of the month the market held to the support levels of Rs.120/Kg for the Guar splits. But during the last week this level was breached and the market closed the month and the week well below the support levels. The prices are currently



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trading at the Rs.115/Kg level. The market will remain closed on Monday. We will have to wait till Tuesday to see what new levels are formed.

There is no indication of the sentiments of the traders at this time. There is also no general consensus on the Guar crop. The market seems to be waiting for the actual harvesting time.

October 2023

The month started off with a very strong crop inflow, the effect of which was seen almost immediately on the prices. The prices fell but found good support at the Rs.115/Kg level for the Guar splits. The prices could not convincingly break this level. As the inflow tapered off during the end of the month from 60000 bags/day to the current 39000 bags/day the market recovered again. However the prices found resistance at the Rs.125/Kg level. The market towards the end of the current week corrected itself again. Though the crop inflow continues to be strong as compared to last year, there are also some indications that the Oil industries have entered the market. As we have been advising, this is around the time that they plan for the coming year.

November 2023

For the entire month of November, the markets were lacklustre. In the first two weeks there was the festive mood of Diwali. In the third week the markets were caught in the election fever as our state voted for the State Government. The market traded almost flat during the entire period at around Rs.115/Kg for the splits. There were several times it seemed that it will break the support but each time the traders stepped in to maintain the price level. The crop inflow and the average demand balanced each other and there were no break outs on either side.

The price comparative for three years for the month of November is a typical example of the unpredictable nature of Guar. In the year 2022 the market went up, in the year 2021 the market went down and in this year the prices are stable. The market seems to be balanced at the moment. If there is a drop in the crop inflow and/or there is a spike in demand the prices can shoot up. If the crop inflow maintains and the demand drops, the market can go down.

December 2023

During the month the market breached two important support levels for the prices of Guar Splits, the first at Rs.115/Kg and then at Rs. 110/Kg for splits, before correcting itself towards the end of the month to close over the Rs.110/Kg level. The month saw tremendous pressure of arrivals for most of the month but then tapered off towards the end. The arrivals in the beginning of the month were around 42000 bags per



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day which gradually decreased and currently the crop inflow is around 22000 bags per day. The falling prices could also be one of the reason why the farmers may be staying away from the market.

Though this should have helped the traders to hold the prices but the expected demand from the Oil Industry did not materialise. Oil prices have not stabilised and as of now there is no direction in the Oil industry also. Despite steps by OPEC and other Oil producing countries the prices of Oil have not looked up.

As mentioned in our last report with a majority of the world market being closed for the year end holidays, little movement was expected and as the year end holidays drew nearer the market traded more or less flat.

January 2024

The market breached two important support levels during the month. At the beginning of the month, it breached the Rs.110/Kg support level for the Guar Splits. Thereafter for the most of the month the market traded within a very narrow range. However at the very end it breached the support level of Rs.105/Kg. The next support is at Rs.100/Kg. This was the level from which the market has rebounded earlier around June 26th, 2023.

The inflow has dropped considerably and in view of the price stability seen for most of the month, the demand and supply is well balanced.

February 2024

The month under review was a very stable month as far as Guar Gum goes. An attempt was made once to breach the lower levels of Rs.100/Kg for the Guar Splits and an attempt was made once to breach the upper level of Rs.110/Kg levels. Except for these two movements the prices traded almost flat line at around Rs.105/Kg levels for the Guar splits.

The current scenario as far as crude prices goes, is not very encouraging for the Oil Companies and maybe is one of the reasons that the Oil industry has not made any bulk purchases. The overall global economy also is very sluggish which is not giving any momentum to overall demand.

March 2024

The last month saw some bullish movement in the Oil prices. The Guar spot prices were very stable fluctuating within a very narrow margin from Rs.105/Kg to Rs.100/Kg for the Guar splits. There were attempts during the month to breach the support level but the traders and speculators ensured that the prices stayed around the Rs.105/Kg level.



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The Financial year has ended. The traders/stockist have squared up their open positions and consolidated their accounts. The new Financial Year starts once again at a level where there is a strong support.

What the new year beholds in terms of monsoons, crops, demand and other geo-political and economic factors, etc will slowly unravel itself as time progresses. We on our part will attempt to keep you updated from time to time so that you can make an informed purchase decision.

We will keep you updated regarding the market situation as it develops. Please advise us your requirements so that we can calculate and advise you our best rates based on your indication regarding the Quantity, Quality and shipment period. Any queries or inputs required, please feel free to contact us. We will try to suggest the best options based on our experience and the prevailing market situation.

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TAKE CARE AND STAY SAFE

Disclaimer : This market report has been compiled keeping the present facts and figures and the past trends in mind with an aim to help the buyers in taking a good buying decision. The buyers should check their own situation and work out their own figures and take a decision on their own. Any decision based on this report will not be our responsibility. This report has been compiled only for the benefit of the buyers and industry in general with the utmost good intentions.