# Commodity at a Glance

**NCDEX Guar Gum Futures**

- Benchmark Futures contract for Guar Gum
- Hedging and price risk management tool for value chain
- Efficient and transparent price discovery
- Robust delivery mechanism
- Connects the entire value chain

**Launched on 26th July, 2004**

<table>
<thead>
<tr>
<th>Highest monthly</th>
<th>Total deliveries</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADTQ 76,980 MT</td>
<td>ADOI 84,425 MT</td>
</tr>
<tr>
<td>till Jun 2020</td>
<td>2,16,504 MT</td>
</tr>
</tbody>
</table>

*Since Inception*

**DEPOSIT AND DELIVERIES**

<table>
<thead>
<tr>
<th>Source - NCDEX</th>
</tr>
</thead>
</table>

**CONTRACT SPECIFICATIONS**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Ticker Symbol</th>
<th>Basis*</th>
<th>Additional Delivery center*</th>
<th>Delivery Logic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Guar Gum</td>
<td>GUARGUMS</td>
<td>Jodhpur</td>
<td>Bikaner, Nokha, Sri Ganganagar and Deesa</td>
<td>Compulsory Delivery</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quotation</th>
<th>GST</th>
<th>Trading and Delivery Unit</th>
<th>Tick Size</th>
<th>Expiry date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs. / quintal</td>
<td>Exclusive</td>
<td>5 MT</td>
<td>Rs. 1</td>
<td>20th of the delivery month</td>
</tr>
</tbody>
</table>

**Quality Specifications**

- Residue insoluble in Acid 3.00% Max
- Protein 5.00% (Max)
- Undehusked Splits 10.00%
- Black, dark red and brown coloured splits 1.00% (Max)
- Through 14" mesh 3.00% (Max)
- Through 20" mesh 0.10% (Basis)
- Moisture 8%
- Foreign Particles (all non-gum particles) 0.30%(Basis)

* upto the radius of 50 kms from the municipal limits.

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Guar Gum is used as a thickening agent in textile industry and binding in food industry. Guar is said to be cheaper substitute to Xanthan gum (pure culture ferment) or locust bean gum.

Pharmaceutical, paper, textile and personal care industries are also increasingly using guar gum. Also used in hydraulic fracturing, more commonly known as ‘fracking’, where it is used as a gelling agent in fracturing fluids in oil wells.

Gum, extracted from guar, has become India’s most valued agricultural export commodity. A dominant producer of guar, India accounts for about 80 percent of the world production. 70-80 percent of total production of India comes from Rajasthan.

USES OF GUAR GUM
- Guar Gum is used as a thickening agent in textile industry and binding in food industry.
- Guar is said to be cheaper substitute to Xanthan gum (pure culture ferment) or locust bean gum.

Salient Features of Guar Contracts on NCDEX Platform
- Very high co-relation to the physical Guar market
- Adequate volume and liquidity
- Ideal Hedging and Risk Management Platform for value chain participants in Guar industry
- Widely accepted as benchmark for Guar prices across India and abroad
- Compulsory delivery contract with staggered delivery mechanism
- Premium/ Discount structure for fair pricing across the country
- Widely accepted quality specifications