

Rice Weekly Research Report

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Outlook and Review:

- As per trade sources, India's 5% broken parboiled rice experienced a decline in its price range from last week's \$382-\$387 per metric tonne to a range of \$380-\$385 per metric tonne, which represents the lowest value since mid-January. Over the course of the last month, prices have undergone a correction of approximately \$20 per metric tonne. Market participants are currently adopting a wait-and-watch approach, monitoring whether rice prices will undergo further reductions.
- According to trade sources, prices of Vietnam's 5% broken rice remained stable at \$450 per metric tonne throughout the week. In the near future, trading activities are expected to increase due to the rise in supplies from the current harvest season and the demand from traditional buyers, such as China and the Philippines. Despite this, the rates for Vietnamese rice continue to be lower than that of Thai grain, prompting some overseas traders to turn towards Vietnam as a means of maximizing their profits.
- As per sources, prices of Thailand's 5% broken rice experienced a slight increase from \$455 per metric tonne to \$465 per metric tonne, which can be attributed to the appreciation of the baht. Despite this change, prices are expected to remain range-bound as demand is currently subdued and supplies are gradually increasing. A stronger domestic currency can make exports from the country more expensive in dollar terms. If the supply of rice continues to increase, there may be a possibility of price correction in the future.
- As per trade sources, total exports for the month of February, 2023 were 12.09 LMT out of which 7.11 LMT was non-basmati rice however basmati rice exports were reported at 4.97 LMT.

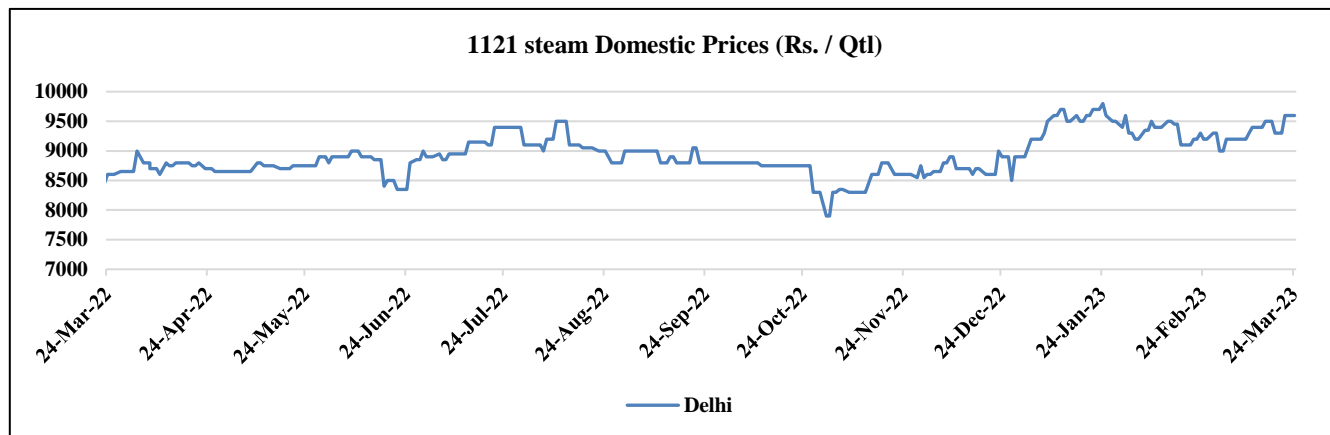
State wise Wholesale Prices Weekly Analysis for Rice Fourth Week of March, 2023

| State | Prices 24-31 Mar 2023 | Prices 16-23 Mar 2023 | Prices 09-15 Mar 2023 | Prices 24-31 Mar 2022 | % Change (Over Previous Week) | % Change (Over Previous Year) |
|---------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------------------------|-------------------------------|
| Bihar | | 3650 | 4150 | 2606.55 | — | — |
| Gujarat | 4281.17 | 4289.62 | 4292.79 | 4263.34 | -0.2 | +0.42 |
| Karnataka | 4029.06 | 4169.49 | 4179.35 | 3795.46 | -3.37 | +6.15 |
| Kerala | 4326.13 | 4327.75 | 4313.98 | 3624.23 | -0.04 | +19.37 |
| Maharashtra | 3993.98 | 4535.71 | 3844.8 | 3922.58 | -11.94 | +1.82 |
| Manipur | 3400 | 3329.58 | 3227.07 | 3451.86 | +2.11 | -1.5 |
| Odisha | 3282.79 | 3213.36 | 3197.47 | 2654.46 | +2.16 | +23.67 |
| Tripura | 3348.3 | 3407.59 | 3425.91 | 3013.47 | -1.74 | +11.11 |
| Uttar Pradesh | 2557.74 | 2582.9 | 2604.15 | 2553.3 | -0.97 | +0.17 |
| Uttarakhand | | 2494.08 | 2234.41 | | — | — |
| West Bengal | 3228.52 | 3335.71 | 3405.73 | 2980.45 | -3.21 | +8.32 |
| Average | 3605.3 | 3575.98 | 3534.15 | 3286.57 | — | — |

Prices in Rs/Quintal

(source: Agriwatch)

- Throughout the week, the market maintained a rangebound pattern. In markets of Haryana, Punjab arrivals have almost come to an end and there is no major demand as well, however, In Andhra Pradesh, there is a high demand for RNR exports due to limited supply, leading to a 200 INR per quintal price hike.
- This week, the average price of Sugandha rice in the benchmark Narela market went down slightly by 2% to Rs. 7683.33 per quintal from last week, while, the price of 1121 steam also showed marginal increase of 0.53% at Rs. 9500 per quintal from the previous week.



Technical Analysis (Domestic market)

(Based on Narela Mandi prices)

Rice – Technical Outlook

Rice Narela Mandi prices -Weekly time frame

Technical Chart:



Technical Commentary:

- During the week under review, market continued uptrend closed to 9,600 as compared to previous week at 9,300 levels and market made low of 9,300, high of 9,600.
- Market is currently facing near term support of 9, 18 and 50 EMA can be characterized as near-term support, however, 100 EMA can be characterized as long-term support.
- In last few weeks, RSI has improved to 61, which is indicating good buying strength and MACD is indicating firm momentum.
- 9,100-9,200 is near term support and 9,600-9,700 is near term resistance.

Recommendation-

- Market Participants are recommended to buy above 9,200 and sell in the range of 9,600-9,700 in short run.

Rice Price Outlook for coming week (Narela 1121 Steam): Prices are currently at INR. 9,600/qtl. and are expected to trade with firm bias in the range of INR 9,500-9,700 in short run.

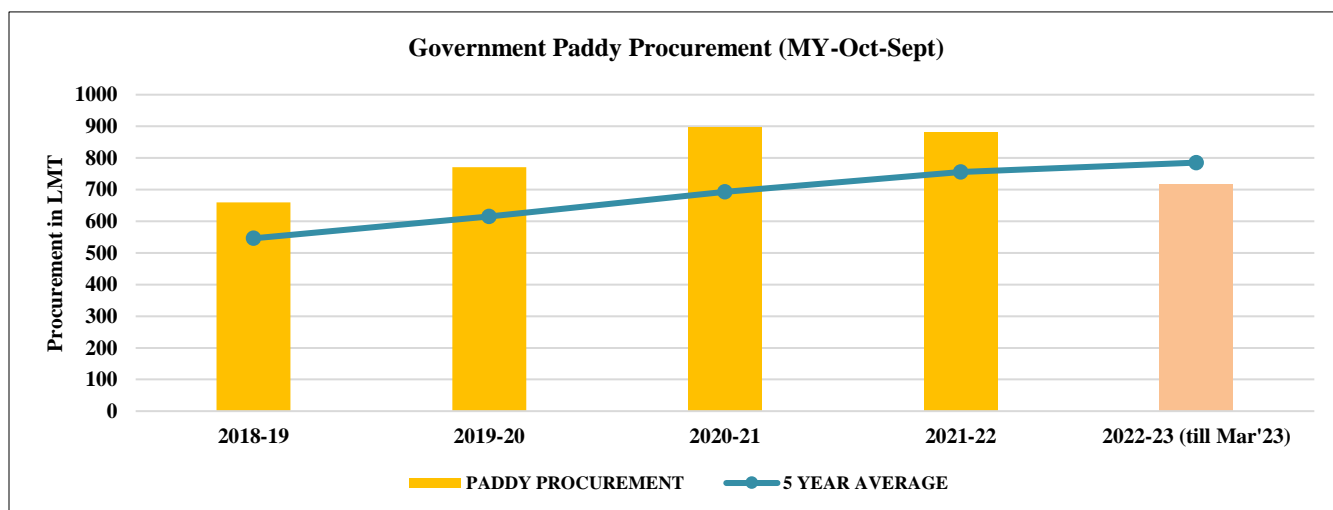
| Rice Price Outlook (INR./Qtl) | Previous week 11 th Mar'23- 17 th Mar'23 | Week under review 18 th Mar'23- 24 th Mar'23 | Next week 25 th Mar'23- 31 st Mar'23 |
|-------------------------------|---|---|---|
| Weekly Average Price | 9,400-9,500 | 9,300-9,600 | 9,500-9,700 |

State wise Procurement KMS 2022-23

| KMS 2022-23 (Units in LMTs) (as on 15.03.2023) | | | | |
|--|-------------|------|--------------|-------|
| S.No. | STATES/ UTs | FCI | State Agency | Total |
| 1 | A.P. | 0.00 | 31.30 | 31.30 |
| 2 | TELANGANA | 0.00 | 64.92 | 64.92 |
| 3 | ASSAM | 0.70 | 2.71 | 3.41 |
| 4 | BIHAR | 0.00 | 42.05 | 42.05 |
| 5 | CHANDIGARH | 0.19 | 0.00 | 0.19 |
| 6 | CHHATISGARH | 0.00 | 87.53 | 87.53 |
| 7 | GUJARAT | 0.00 | 1.77 | 1.77 |
| 8 | HARYANA | 0.14 | 58.82 | 58.96 |
| 9 | H. P. | 0.07 | 0.07 | 0.14 |
| 10 | JHARKHAND | 0.00 | 1.43 | 1.43 |
| 11 | J&K | 0.34 | 0.00 | 0.34 |
| 12 | KARNATAKA | 0.00 | 0.16 | 0.16 |
| 13 | KERALA | 0.00 | 2.16 | 2.16 |
| 14 | M. P | 0.00 | 46.16 | 46.16 |
| 15 | MAHARASHTRA | 0.00 | 14.94 | 14.94 |

| | | | | |
|----|---------------|-------------|---------------|---------------|
| 16 | ODISHA | 0.00 | 63.21 | 63.21 |
| 17 | PUNJAB | 2.00 | 180.11 | 182.11 |
| 18 | RAJASTHAN | 0.00 | 0.00 | 0.00 |
| 19 | NEF (Tripura) | 0.00 | 0.40 | 0.40 |
| 20 | TAMIL NADU | 0.00 | 20.56 | 20.56 |
| 21 | UTTAR PRADESH | 1.11 | 64.39 | 65.50 |
| 22 | UTTRAKHAND | 0.00 | 8.96 | 8.96 |
| 23 | WEST BENGAL | 0.00 | 21.64 | 21.64 |
| | TOTAL | 4.55 | 713.29 | 717.84 |

- As of 15th March, 2023, FCI and state agencies procured 717.84 LMT against the procurement target of 775.72 lakh metric tonnes during the ongoing kharif marketing season of 2022-2023.
- As of March 2023, FCI had 210.54 LMT rice in its central pool against the required quantity of 135.8 LMT buffer on April 1.



IGC Global Rice Balance Sheet:

| Attributes | 2020-21 | 2021-22 (Est.) | 2022-23 (Fore.) | | 2023-24 (Proj.) |
|-----------------------|---------|----------------|-----------------|------------|-----------------|
| (Fig in Million Tons) | | | 16.02.2023 | 16.03.2023 | 16.03.2023 |
| Production | 510 | 515 | 504 | 511 | 522 |
| Trade | 51 | 55 | 52 | 52 | 54 |
| Consumption | 509 | 519 | 513 | 517 | 520 |
| Carryover stocks | 182 | 178 | 170 | 173 | 175 |
| Y-O-Y change | 0 | -4 | | -5 | 2 |
| Major Exporters | 50 | 46 | 42 | 45 | 46 |

Note: Major exporters are India, Pakistan, Thailand and Vietnam.

The global rice output for the year 2022/23 has been revised upwards by 7 million tonnes to reach 511 million tonnes (or 515 million tonnes), primarily due to an increase in production estimates for India. This additional supply is expected to result in higher consumption and stocks. Moreover, if the Asian region witnesses larger crops, the 2023/24 global rice output could be the highest ever recorded. In such a scenario, the demand and inventories are also predicted to increase. It is anticipated that the trade in rice during the period of January to December 2024 may expand to 54 million tonnes, which is 2 million tonnes more than the previous forecast.

Rice Price Trend – CBOT@ CBOT May- 23, Rough Rice (Weekly Time frame)

(Prices in US\$/hundredweight)

Market Analysis

During this week, market went up by 3.90%, made high of 17.94 and low of 17. It is currently trading below 9 and 18 DMA which can be characterized as resistance however, it is trading above 50 and 100 DMA which can be characterized as near-term and long-term support respectively, indicating firm market sentiments. RSI is currently close to 55, indicating good buying strength. Additionally, MACD is also indicating steady to firm momentum.



| Duration | Trend | Support | Resistance |
|----------|---------|----------------|------------------|
| May-2023 | Bearish | S1-17 S2-16 | R1-18 R2-18.5 |

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