

Rice Weekly Research Report

Contents

- ❖ Outlook and Review
- ❖ Wholesale Weekly Prices
- ❖ Domestic Outlook
- ❖ Technical Analysis (Domestic Market)
- ❖ Outlook For Coming Week
- ❖ Comparative Rice Variety Prices
- ❖ State-wise Procurement
- ❖ IGC Balance Sheet
- ❖ Technical Analysis (International Market)

Outlook and Review:

- During the current week, India's 5% broken parboiled rice remained unchanged from the previous week, trading at \$380 to \$385 per tonne, similar to the mid-January levels. Although there has been a slight improvement in demand from African countries, the order book for April shipments remains unfilled.
- Meanwhile, Vietnam's 5% broken rice increased from \$450 to \$460 per tonne this week, following Indonesia's food procurement agency's announcement to purchase two million tonnes of rice this year. Despite the ongoing harvest in the Mekong Delta provinces, domestic supplies remain tight due to the limited output of 5% broken rice, which accounts for 15%-20% of the total yield.
- Meanwhile, Thailand's 5% broken rice prices increased from \$465 to \$475 to \$482 per tonne due to appreciation of Baht and limited fresh supply arriving in the market.
- The Indian Government has granted special consideration for the export of 3.5 lakh tonnes (lt) of broken rice to Gambia and Senegal. The Commerce Ministry has authorized the export of 1 lakh tonnes of broken rice to Gambia and 2.5 lakh tonnes to Senegal. Furthermore, the Ministry has permitted the shipment of 9,990 tonnes of broken rice to Djibouti and Ethiopia.
- 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 01-08 Apr 2023	Prices 24-31 Mar 2023	Prices 16-23 Mar 2023	Prices 01-08 Apr 2022	% Change (Over Previous Week)	% Change (Over Previous Year)
Bihar		3900	3650	2616.75	—	—
Gujarat	3788.1	4262.94	4289.62	4317.73	-11.14	-12.27
Karnataka	3604.45	3907.35	4266.54	4105.29	-7.75	-12.2
Kerala	4245.18	4327.61	4327.75	3663.74	-1.9	15.87
Maharashtra	3776.03	3850.64	4528.71	3701.64	-1.94	2.01
Manipur		3388.97	3329.58	3452.83	—	—
NCT of Delhi				4300	—	—
Odisha		3498	3213.36	2960.56	—	—
Tripura	3491.4	3415.69	3407.59	2996.2	2.22	16.53
Uttar Pradesh	2645.8	2583.82	2586.85	2555.65	2.4	3.53
Uttarakhand		2454.71	2494.1	2748.64	—	—
West Bengal	3236.45	3234.56	3346.77	2839.19	0.06	13.99
Average	3541.06	3529.48	3585.53	3354.85		

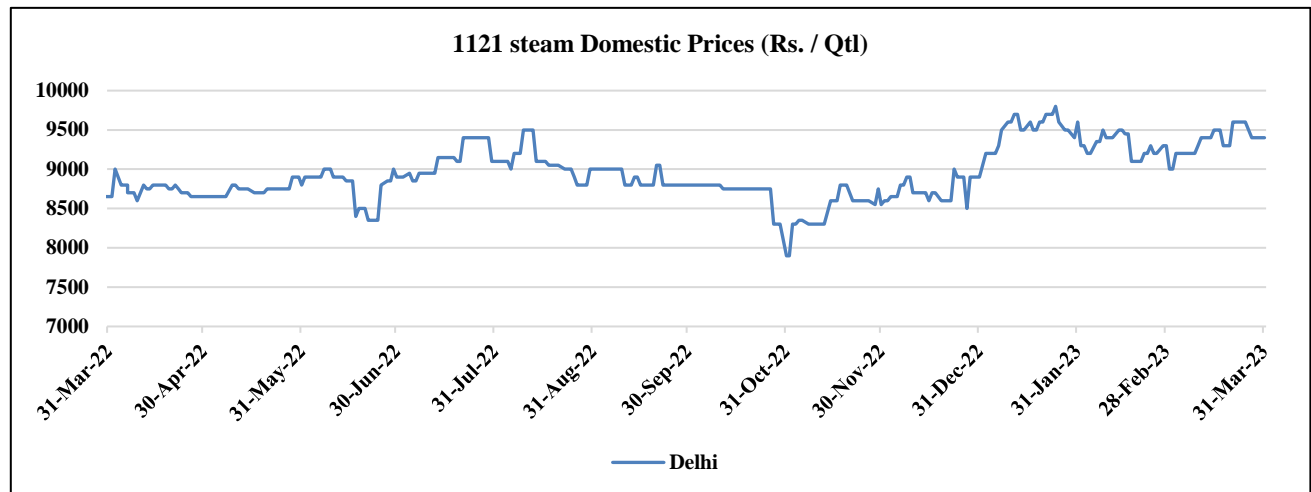
Prices in Rs/Quintal

(source: Agriwatch)

- Following the record surge in paddy and all Basmati varieties of rice, the market experienced a lull in sales due to profit booking for a few days. However, following this week's export deal, there has been a surge in buying by exporters, leading to an increase of Rs. 100 per quintal across all Basmati varieties in the rice markets.

Currently, Sela rice 1718 is at Rs. 8000, while rice 1509 is trading at Rs. 7800/7850. Similarly, the trend for 1121 paddy and rice remains upwards, with the potential for further growth in the market. However, coarse goods are dominating the Sasaram line, and there has been an increase in the sale of paddy in the mandis around Mughalsarai and Mirzapur. Under these circumstances, it is advisable to avoid rapid trade in coarse rice.

- This week, the average price of Sugandha rice in the benchmark Narela market ticked up by 2.38% to Rs. 7683.33 per quintal from last week, whereas, the price of 1121 steam showed marginal decrease of 0.70% at Rs. 9433.33 per quintal from the previous week.



Technical Analysis (Domestic market)

(Based on Narela Mandi prices)



- During this week, market ticked up at 9,600 levels from previous week's 9,300 and closed at 9,600 made low of 9,300 and high of 9,600.
- Market is currently facing near term support of 18, 25 and 50 EMA can be characterized as near-term support, however, 100 EMA can be characterized as long-term support.
- Despite decline in RSI from 61 last week to 56.45 this week, buying strength is still firm 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 wait to buy near the support of 9,200 and sell above range of 9,500 in short run.

Rice Price Outlook for coming week (Narela 1121 Steam): Prices are currently at INR. 9,400/qtl. and are expected to trade with firm bias in the range of INR 9,300-9,600 in short run.

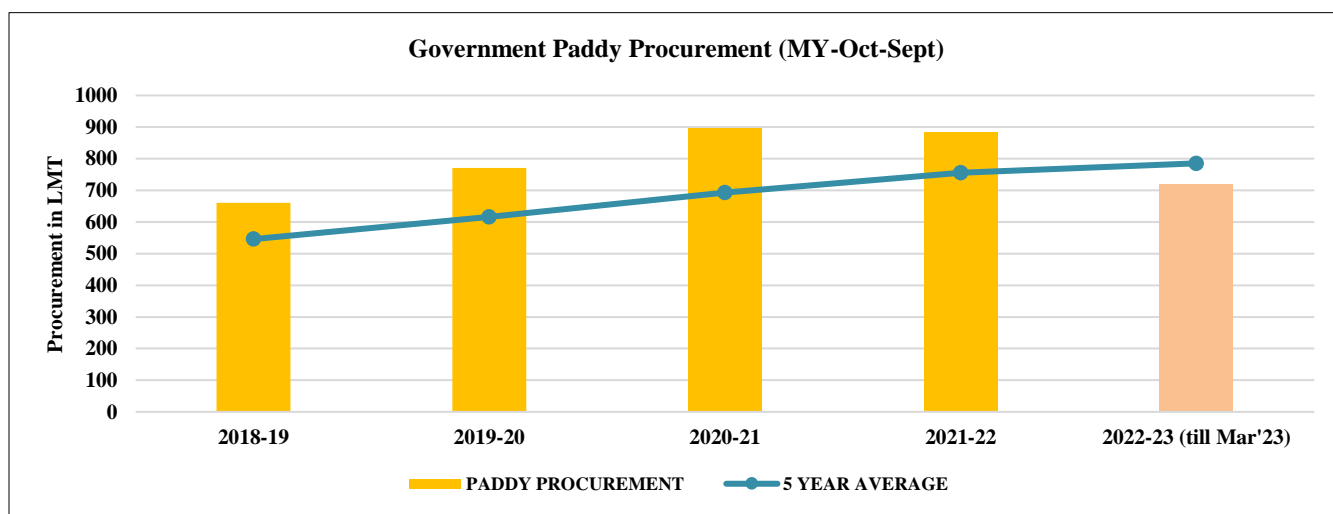
Rice Price Outlook (INR./Qtl)	Previous week 18 th Mar'23- 24 th Mar'23	Week under review 25 th Mar'23- 31 st Mar'23	Next week 1 st Apr'23- 7 th Apr'23
Weekly Average Price	9,300-9,600	9,400-9,600	9,300-9,600

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 (Fig in Million Tons)	2020-21	2021-22 (Est.)	2022-23 (Fore.)		2023-24 (Proj.)
			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 down by 2.21% after previous week's gain, made high of 18.00 and low of 17.39. It is currently trading below 9 and 18 DMA which can be characterized as near-term resistance however, it is trading above 50 and 100 DMA which can be characterized as long-term support. RSI is currently close to 50, indicating steady buying strength. Additionally, MACD is also indicating steady to firm momentum.



Duration	Trend	Support	Resistance
May-2023	Bearish	S1-17.4 S2-16	R1-18 R2-18.3

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2023 Indian Agribusiness Systems Limited.