

Rice Weekly Research Report

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Outlook and Review:

- The 5% broken parboiled variety of rice from India was quoted at \$385-\$392 per tonne this week, showing an increase from last week's range of \$383-\$389. This price rise can be attributed to the appreciation of the rupee and the growing demand for rice in the market.
- The government has recently announced the removal of the 20% export duty on rice of “seed quality in the husk”, following a thorough review of rice stocks. This exemption has been implemented as of April 11th, and aims to facilitate trade in the rice sector.
- Similarly, Vietnam's 5% broken rice was offered at \$465-\$470 per tonne, up from \$460 per tonne a week ago. The demand for Vietnamese rice remains robust, and the country's exports in the first quarter witnessed significant growth.
- During the January-March period, Vietnam successfully exported 1.85 million tonnes of rice, reflecting a significant increase of 23.4% compared to the corresponding period last year. Notably, the Philippines and China continued to be the major importers of Vietnamese rice in the first quarter, showcasing the sustained demand from these key markets.
- Meanwhile, Thailand's 5% broken rice prices also experienced an upward trend, rising to \$485-\$490 per tonne from \$480-\$482 in the previous week. Exporters are actively procuring rice to meet orders from regions like Indonesia, indicating strong demand in the market.

State wise Wholesale Prices Weekly Analysis for Rice Second Week of April, 2023

State	Prices 09-15 Apr 2023	Prices 01-08 Apr 2023	Prices 24-31 Mar 2023	Prices 09-15 Apr 2022	% Change (Over Previous Week)	% Change (Over Previous Year)
Bihar	3947.25	4127.27	3900	2593.66	-4.36	52.19
Gujarat	4356.03	4274	4262.94	4345.74	1.92	0.24
Karnataka	4089	4300.4	4081.84	4602.52	-4.92	-11.16
Kerala	4322.78	4318.36	4327.61	3591.24	0.1	20.37
Maharashtra	4777.6	4243.69	3845.31	3876.72	12.58	23.24
Manipur	3408.31	3407.99	3388.97	3465.17	0.01	-1.64
NCT of Delhi	2000	4050			-50.62	—
Odisha	3161.54	2821.53	3496.35	2846.42	12.05	11.07
Tripura	3526.67	3477.29	3415.69	3008.7	1.42	17.22
Uttar Pradesh	2629.7	2614.83	2583.57	2545.39	0.57	3.31
Uttarakhand	3242.7	2360.84	2454.71	2849.96	37.35	13.78
West Bengal	3167.86	3225.55	3234.43	2815.25	-1.79	12.52
Average	3552.45	3601.81	3544.67	3321.89		

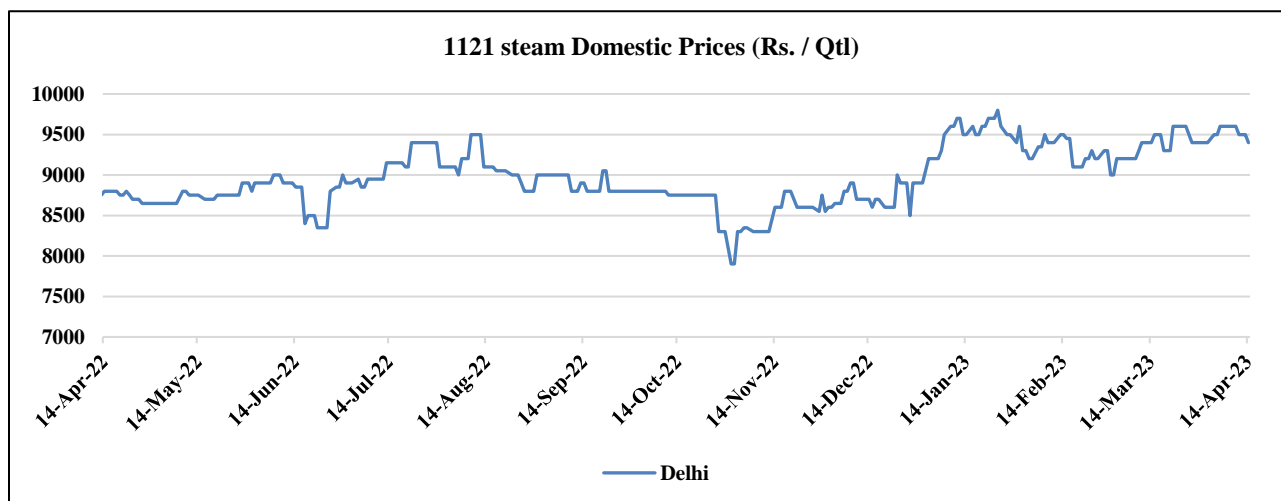
Prices in Rs/Quintal

(source: Agriwatch)

- During the week under review, prices remained steady to firm. The availability of fine varieties of paddy in rice mills is scarce, and exporters are focusing on deals with Iran and other Gulf countries. This is expected

to intensify market demand in the future, particularly for Taj and 1718 Basmati varieties of rice, as rice mills have little to no stock. Hence, the market is anticipated to remain bullish. However, arrivals have started coming into the markets of Maharashtra (from Andhra Pradesh), Karnataka, etc. and other South Indian paddy growing states.

- During the week under review, the average price of Sugandha rice in the benchmark Narela market went down marginally by 0.83% to Rs. 8016.66 per quintal from last week, and price of 1121 steam went slightly down by 0.17% at Rs. 9516.66 per quintal from the previous week.



Technical Analysis (Domestic market)

(Based on Narela Mandi prices)



- During the week under review, market rebounded after previous week's loss from 9400 to 9600 levels and made high of 9,500 and low of 9,600.
- Market is currently facing near term support of 18, 25 and 50 EMA, however, 100 EMA can be characterized as long-term support.
- RSI rebounded after previous week's decline from 56.44 to 60.08 this week, indicating improved buying strength and MACD is indicating steady to 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.

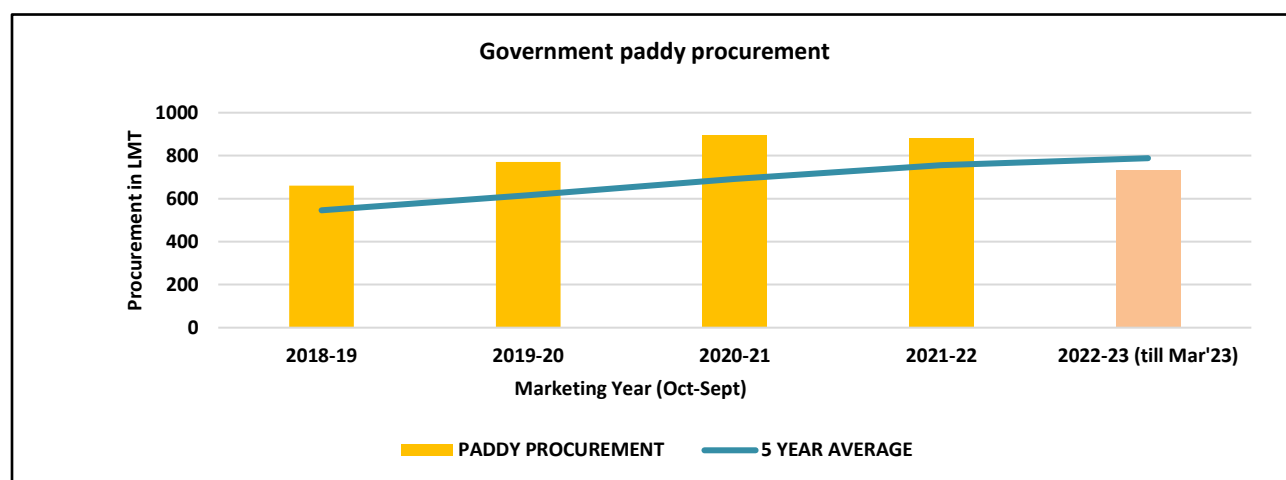
Rice Price Outlook (INR./Qtl)	Previous week 1 st Apr'23- 7 th Apr'23	Week under review 8 th Apr'23- 14 th Apr'23	Next week 15 th Apr'23- 21 st Apr'23
Weekly Average Price	9,400-9,600	9,400-9,600	9,300-9,600

State wise Procurement KMS 2022-23

KMS 2022-23 (Units in LMTs) (as on 02.04.2023)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0.00	31.30	31.30
2	TELANGANA	0.00	65.02	65.02
3	ASSAM	1.38	2.78	4.16
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	59.22	59.36
9	H. P.	0.07	0.07	0.14
10	JHARKHAND	0.00	1.64	1.64
11	J&K	0.34	0.00	0.34
12	KARNATAKA	0.00	0.19	0.19
13	KERALA	0.00	2.22	2.22
14	M. P	0.00	46.16	46.16

15	MAHARASHTRA	0.00	15.04	15.04
16	ODISHA	0.00	65.17	65.17
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	23.25	23.25
21	UTTAR PRADESH	1.12	64.38	65.50
22	UTTRAKHAND	0.00	8.96	8.96
23	WEST BENGAL	0.00	30.39	30.39
	TOTAL	5.24	727.65	732.89

- As of April 2, 2023, the central pool had received 732.89 lakh tonnes (LMT) of paddy from FCI and state agencies during the current 2022–2023 kharif marketing season.
- As of April 2023, FCI have 248.60 LMT rice in its central pool against the required quantity of 135.40 LMT buffer on July 1st and 276.43 LMT of unmilled paddy.



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, after two consecutive weeks of loss, market went up by 3.75%, made high of 17.86 and low of 16.65. It is currently trading below 9, 18 and 50 DMA indicating weak momentum, however, it is trading above 100 DMA which can be characterized as long-term support. RSI has improved from 44 to 48, indicating improved buying strength. Additionally, MACD is also indicating weak momentum.



Duration	Trend	Support	Resistance
May-2023	Bearish	S1-16.50 S2-16	R1-17.90 R2-18.3

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