

# Rice Weekly Research Report

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### Outlook and Review:

- According to trade sources, India's 5% broken parboiled rice rates have declined to \$378-\$382 per tonne this week, falling from last week's rate of \$382-\$388, the lowest since January 13, 2023, due to sluggish demand.
- Thailand's 5% broken rice prices have surged to \$490-\$495 per tonne, reaching their highest level since February 3. This marks a significant increase from the previous week's rate of \$480 per tonne, which can be attributed to various factors, including exchange rate fluctuations, increased orders from Indonesia, and a dwindling supply. Indonesia purchased around 500,000 tonnes of rice, which helped boost prices.
- Thailand's rice exports for first quarter of 2023 stood at 2.06 million tonnes, indicating an impressive 18.48% increase from the same period in the previous year.
- Meanwhile, Vietnam's 5% broken rice was offered at \$495-\$500 per tonne on Thursday, remaining unchanged from the previous week, when prices matched the levels last observed in April 2021. Nevertheless, supplies are expected to become thinner as the main harvest of the year has already ended, although traders have raised their purchases from farmers in anticipation of higher demand from foreign markets.
- In 2023, Vietnam's rice exports as of April 15 totaled 2.37 million tonnes, indicating a notable 33.7% increase from the previous year.
- As per trade sources, there has been a surge of more than 25 USD per tonne in the prices of Indian non-basmati white (raw) rice for export during the past two weeks, primarily driven by limited domestic supplies and a rising demand from international markets. On the other hand, parboiled (boiled) rice prices have witnessed a decline of 5 USD per tonne. Despite this trend, Indian white rice remains competitive, with a lead of 20-30 USD over its closest rival in the global market. In terms of parboiled rice, the Indian variety is currently at least 100 USD per tonne more affordable compared to its competitors.

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

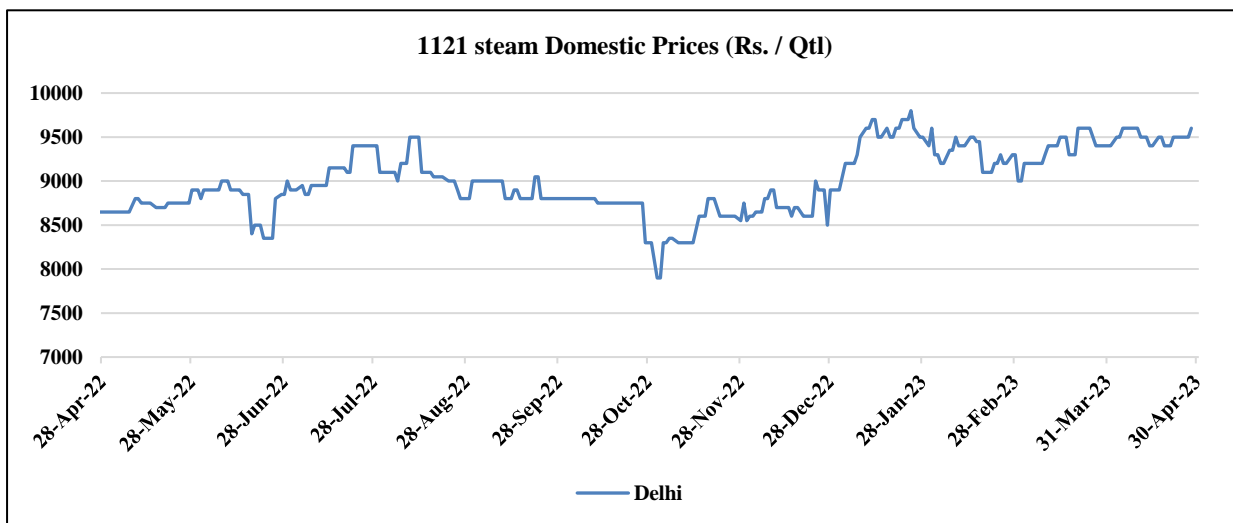
State	Prices 24-30 Apr 2023	Prices 16-23 Apr 2023	Prices 09-15 Apr 2023	Prices 24-30 Apr 2022	% Change (Over Previous Week)	% Change (Over Previous Year)
Bihar	3850	3844	3947	2590	0.16	48.65
Gujarat	4374	4356	4356	4330	0.41	1.02
Karnataka	4028	4134	4201	3751	-2.56	7.38
Kerala	4339	4344	4340	3573	-0.12	21.44
Maharashtra	3908	4067	4923	3821	-3.91	2.28
Manipur	3525	3455	3408	3464	2.03	1.76
NCT of Delhi			2000		—	—
Odisha	3272	3214	3160	2936	1.8	11.44
Tripura	3546	3470	3467	2936	2.19	20.78
Uttar Pradesh	2664	2666	2622	2554	-0.08	4.31
Uttarakhand	3146	2639	3146	2555	19.21	23.13
West Bengal	3260	3277	3184	2949	-0.52	10.55

<b>Average</b>	<b>3628.36</b>	<b>3587.82</b>	<b>3562.83</b>	<b>3223.55</b>		
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Prices in Rs/Quintal

(source: Agriwatch)

- During the week under review, market remained rangebound. Paddy from Raichur, Karnataka is being transported to various markets in Western India, Central India, and other states, amid lackluster demand for exports. A significant quantity of paddy and rice is being sourced from Andhra Pradesh and delivered to Maharashtra. It is anticipated that the arrival of summer paddy from Maharashtra will start after first week of May. It is expected that as a result of this prices will show correction of Rs. 100-200 per quintal in Maharashtra.
- As per trade sources, there is subdued demand in markets of Rajasthan amid local payment issues which has resulted in bearish sentiments in market. It is expected that mid-May onwards, demand for seed might start for Kharif paddy sowing. However, in Chhattisgarh, fresh arrivals from summer crop of has started coming into the markets.
- During the week under review, the average price of Sugandha rice in the benchmark Narela market went up by 2.13% to Rs. 7966.66 per quintal from last week, and price of 1121 steam also increased marginally by 0.88% at Rs. 9516.66 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 rebounded after previous week's loss from 9400 to 9500 levels and made high of 9,500 and low of 9,400.
- Market is currently facing near term support of 18, 25 and 50 EMA, however, 100 DMA can be characterized as long-term support.
- RSI improved from 55.12 to 57.03 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 9,300 and sell above range of 9,600 in short run.

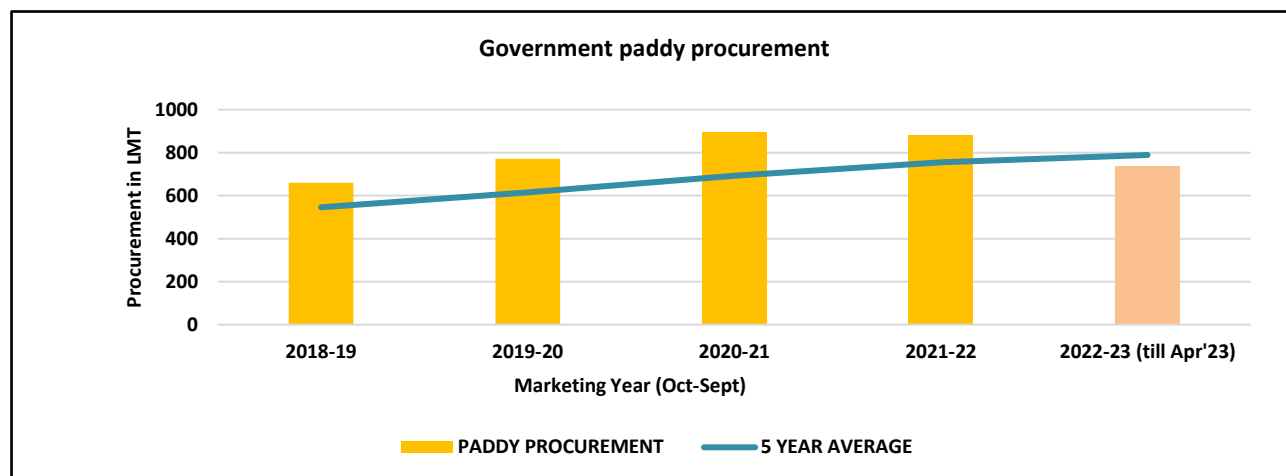
**Rice Price Outlook for coming week (Narela 1121 Steam):** Prices are currently at INR. 9,600/mtl. and are expected to trade with firm bias in the range of INR 9,400-9,700 in short run.

Rice Price Outlook (INR./Qtl)	Previous week 15 <sup>th</sup> Apr'23- 21 <sup>st</sup> Apr'23	Week under review 22 <sup>nd</sup> Apr'23- 28 <sup>th</sup> Apr'23	Next week 29 <sup>th</sup> Apr'23- 5 <sup>th</sup> May'23
Weekly Average Price	9,400-9,600	9,516.66	9,400-9,700

State wise Procurement KMS 2022-23

KMS 2022-23 (Units in LMTs) (as on 16.04.2023)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0.00	31.32	31.32
2	TELANGANA	0.00	65.02	65.02
3	ASSAM	1.53	3.17	4.70
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	1.68	1.68
11	J&K	0.34	0.00	0.34
12	KARNATAKA	0.00	0.20	0.20
13	KERALA	0.00	4.34	4.34
14	M. P	0.00	46.16	46.16
15	MAHARASHTRA	0.00	15.07	15.07
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	25.72	25.72
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
	<b>TOTAL</b>	<b>5.39</b>	<b>732.73</b>	<b>738.12</b>

- As of April 16, 2023, the central pool had received 738.12 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 1<sup>st</sup> 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.)	
				16.03.2023	20.04.2023
Production	510	515	509	522	521
Trade	51	55	53	54	54
Consumption	509	519	515	520	519
Carryover stocks	182	178	172	175	174
Y-O-Y change	0	-4	-6		2
Major Exporters	50	46	43	46	45

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

- The rice trade for the period of January to December 2023, which is expected to involve potentially significant shipments to Indonesia, is anticipated to show a modest increase on a month-on-month basis, with an estimated volume of nearly 53 million metric tons. Forecasts for the 2023/24 period remain largely unchanged since March, with a minor reduction in carry-in stocks and an aggregate end-season inventory expected to be slightly lower on a month-on-month basis, at 174 million metric tons, representing a year-on-year increase of 2 million metric tons. Expectations for increased trading volumes persist.

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

(Prices in US\$/hundredweight)

### Market Analysis

During the week under review, market rebounded after previous week's loss, market went up by 2.37%, made high of 17.28 and low of 16.70. 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 to 48.60, 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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