

# Rice Weekly Research Report

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*Outlook and Review:*

- The price for India's 5% broken parboiled rice variety, on the other hand, remained unchanged from the previous week, at \$376-\$380 per tonne, which is the lowest level recorded since December. Demand for the product is low, and supplies from the winter crop are being delayed due to unexpected rainfall in recent weeks.
- This week, the price range for Vietnam's 5% broken rice remained steady at \$485-\$495 per tonne, which is in close proximity to the highs observed in April 2021. As exporters push their purchases to fulfil signed contracts, trade activity is high.
- Vietnam saw a 23.4% increase in shipments from a year earlier to 1.85 million tonnes in the first four months of 2023. From March to April, they increased by 80% to 961,608 tonnes.
- Meanwhile, in Thailand, the price range for the 5% broken rice increased to \$498-\$500 per tonne, up from last week's \$485, reaching its highest point since January. As per trade sources, the rise in prices to the growing demand for rice in the region, including in Indonesia, and a strengthening baht. The appreciation of the domestic currency leads to an increase in the cost of exports from the country in dollar terms.
- Thailand's 5% broken rice prices fell to approximately \$485 per tonne. The prices had increased to a more than two-month high of \$490-\$495 per tonne last week due to demand from Indonesia and depleting local supplies as the harvest season came to a close. Despite an increase in orders since last week, exporters are still fulfilling shipments to Indonesia. Prices are expected to remain at this level for some time as the supply slows near the end of the harvesting period.
- G.O.I. has announced its decision to procure the entire 15 lakh metric tonnes of paddy produced during the Rabi season of 2021-22. This procurement includes 13.73 lakh MTs of parboiled rice and the remaining amount of raw rice, subject to the condition that the State government hands it over to the Food Corporation of India.
- The Centre issued an advisory to the States on 10<sup>th</sup> May, urging them to prepare for a potential worst-case scenario by ensuring an adequate supply of seeds for the kharif season in the event of deficient monsoon rainfall. The advisory was prompted by the India Meteorological Department's (IMD) confirmation that most global models indicate a moderate El Nino during the crucial monsoon season (June-September), which contributes 72% of the annual rainfall in India.
- To minimise damage from hurricane Mocha, which is anticipated to make landfall this weekend, Bangladesh's agriculture ministry instructed farmers to harvest 80% of their paddy and other crops. Bangladesh, which produces about 35 million tonnes yearly, frequently needs imports to make up for shortfalls of the rice brought on by floods or droughts.

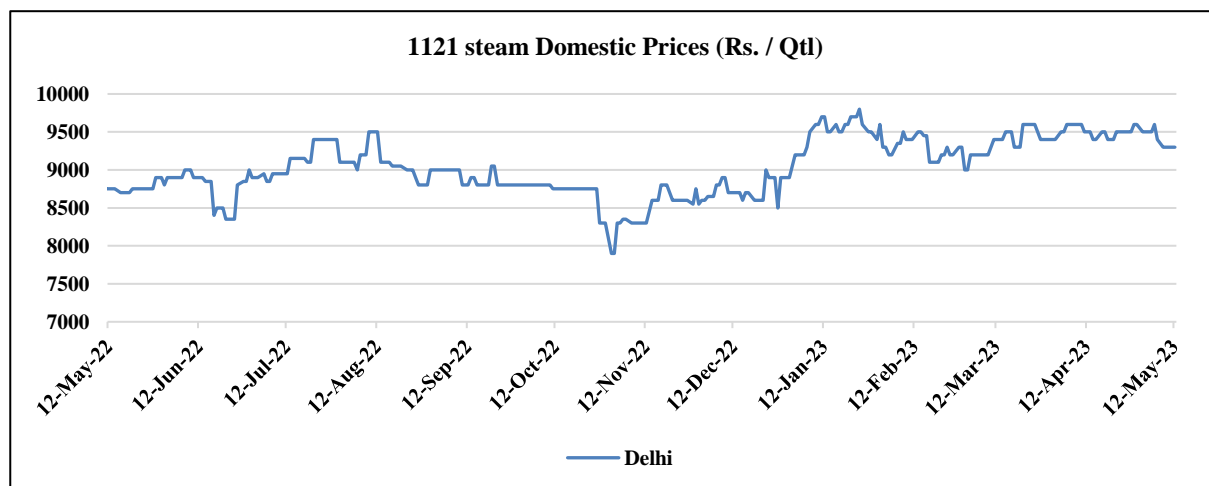
*State wise Wholesale Prices Weekly Analysis for Rice Second Week of May, 2023*

State	Prices 09-15 May 2023	Prices 01-08 May 2023	Prices 24-30 Apr 2023	Prices 09-15 May 2022	% Change (Over Previous Week)	% Change (Over Previous Year)
Bihar	4500		3870	2479	—	81.52
Gujarat	4278	4306	4397	4254	-0.65	0.56
Karnataka	4076	4211	4029	3742	-3.21	8.93
Kerala	4343	4342	4338	3585	0.02	21.14
Maharashtra	3632	3762	3894	3716	-3.46	-2.26
Manipur		3683	3525		—	—
Meghalaya			4500		—	—
Odisha	3307	3241	3234	2588	2.04	27.78
Tripura	3536	3525	3529	2948	0.31	19.95
Uttar Pradesh	2624	2654	2663	2555	-1.13	2.7
Uttarakhand	2778	2750	3193		1.02	—
West Bengal	3362	3331	3280	2960	0.93	13.58
<b>Average</b>	<b>3643.6</b>	<b>3580.5</b>	<b>3704.33</b>	<b>3203</b>		

Prices in Rs/Quintal

(source: Agriwatch)

- During the week under review, market showed mixed sentiments. Konaseema district in Andhra Pradesh has recently suffered damages to its paddy fields due to heavy rainfall in the area. To mitigate the loss, the government has planned to process the sprouted paddy in boiled rice mills and provide free transportation for the damaged stock. The processed paddy, now in the form of broken rice, will be exported from the Kakinada seashore to multiple countries. However, this has negligible impact on the overall rabi paddy production.
- During the week under review, the average price of Sugandha rice in the benchmark Narela market went down by 0.43% to Rs. 7800 per quintal from last week, and price of 1121 steam decreased by 2.27% at Rs. 9316.66 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, after two consecutive weeks of gain, market went down from 9600 to 9400 levels and made high of 9,600 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 is above 50, indicating steady to good 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. 9,300/qtl. and are expected to remain rangebound in the range of INR 9,300-9,600 in short run.

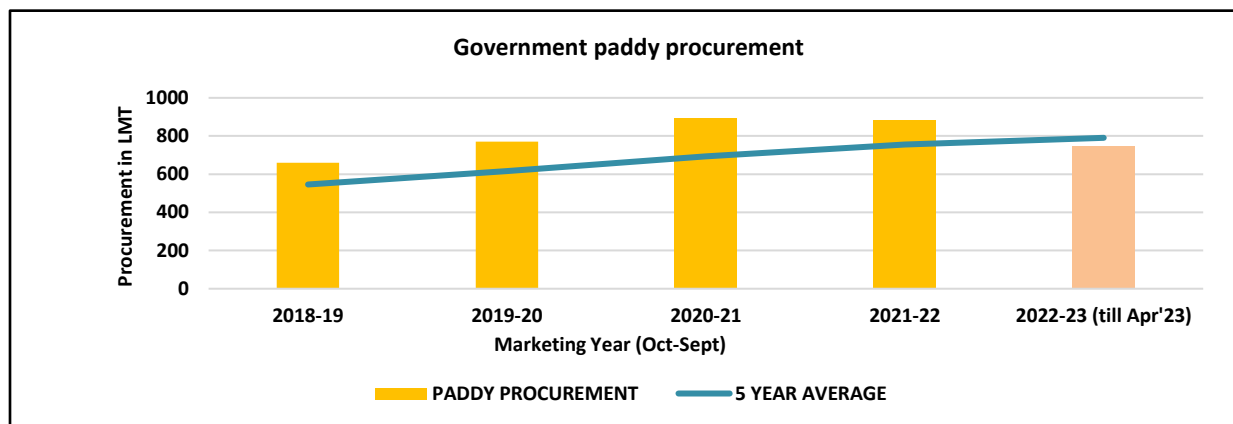
Rice Price Outlook (INR./Qtl)	Previous week 29 <sup>th</sup> Apr'23- 5 <sup>th</sup> May'23	Week under review 6 <sup>th</sup> May '23- 12 <sup>th</sup> May'23	Next week 13 <sup>th</sup> May'23- 19 <sup>th</sup> May'23
Weekly Average Price	9,533.33	9316.66	9,300-9,600

State wise Procurement KMS 2022-23

KMS 2022-23 (Units in LMTs) (as on 30.04.2023)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0.00	33.98	33.98
2	TELANGANA	0.00	65.92	65.92
3	ASSAM	1.67	3.41	5.08
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	1.70	1.70
11	J&K	0.34	0.00	0.34
12	KARNATAKA	0.00	0.20	0.20
13	KERALA	0.00	5.24	5.24
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	180.10	182.10
18	RAJASTHAN	0.00	0.00	0.00
19	NEF (Tripura)	0.00	0.40	0.40
20	TAMIL NADU	0.00	26.77	26.77
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>5.53</b>	<b>738.49</b>	<b>744.02</b>

- As of April 30, 2023, the central pool had received 744.02 lakh tonnes (LMT) of paddy from FCI and state agencies during the current 2022–2023 kharif marketing season.
- As of May 2023, FCI have 265.06 LMT rice in its central pool against the required quantity of 135.40 LMT buffer on July 1st and 226.94 LMT of unmilled paddy.
- As of April 30, the G.O.I. has procured 49.98 million metric tonnes (mt) of rice during the current marketing season 2022-23 which is slightly down from the previous year's 50.03 million mt. This could potentially enable the government to allocate additional rations at ration shops, even if wheat procurement falls short of its target. Rice procurement during the kharif season from October to April amounted to 49.41 million mt, which is an

increase from the 49.73 million mt recorded the previous year. While rice procurement for the kharif season concluded in all states in March, it persists in West Bengal until the end of the month and in Assam until June 30.



#### 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 extended previous week's gain and went up by 2.38% at 18.48, made high of 18.48 and low of 18.00. It is currently trading above 9, 18,50 DMA indicating immediate support while 100 DMA

can be characterized as long-term support. RSI has improved from 50 to 58, indicating improved buying strength. However, MACD is indicating positive momentum.



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

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