

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:

- The prices of Thailand's 5% broken rice have experienced a modest increase at \$500 per tonne.. This marks the highest price level since January. The price upturn can be attributed to a surge in domestic demand. Given the prevailing strength of the baht and a delay in the release of the new harvest, prices are expected to remain firm for an extended period. Climate-related risks have also contributed to concerns regarding global crop production, as the onset of El Nino, characterized by above-normal ocean temperatures in the central and eastern Pacific Ocean, could affect output.
- In contrast, Vietnam's 5% broken rice prices have remained steady this week, with offers ranging from \$485 to \$495 per tonne, unchanged from the previous week. The country is grappling with low domestic supplies and sustained high demand, led by reduced output from rice-producing nations such as Myanmar and Pakistan. Concurrently, farmers in select Mekong Delta provinces have initiated the sowing process for the summer-autumn crop. It is worth noting that the El Nino phenomenon also has the potential to impact India, a key exporter, during the critical monsoon season.
- As per the press release issued by the Indian Meteorological Department (IMD), it has been projected that the commencement of the Southwest Monsoon over the mainland region, specifically in Kerala, is expected to be delayed compared to the usual onset date. The anticipated date for the onset of the Southwest Monsoon over Kerala is forecasted to be around the 4th of June, 2023, with a model error margin of plus or minus four days.

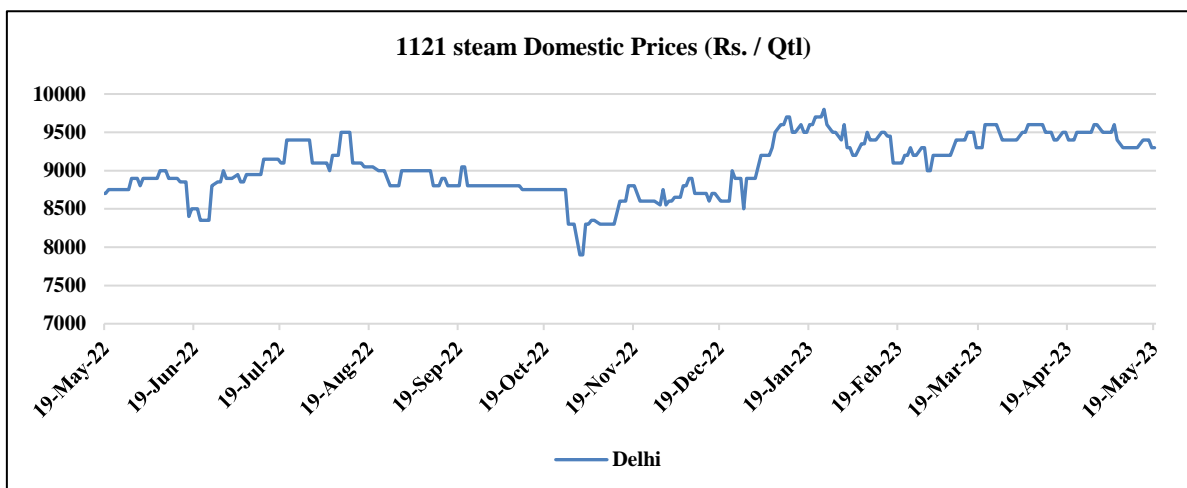
State wise Wholesale Prices Weekly Analysis for Rice Third Week of May, 2023

State	Prices 16-23 May 2023	Prices 09-15 May 2023	Prices 01-08 May 2023	Prices 16-23 May 2022	% Change (Over Previous Week)	% Change (Over Previous Year)
Bihar		4500		2324	—	—
Gujarat	4184	4281	4306	4294	-2.27	-2.56
Karnataka	4114	4157	4211	3641	-1.03	12.99
Kerala	4321	4343	4342	3585	-0.51	20.53
Maharashtra	3689	3688	3815	4109	0.03	-10.22
Manipur			3683		—	—
NCT of Delhi	2520			3690	—	-31.71
Odisha	3241	3222	3241	2503	0.59	29.48
Tripura	3564	3528	3525	3022	1.02	17.94
Uttar Pradesh	2662	2642	2654	2554	0.76	4.23
Uttarakhand	3302	2803	2750		17.8	—
West Bengal	3406	3318	3331	2913	2.65	16.92
Average	3500.3	3648.2	3585.8	3263.5		

Prices in Rs/Quintal

(source: Agriwatch)

- During the week under review, market moved downwards. In Nagpur, Maharashtra, local arrivals from summer crop have started coming into the market for the past few days. However, in Haryana, Punjab, both supply and demand are subdued, while, saathi paddy, 1509 paddy from U.P. are expected to arrive in Haryana in the last week of June.
- During the week under review, the average price of Sugandha rice in the benchmark Narela market went down by 3.20% to Rs. 7550 per quintal from last week, and price of 1121 steam rose marginally by 0.35% at Rs. 9350 per quintal from the previous week.



Technical Analysis (Domestic market)

(Based on Narela Mandi prices)



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. 9,400/qtl. and are expected to remain rangebound in the range of INR 9,300-9,600 in short run.

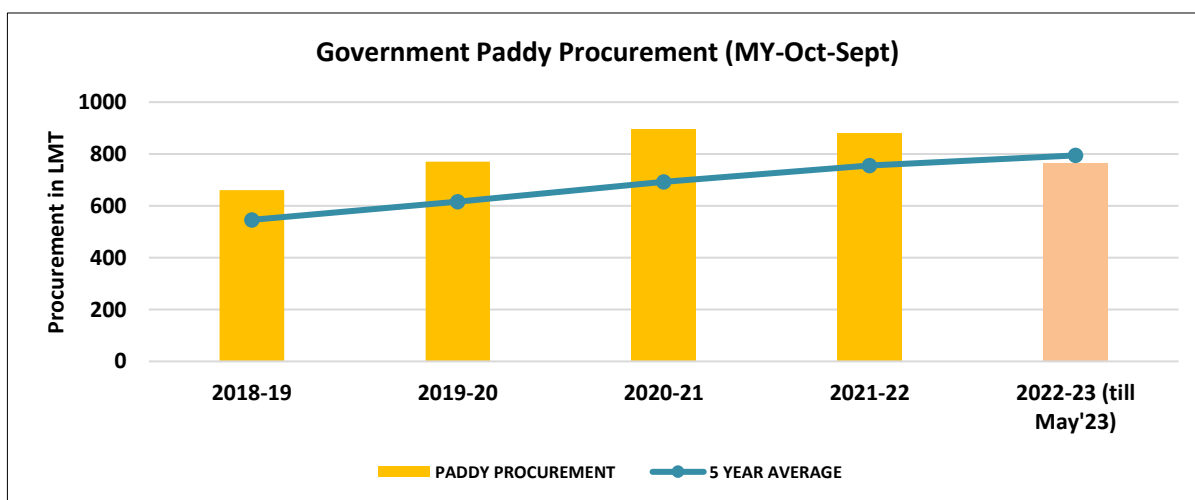
Rice Price Outlook (INR./Qtl)	Previous week 6 th May '23- 12 th May'23	Week under review 13 th May'23- 19 th May'23	Next week 20 th May'23- 26 th May'23
Weekly Average Price	9316.66	9350	9,300-9,600

State wise Procurement KMS 2022-23

KMS 2022-23 (Units in LMTs) (as on 15.05.2023)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0.00	37.93	37.93
2	TELANGANA	0.00	76.44	76.44
3	ASSAM	1.75	3.60	5.35
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	1.72	1.72
11	J&K	0.34	0.00	0.34
12	KARNATAKA	0.00	0.20	0.20

13	KERALA	0.00	5.85	5.85
14	M. P	0.00	46.16	46.16
15	MAHARASHTRA	0.00	15.07	15.07
16	ODISHA	0.00	65.31	65.31
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	34.35	34.35
	TOTAL	5.61	757.88	763.49

- As of May 15, 2023, the central pool had received 763.49 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.



IGC Global Rice Balance Sheet:

Attributes (Fig in Million Tons)	2020-21	2021-22 (Est.)	2022-23 (Fore.)	2023-24 (Proj.)	
				20.04.2023	18.05.2023
Production	510	515	509	521	521
Trade	51	55	53	54	54
Consumption	509	519	516	519	520
Carryover stocks	182	178	171	174	173
Y-O-Y change	0	-4	-7		2
Major Exporters	50	46	43	45	44

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

There have been slight revisions to the anticipated rice supply and demand for the year 2022/23. Global reserves are now expected to decrease marginally month-over-month to reach 171 million metric tonnes, representing a reduction of 7 million metric tonnes. Consequently, the forecast for closing stocks in 2023/24 has been adjusted to 173 million metric tonnes, indicating a modest increase of 2 million metric tonnes. The projected trade volume for the period of January to December 2024 remains largely unchanged compared to the previous month, with an estimated volume of 54 million metric tonnes, showing a slight year-over-year increase.

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

(Prices in US\$/hundredweight)

Market Analysis

During the week under review, after three weeks of consecutive gain, market went down by 7.25 % at 17.14, made high of 18.58 and low of 17.06. It is currently trading above 9, 18,50 DMA indicating immediate support while 100 DMA can be characterized as long-term support. RSI is below 50, indicating weak buying strength. However, 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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