

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:

- As per trade sources, Vietnam has experienced a slight increase in prices for its 5% broken rice, with the current range standing at \$490 to \$495 per tonne, compared to the previous range of \$485 to \$495 observed last week. The limited availability of supplies has prompted exporters to prioritize fulfilling contracts with Indonesian buyers.
- In Vietnam, it is evident that a total of 213,000 tonnes of rice were scheduled for loading at Ho Chi Minh City port during the period of May 1-29, as per trade sources. The majority of this rice is intended for shipment to the Philippines, Indonesia, and various African countries.
- Thailand, on the other hand, has observed a slight decline in prices for its 5% broken rice, currently quoted at \$495 to \$500 per tonne, as opposed to the previous week's price of \$500. Subdued demand persists in the market, while stakeholders await the forthcoming crop harvest, which is anticipated to contribute additional supplies.
- However, in the case of India, the prices for 5% broken parboiled rice have remained steady at \$374 to \$378 per tonne, maintaining the same level as the previous week. These rates have been subject to pressure, partially attributed to the depreciation of the rupee, resulting in an increased margin for traders engaged in overseas sales. Weak demand has been observed in recent weeks, leading to buyers deferring their purchases.
- On 24th May, 2023, the G.O.I. granted authorization for the export of broken rice, within the context of government-approved shipments to other nations aimed at fulfilling their food security requirements. It is noteworthy that under ordinary circumstances, the export of broken rice is prohibited.
- Meanwhile, Bangladesh is presently engaged in a procurement drive for newly harvested rice. The government aims to acquire 1.2 million tonnes of rice from local farmers between May 7 and August 31, as part of its strategic efforts in the rice market.

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

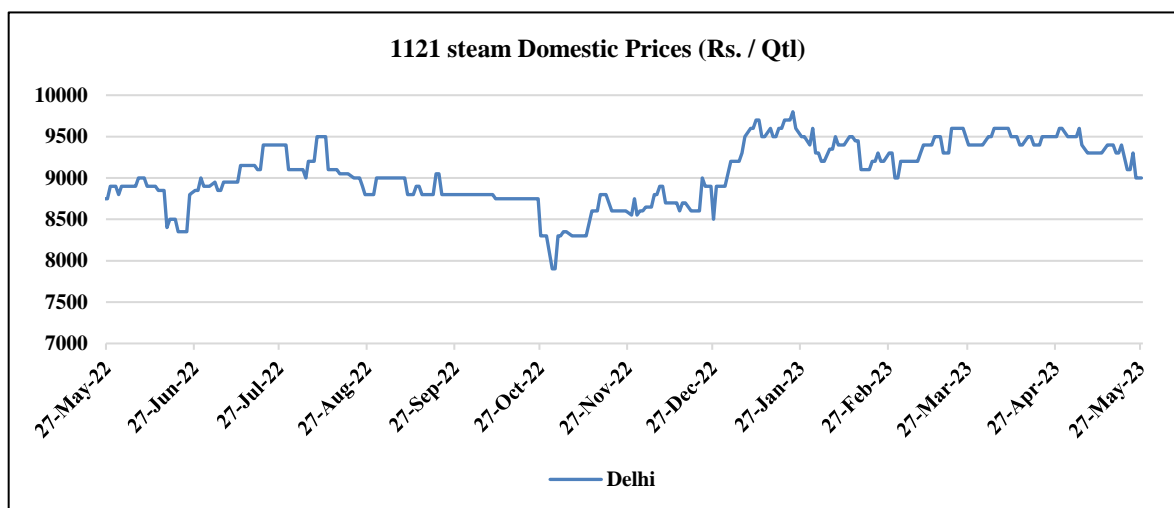
State	Prices 24-31 May 2023	Prices 16-23 May 2023	Prices 09-15 May 2023	Prices 24-31 May 2022	% Change (Over Previous Week)	% Change (Over Previous Year)
Bihar		3950	4500	2290	—	—
Gujarat	4043	4218	4281	4255	-4.15	-4.98
Karnataka	4272	4111	4157	3584	3.92	19.2
Kerala	4347	4336	4343	3601	0.25	20.72
Maharashtra	3781	4264	3764	4397	-11.33	-14.01
NCT of Delhi		2580		6000	—	—
Odisha	3266	3193	3222	2714	2.29	20.34
Tripura	3594	3530	3528	3086	1.81	16.46
Uttar Pradesh	2666	2643	2642	2572	0.87	3.65
Uttarakhand	2563	3133	2803		-18.19	—
West Bengal	3409	3376	3318	2963	0.98	15.05

Average	3549	3575.82	3655.8	3546.2		
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Prices in Rs/Quintal

(source: Agriwatch)

- During the week under review, most of the markets showed bearish sentiments. However, currently in Andhra Pradesh and Maharashtra, supply of JSR variety of paddy is tight amid high demand which has resulted in an increase of Rs. 400-500/ql.
- During the week under review, the average price of Sugandha rice in the benchmark Narela market went down further by 4.42% to Rs. 7216 per quintal from last week, and price of 1121 steam went down by 2.85% at Rs. 9083.33 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 loss, market went up from 9,300 to 9400 levels and made high of 9,400 and low of 9,300.
- Market is currently trading above 9 & 18 EMA; however, 50 and 100 EMA can be characterized as near-term and long-term support respectively.
- Market is currently facing near term resistance of 9,500-9,600.
- RSI is above 50, indicating steady to good buying strength and MACD is indicating steady 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 9,200-9,400 in short run.

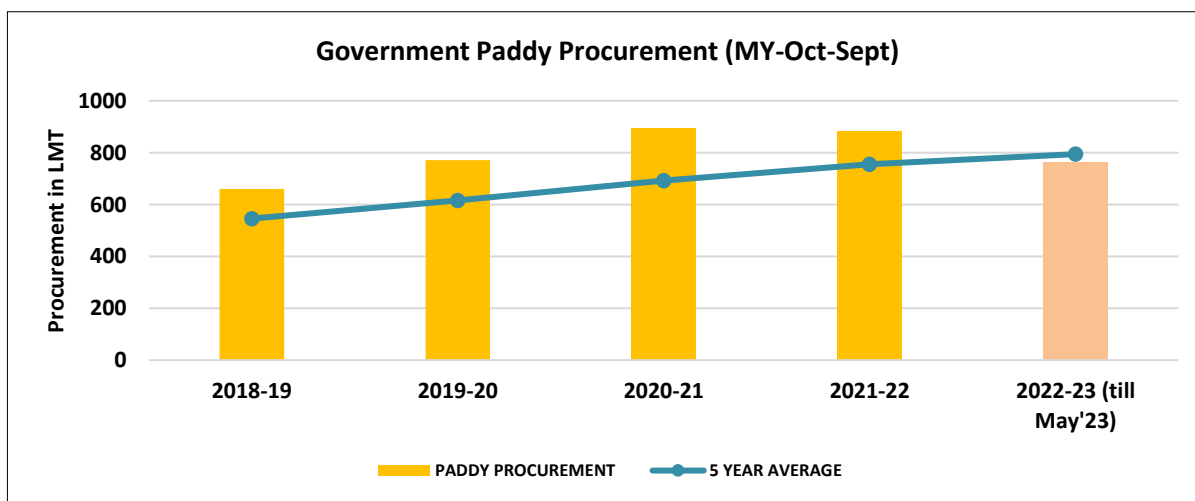
Rice Price Outlook (INR./Qtl)	Previous week 13 th May'23- 19 th May'23	Week under review 20 th May'23- 26 th May'23	Next week 27 th May'23- 2 nd June'23
Weekly Average Price	9350	9150	9,200-9,400

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 has 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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