

Rice Weekly Research Report

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Outlook and Review:

- As per trade sources, farmers have started sowing Kharif paddy in South Indian states, West Bengal, Odisha, Maharashtra, Karnataka and Assam after arrival of pre-monsoon rains. Total 28.3 lakh Ha has been planted so far, down by 6.69% from the corresponding period last year. West Bengal is leading in the initial stage, covering 7.9 lakh Ha, followed by Telangana covering 4.77 lakh Ha. Farmers in Karnataka have covered 3.29 lakh Ha so far. The sowing pace may increase if the rains continue.
- The price range for India's 5% broken parboiled rice variety was \$375-\$380 per tonne, reflecting an increase compared to the previous week's range of \$374-\$378. The demand for rice imports from Asian countries has shown some improvement, primarily driven by the lower prices.
- As per trade sources, Vietnam's 5% broken rice continued to be offered at \$490-\$495 per tonne, maintaining the same level as the previous week, which marked the highest price since late April. Trading activity has been subdued as certain buyers have reduced their purchases in response to the high prices.
- Notably, Vietnam's rice exports in the first five months of this year are estimated to have surged by approximately 40.8% compared to the same period last year, amounting to 3.9 million tonnes. Moreover, rice shipments from Vietnam in May reached an estimated volume of 1 million tonnes.
- As for Thailand, the prices for their 5% broken rice remained steady at \$495 per tonne, with minimal fluctuations compared to the range of \$495-\$500 quoted in the preceding week due to subdued demand and the weakened Baht.
- The G.O.I. has authorized the export of approximately 1.06 million tonnes of grains, comprising wheat and rice, as part of the nation's diplomatic food assistance program to four countries. However, it should be noted that restrictions on the export of wheat and limitations on rice shipments will remain in effect. In line with discussions held with the Ministry of External Affairs regarding humanitarian food assistance, the Ministry of Food has approved the export of over 200,000 tonnes of broken rice to Indonesia, 500,000 tonnes of broken rice to Senegal, and 50,000 tonnes of broken rice to Gambia.
- On 29th May, 2023, The Directorate General of Foreign Trade (DGFT) has announced changes to a notification from August 17, 2022. These changes will affect the export of rice (both basmati and non-basmati) to European Union (EU) member states and other European countries such as Iceland, Liechtenstein, Norway, Switzerland, and the UK. According to the new rules, exporters will only need to obtain a certificate of inspection from the Export Inspection Council/Export Inspection Agency for exports to these specific countries. For the next six months, exports to other European countries will not require a certificate of inspection from the Export Inspection Council/Export Inspection Agency.

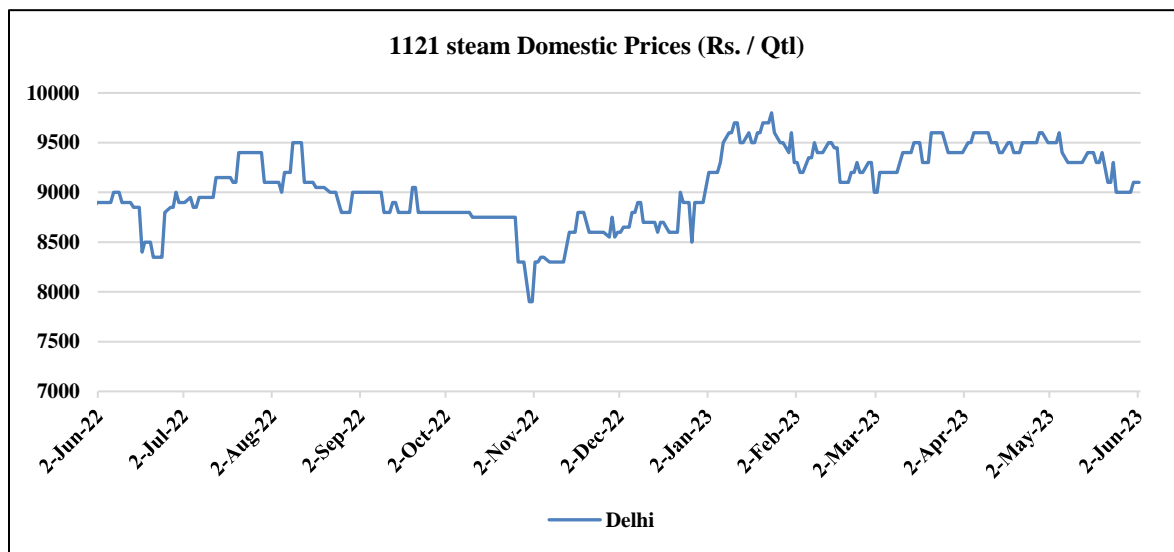
State wise Wholesale Prices Weekly Analysis for Rice First Week of June, 2023

State	Prices 01-08 Jun 2023	Prices 24-31 May 2023	Prices 16-23 May 2023	Prices 01-08 Jun 2022	% Change (Over Previous Week)	% Change (Over Previous Year)
Bihar		4650	3950		—	—
Gujarat	4118	4187	4218	4161	-1.65	-1.03
Karnataka	4831	4780	4111	3768	1.07	28.21
Kerala	4347	4345	4336	3602	0.05	20.68
Maharashtra	3795	4343	4291	3746	-12.62	1.31
NCT of Delhi		3922	2580	4056	—	—
Odisha	3168	3072	3193	3040	3.12	4.21
Tripura	3574	3564	3530	3102	0.28	15.22
Uttar Pradesh	2660	2648	2643	2558	0.45	3.99
Uttarakhand	2745	2851	3133		-3.72	—
West Bengal	3388	3367	3376	2952	0.62	14.77
Average	3625.11	3793.55	3578.27	3442.78		

Prices in Rs/Quintal

(source: Agriwatch)

- During the week under review, market showed bearish sentiments. The average price of Sugandha rice in the benchmark Narela market remained steady from last week's price Rs. 7216 per quintal however, price of 1121 steam went marginally down by 0.13% at Rs. 9071.42 per quintal from the previous week.



Technical Analysis (Domestic market)

(Based on Narela Mandi prices)



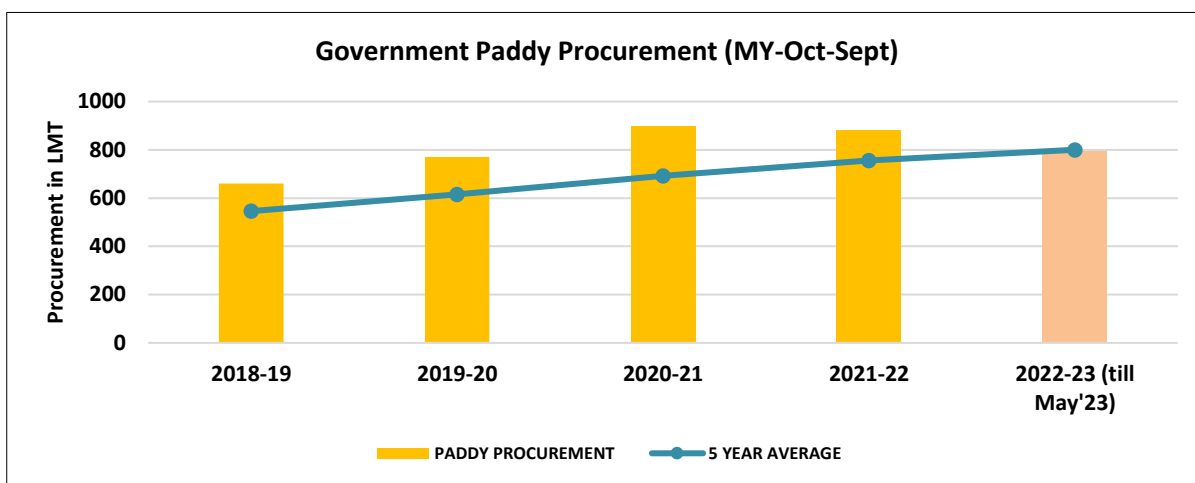
Rice Price Outlook for coming week (Narela 1121 Steam): Prices are currently at INR. 9,200/qtl. and are expected to remain bearish in the range of INR 9,200-9,400 in short run.

Rice Price Outlook (INR./Qtl)	Previous week 20 th May'23- 26 th May'23	Week under review 27 th May'23- 2 nd June'23	Next week 3 rd Jun'23 – 9 th June'23
Weekly Average Price	9150	9050	9,200-9,400

State wise Procurement KMS 2022-23

KMS 2022-23 (Units in LMTs) (as on 31.05.2023)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0.00	41.43	41.43
2	TELANGANA	0.00	96.35	96.35
3	ASSAM	1.85	3.81	5.66
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	6.65	6.65
14	M. P	0.00	46.16	46.16
15	MAHARASHTRA	0.00	15.26	15.26
16	ODISHA	0.00	68.41	68.41
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	28.45	28.45
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	5.71	787.28	792.99

- As of May 31, 2023, the central pool had received 792.99 lakh tonnes (LMT) of paddy from FCI and state procurement agencies during the ongoing 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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