

Rice Weekly Research Report

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Outlook and Review:

- As per trade sources, this week, price for India's 5% broken parboiled rice variety stands at \$388-\$395 per tonne, exhibiting an increase compared to the previous week's range of \$375-\$380. Over the past month, local paddy prices have surged, driven by the anticipation of a minimum support price hike, consequently leading to an upward trend in rice export prices.
- Thailand's 5% broken rice prices have experienced a slight decline to \$490-\$495 per tonne, as opposed to last week's figures of \$495. Although demand remains stagnant, the forthcoming harvest is expected to bring additional supply next month. It has been observed that African countries have displayed subdued demand due to the relatively higher prices of Thai rice compared to Indian rice. Conversely, concerns regarding droughts and exports to Indonesia have lent support to prices.
- Vietnam's 5% broken rice rates have remained steady at \$490-\$495 per tonne. Traders are accelerating their rice purchases from farmers to fulfill their export commitments for the year, as high prices have encouraged increased investment in the summer-autumn crop.
- During the initial 11 months of the ongoing fiscal year concluding in June, Bangladesh procured 634,000 tonnes of rice as part of its proactive measures to safeguard food security.
- The Cabinet Committee on Economic Affairs (CCEA) has granted approval for an increase in the Minimum Support Price (MSP) of paddy, aiming to incentivize farmers to expand the cultivation area for this crop and enhance their income. For the 2023-24 crop year (July-June), the MSP for the common grade variety of paddy has been raised by ₹143 to ₹2,183 per quintal, against the previous year's rate of ₹2,040. Additionally, the support price for the 'A' grade variety of paddy has been elevated by ₹163 to ₹2,203 per quintal, compared to the previous rate of ₹2,060.

Kharif Sowing Progress as of 9th June, 2023

S.No.	State	Normal Area	Area Covered		Difference in Area coverage	
		(DES)	(Lakh Ha)		with Current Week	
			2023	2022	2022	2021
1	Andhra.Pradesh	-	-	0.16	-	-
2	Arunachal.Pradesh	-	-	-	-	-
3	Assam	-	0.526	0.629	-0.103	-0.756
4	Chhattisgarh	-	0.01	-	-	-0.06
5	Haryana	-	0.01	-	-	-
6	Jammu..Kashmir.	-	0.672	0.69	-0.018	0.641
7	Karnataka	-	0.16	0.18	-0.02	-0.062
8	Kerala	-	0.21	0.03	0.18	0
9	Mizoram	-	0.172	0.186	-0.014	-
10	Nagaland	-	0.853	0.881	-0.028	-0.096
11	Punjab	-	0.056	0.5	-0.444	-
12	Tripura	-	0.161	0.246	-0.085	-
13	Uttar.Pradesh	-	0.154	0.726	-0.572	-0.233

14	Uttarakhand	-	0.22	0.25	-0.03	0.02
15	West.Bengal	-	0.32	0.33	-0.01	0.274
16	Others	-	-	0.012	-	-
	Total	-	3.524	4.91	-1.386	-2.042

Source: NFSM

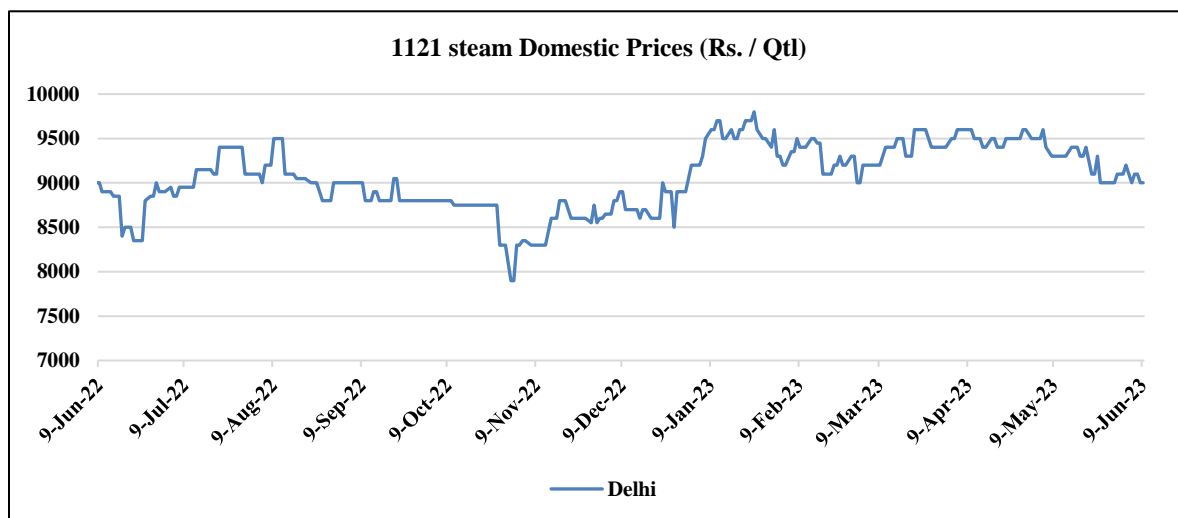
State wise Wholesale Prices Weekly Analysis for Rice Second Week of June, 2023

State	Prices 09-15 Jun 2023	Prices 01-08 Jun 2023	Prices 24-31 May 2023	Prices 09-15 Jun 2022	% Change (Over Previous Week)	% Change (Over Previous Year)
Bihar			4650		—	—
Gujarat	4249	4145	4187	4106	2.51	3.48
Karnataka	4747	4820	4776	3628	-1.51	30.84
Kerala	4349	4349	4345	3630	0	19.81
Maharashtra	3792	3863	4343	3795	-1.84	-0.08
NCT of Delhi		3075	3922		—	—
Odisha	3270	3188	3072	2934	2.57	11.45
Tripura	3701	3558	3564	3150	4.02	17.49
Uttar Pradesh	2746	2670	2647	2549	2.85	7.73
Uttarakhand	2587	3008	2851	2700	-14	-4.19
West Bengal	3468	3372	3367	2876	2.85	20.58
Average	3656.56	3604.8	3793.09	3263.11		

Prices in Rs/Quintal

(source: Agriwatch)

- During the week under review, the market showed bearish sentiments. The average price of Sugandha rice in the benchmark Narela market rose by 1.74% to Rs. 7341.66 from last week's price Rs. 7216 per quintal however, price of 1121 steam went negligibly down by 0.05% at Rs. 9066.66 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 went up after previous week's loss, and closed at 9,200 levels and made high of 9,200 and low of 9,000.
- Market is currently trading above 100 DMA, which can be characterized as long-term support however, it is taking support from 50 DMA, which can be characterized as near-term support.
- Market is currently facing near term resistance of 9,500-9,600.
- RSI is currently below 50, indicating weak buying strength and MACD is also indicating weak momentum.
- 9,000-9,200 is near term support and 9,300-9,400 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.

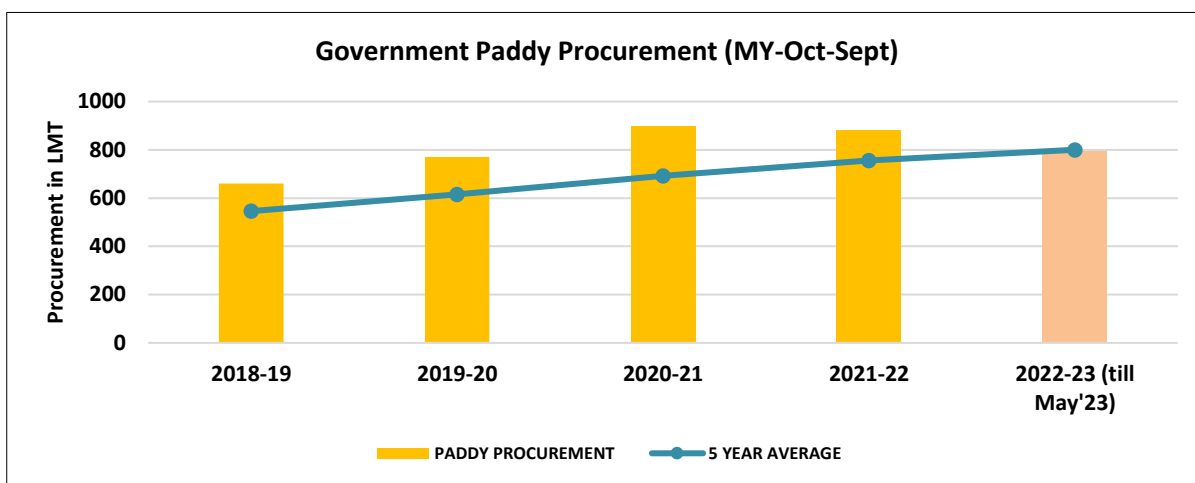
Rice Price Outlook for coming week (Narela 1121 Steam): Prices are currently at INR. 9,000/qtl. and are expected to remain bearish in the range of INR 9,000-9,400 in short run.

Rice Price Outlook (INR./Qtl)	Previous week 27 th May'23- 2 nd June'23	Week under review 3 rd Jun'23 – 9 th June'23	Next week 10 th Jun'23 – 16 th June'23
Weekly Average Price	9050	9066.66	9,000-9,400

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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