

Rice Weekly Research Report

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Outlook and Review:

- As 'Biparjoy' cyclone passes toward northeast region of Rajasthan from southern and central part of the state there are chances of moderate to very heavy rainfall in Rajasthan and nearby region like southwest Uttar Pradesh during 19th and 20th June with 40-50 Kmph wind speed.
- The delayed arrival of the monsoon in Kerala state and overall insufficient rainfall in the country have resulted in slow down the paddy sowing progress. This situation has raised concern about potential impact of El Nino on precipitation. Currently, there is 10 to 12 days lag in sowing across major paddy growing region.
- India's 5% broken parboiled rice prices reached a peak of \$390-\$398 per metric ton, the highest in over three months. This surge in prices was primarily driven by limited availability and a government decision to increase procurement rates. The supply of rice from the winter-sown crop has significantly declined in recent weeks, resulting in an upward pressure on paddy prices. Last week, the price range was slightly lower at \$388-\$395.
- Thailand's prices for 5% broken rice remained steady at \$490-\$495 per metric ton, which is close to the levels above \$500 reached in May. The market has not seen new supply entering while export demand persists. Moreover, unpredictable weather conditions leading to floods and droughts are expected to keep prices at a robust level.
- Vietnam's 5% broken rice reached a peak since April 2021, standing at \$498 per metric ton, which is higher compared to the range of \$490-\$495 observed last week due to tight supply, while concerns surrounding the potential impact of El Nino on this year's production outlook have further influenced market dynamics.
- As per trade sources, the volume of rice exports from Vietnam increased by 30.8% in January-May compared to the same period last year, reaching 3.62 million metric tons. These exports were valued at \$1.9 billion.
- In an effort to regulate commodity prices, the central government has made the decision to halt the sale of rice and wheat from the central pool to state governments through the Open Market Sale Scheme (OMSS). While this move aims to control prices, it could have consequences for states that provide free food grains to the impoverished population. The Food Corporation of India (FCI) may sell rice from the central pool to private entities through the Open Market Sale Scheme (OMSS) domestic, which helps in controlling market prices. However, the sale of rice through OMSS domestic will continue at the existing rate of Rs. 3400 per quintal for North-East States, Hilly States, and States facing law-and-order challenges or natural calamities.

Kharif Sowing Progress as of 16th 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	-	0.248	0.191	0.057	-0.045
2	Assam	-	0.526	0.642	-0.116	-0.757
3	Chhattisgarh	-	0.02	0.03	-0.01	-0.05
4	Gujarat	-	0	0	0	0

5	Haryana	-	0.02	-	-	-
6	Jammu..Kashmir.	-	0.683	0.734	-0.051	0.537
7	Karnataka	-	0.16	0.319	-0.159	-0.38
8	Kerala	-	0.22	0.17	0.05	-0.12
9	Maharashtra	-	0.353	0.119	0.234	0.001
10	Mizoram	-	0.189	0.204	-0.015	-0.131
11	Nagaland	-	0.951	1.012	-0.061	-0.102
12	Punjab	-	0.23	0.42	-0.19	-1.78
13	Rajasthan	-	0.003	0.001	0.002	-0.007
14	Tamil.Nadu	-	0.259	0.253	0.006	0.061
15	Tripura	-	0.163	0.244	-0.081	-1.82
16	Uttar.Pradesh	-	0.563	1.072	-0.509	-0.065
17	Uttarakhand	-	0.39	0.45	-0.06	0.11
18	West.Bengal	-	0.34	0.36	-0.02	-0.136
19	Others	-	-	0.012	-	-
	Total	-	5.318	6.232	-0.914	-5.944

Source: NFSM

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

State	Prices 16-23 Jun 2023	Prices 09-15 Jun 2023	Prices 01-08 Jun 2023	Prices 16-23 Jun 2022	% Change (Over Previous Week)	% Change (Over Previous Year)
Gujarat	4251	4222	4145	4163	0.69	2.11
Karnataka	3425	4818	4820	3654	-28.91	-6.27
Kerala		4418	4349	3588	—	—
Maharashtra	3778	3846	3921	3678	-1.77	2.72
NCT of Delhi	4500	2519	3075		78.64	—
Odisha	2153	3442	3188	3017	-37.45	-28.64
Tripura	3711	3666	3558	3102	1.23	19.63
Uttar Pradesh	2692	2689	2670	2539	0.11	6.03
Uttarakhand	2621	2691	3008	2009	-2.6	30.46
West Bengal	3593	3517	3372	2914	2.16	23.3
Average	3413.78	3582.8	3610.6	3184.89		

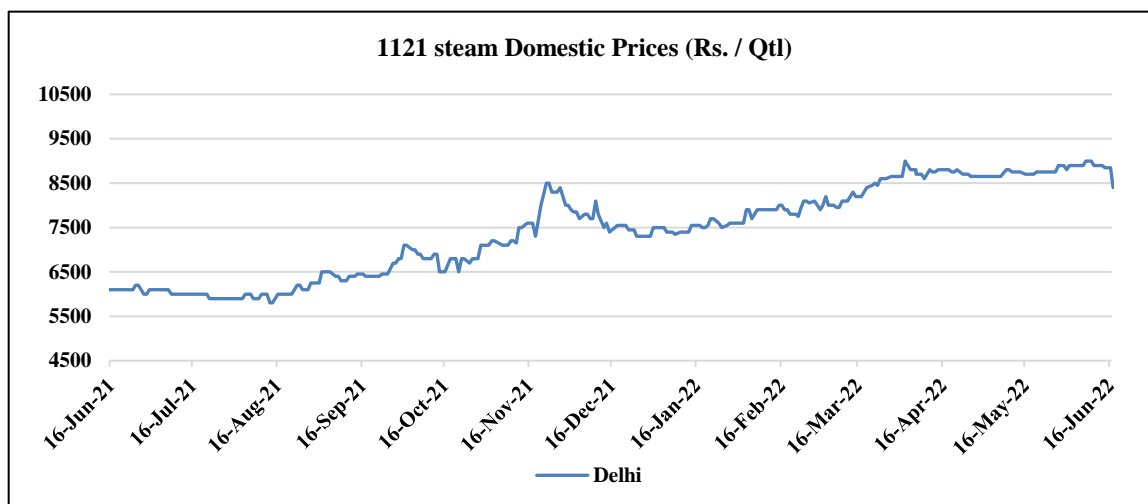
Prices in Rs/Quintal

(source: Agmarknet)

- During the week under review, the market remained steady to firm due to good demand and limited supply. Currently, fine rice varieties like RNR are trading slightly up, amidst supply tightness in Nagpur, Maharashtra and it is expected that prices may rise further.
- Restricted export volume for non-Basmati varieties, poor buying for aromatic rice, liquidity issue in physical markets and high volume of processed rice in mills are contributing to pressurize inner tone for the aromatic and non-aromatic rice. Sluggish demand from the middle east countries for Non -Basmati and Saudi Arabia & Iran for aromatic rice may continue to cap uptrend in the rice market. Apart from it, sale through OMSS at Rs3400 weakened the market sentiments. Notably, the government. has discontinued OMSS sale last

week. If Indian main growing belt receives low volume of rains in July-August and planting gets disrupted, prices may recover again.

- The average price of Sugandha rice in the benchmark Narela market down by 2.47% to Rs. 7160 from last week's price Rs. 7341.66 per quintal however, price of 1121 steam went negligibly down by 2.50% at Rs. 8840 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 down after previous week's gain, and closed at 9,000 levels and made high of 9,100 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 has also weakened to 45, indicating weak buying strength and MACD is also indicating weak momentum.
- 8,900-9,100 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. 8,900/qtl. and are expected to remain bearish in the range of INR 8,900-9,300 in short run.

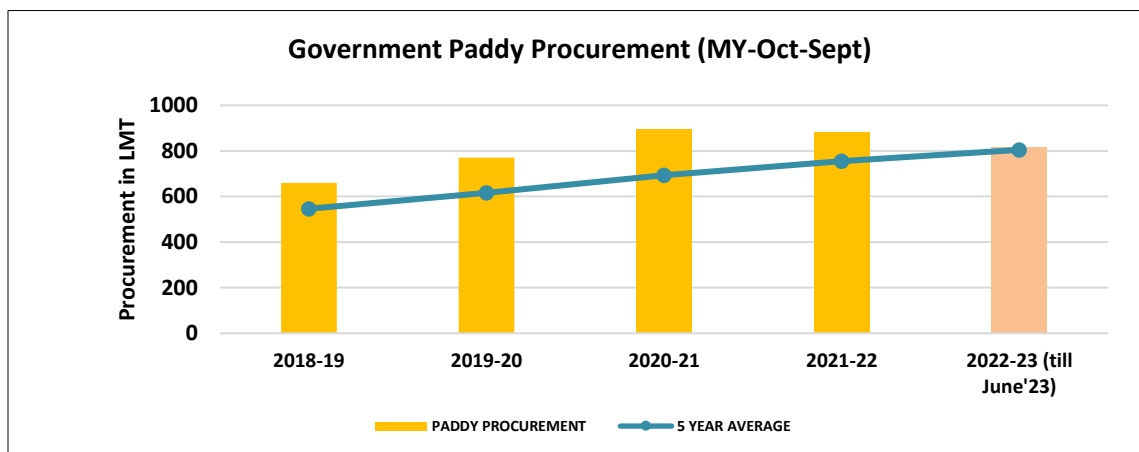
Rice Price Outlook (INR./Qtl)	Previous week 3 rd Jun'23 – 9 th June'23	Week under review 10 th Jun'23 – 16 th June'23	Next week 17 th Jun'23 – 23 th June'23
Weekly Average Price	9066.66	8866.66	8,900-9,300

State wise Procurement KMS 2022-23

KMS 2022-23 (Units in LMTs) (as on 12.06.2023)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0.00	42.20	42.20
2	TELANGANA	0.00	107.79	107.79
3	ASSAM	1.91	3.92	5.83
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	0.21	0.21
13	KERALA	0.00	7.03	7.03
14	M. P	0.00	46.16	46.16
15	MAHARASHTRA	0.00	17.08	17.08

16	ODISHA	0.00	74.92	74.92
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	28.78	28.78
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	5.77	808.65	814.42

- As of 12th June, 2023 the central pool had received 814.42 LMT Paddy from the FCI and State Govt. Organizations for the 2022-23 KMS.



- As of June 2023, FCI rice stocks was at 262.23 LMT in its central pool against the requirement of 145.40 LMT buffer on July 1st and 226.85 LMT of un milled 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 two weeks of consecutive gain, market went down by 6.73 % at 17.67, made high of 19.92 and low of 17.50. It is currently trading above 9, 18,50 DMA and taking support from 18 DMA while 100 DMA can be characterized as long-term support. RSI is near 50, indicating weak buying strength. However, MACD is also indicating weak momentum.



Duration	Trend	Support	Resistance
July-2023	Bearish	S1-17.5	R1-19
		S2-17.3	R2-19.5

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