

# Rice Weekly Research Report

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### Outlook and Review:

- Over the next two days, the Southwest Monsoon is expected to make progress across India including Maharashtra, Madhya Pradesh, Uttar Pradesh, remaining parts of Bihar, Uttarakhand, Himachal Pradesh, Jammu, Kashmir, and Ladakh. Additionally, some parts of Haryana, including Chandigarh and Delhi, along with some areas of Gujarat, East Rajasthan, and Punjab, will also experience the Southwest Monsoon rainfall.
- This week, prices for India's 5% broken parboiled rice increased to \$397-\$405 per tonnes, exhibiting an increase compared to the previous week's range of \$390-\$398 per tonnes. Over the past month, local paddy prices have surged, and the hike in MSP have led to an upward trend in rice export prices.
- Thailand's prices for 5% broken rice remains steady to \$505 per metric ton, which is close to the \$490-\$495 levels 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 new peak since April 2021, standing at \$495-\$505 per metric tonnes, against \$495 observed last week due to tight supply. Due to limited supplies, domestic rice prices are being driven up as exporters scramble to acquire domestic rice in order to meet their export contract.
- To tackle the escalating retail prices of rice, the government plans to auction a total of 400,000 tonnes of rice from its buffer stock. The Food Corporation of India (FCI) will start the e-auction process; the first to be on July 5. The tender announcements will be made in the near future to engage bulk consumers and traders and enhance domestic supplies while tackling price inflation.

### Kharif Sowing Progress as of 23<sup>rd</sup> June, 2023

S.No.	State	Area Covered		Difference in Area Over Last Year
		(Lakh Ha)		
		2023	2022	
1	Andhra.Pradesh	0.35	0.27	0.08
2	Assam	0.526	1.489	-0.963
3	Bihar	0.05	0.19	-0.14
4	Chhattisgarh	0.022	0.23	-0.208
5	Gujarat	0.001	0.003	-0.001
6	Haryana	0.9	0.74	0.16
7	Jammu..Kashmir.	1.422	1.422	-0.001
8	Jharkhand	-	0.195	-
9	Karnataka	0.268	0.563	-0.295
10	Kerala	0.22	0.31	-0.09
11	Maharashtra	0.621	0.119	0.502
12	Mizoram	0.189	0.295	-0.106
13	Nagaland	1.125	1.121	0.004
14	Odisha	0.2	0.655	-0.455
15	Punjab	0.68	3.57	-2.89
16	Raiasthan	0.127	0.055	0.072

17	Sikkim	0.01	0.01	0
18	Tamil.Nadu	0.45	0.499	-0.049
19	Tripura	0.171	0.309	-0.137
20	Uttar.Pradesh	1.756	2.614	-0.859
21	Uttarakhand	1.2	1.18	0.02
22	West.Bengal	0.48	0.605	-0.125
23	Others	-	0.014	-
	<b>Total</b>	<b>10.77</b>	<b>16.46</b>	<b>-5.7</b>

Source: NFSM

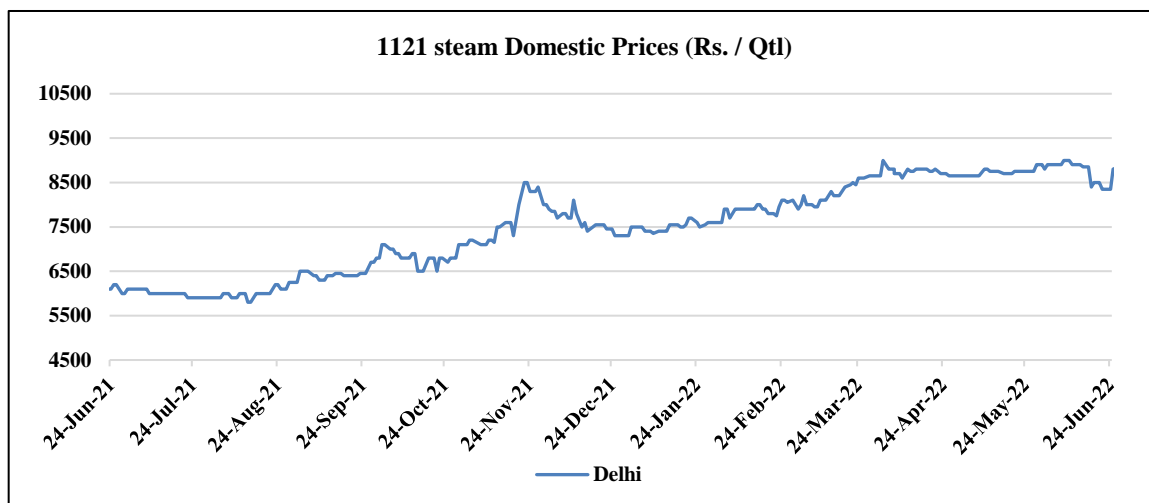
### State wise Wholesale Prices Weekly Analysis for Rice Third Week of June, 2023

State	Prices 24-30 Jun 2023	Prices 16-23 Jun 2023	Prices 09-15 Jun 2023	Prices 24-30 Jun 2022	% Change (Over Previous Week)	% Change (Over Previous Year)
Gujarat	4300	4229	4222	4177	1.68	2.94
Karnataka	3778	4842	4818	3805	-21.97	-0.71
Kerala	3700	4476	4418	3587	-17.34	3.15
Maharashtra	3823	3916	3796	3544	-2.37	7.87
NCT of Delhi		3491	2519	5000	-	-
Odisha	3050	3077	3434	3031	-0.88	0.63
Tripura	3311	3592	3666	2948	-7.82	12.31
Uttar Pradesh	2652	2677	2689	2544	-0.93	4.25
Uttarakhand	4190	3077	2691	2163	36.17	93.71
West Bengal	3907	3533	3517	2988	10.59	30.76
<b>Average</b>	<b>4300</b>	<b>4229</b>	<b>4222</b>	<b>4177</b>	<b>1.68</b>	<b>2.94</b>

Prices in Rs/Quintal

(source: Agmarknet)

- Prices mostly remained steady in most of the markets amid constant supply and lower demand from buyers and millers, although the sentiments were slightly bullish due to delay in south west monsoon and slow in sowing as compared to previous year.
- FCI has the option to sell rice from the central pool to private parties under the Open Market Sale Scheme (OMSS) domestic in order to regulate market prices. Nevertheless, the sale of rice under (OMSS) domestic will persist at the current rate of Rs. 3400 per quintal for North-East States, Hilly States, and States that are dealing with law-and-order issues or natural disasters.
- The average price of Sugandha rice in the benchmark Narela market up marginally to Rs. 7160 from last week's price Rs. 7160 per quintal however, price of 1121 steam went up by 2.18% at Rs. 9033 per quintal from the previous week's prices Rs. 8840 per quintal



### 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 9,200 levels and made high of 9,200 and low of 8,800.
- 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.
- RSI has rebounded to 49, indicating improved buying strength and MACD is also indicating weak momentum.
- 8,800-8,900 is near term support and 9,500-9,600 is near term resistance.

#### Recommendation-

- Market Participants are recommended to wait to buy near the support of 8,800 and sell above range of 9,500 in short run.

**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 8,900-9,300 in short run.

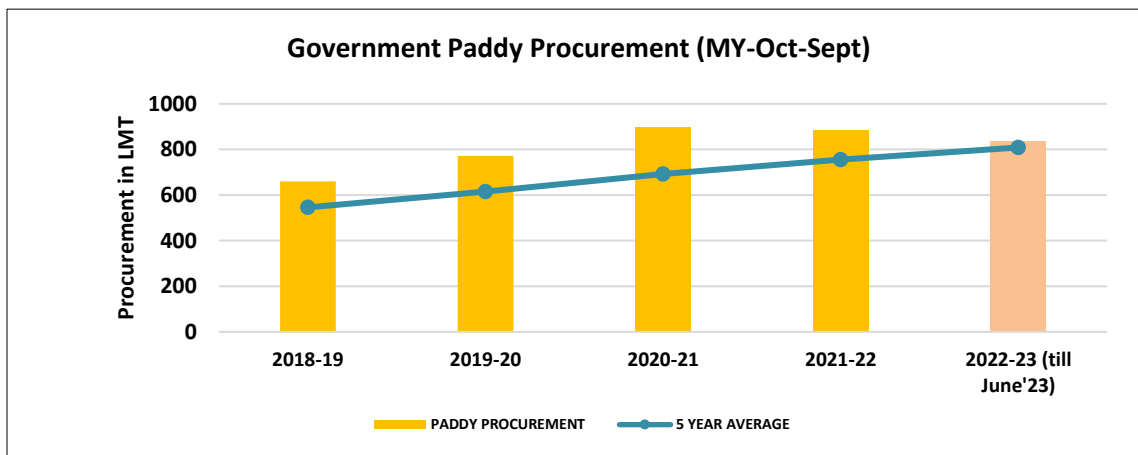
Rice Price Outlook (INR./Qtl)	Previous week 10 <sup>th</sup> Jun'23 – 16 <sup>th</sup> June'23	Week under review 17 <sup>th</sup> Jun'23 – 23 <sup>th</sup> June'23	Next week 24 <sup>th</sup> Jun'23 – 30 <sup>th</sup> June'23
Weekly Average Price	8866.66	8933.33	8900-9300

#### 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	42.29	42.29
2	TELANGANA	0.00	123.58	123.58
3	ASSAM	1.93	3.95	5.88
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	7.23	7.23
14	M. P	0.00	46.16	46.16
15	MAHARASHTRA	0.00	17.67	17.67
16	ODISHA	0.00	77.84	77.84
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	29.78	29.78
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
	<b>TOTAL</b>	<b>5.79</b>	<b>829.27</b>	<b>835.06</b>

- As of 24th June, 2023 the central pool had received 835.06.42 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 135.40 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, market extended previous week loss and went marginally down by 0.53% at 17.7, made high of 17.99 and low of 17.13. 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 53, indicating steady buying strength. However, MACD is also indicating weak momentum.



Duration	Trend	Support	Resistance
July-2023	Bearish	S1-17 S2-16.5	R1-18.5 R2-19

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