

# Rice Weekly Research Report

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### Outlook and Review:

- As per IMD's projection the overall four-month monsoon season will receive an average amount of rainfall. However, June witnessed a 10% deficiency in rainfall across India, with certain states having a much larger deficit of up to 60% compared to the normal levels. As a result of the delayed onset of the monsoon and its slow progression until the third week of June, many regions in the country need substantial rain before sowing activities pick up in earnest.
- The price range of India's 5% broken parboiled rice variety increased for the fifth consecutive week, reaching a level of \$409-\$416 per tonnes. This marks its highest price since May 2018, showing an increase from the previous week's range of \$397 to \$405.
- The current prices for Thailand's 5% broken rice reached \$515 per tonne, marking their highest level since March 2021. This is an increase from last week's price of \$505 per tonne. The increase in prices is due to the growing demand from Asia and Africa for Thai rice, as prices in India have also increases.
- The current price for Vietnam's 5% broken rice ranges from \$500 to \$510 per tonne, marking its highest level since the week of April 1, 2021. This is an increase compared to the range of \$495 to \$505 per tonne observed a week ago. The demand for Vietnamese rice remains robust as purchasing nations are actively consolidating their stocks to ensure food security.
- The demand for Thai rice remains robust, as the interest shown by governments such as Indonesia and Bangladesh in procuring the grain through government-to-government (G2G) agreements. While Indonesia expresses interest in purchasing Thai rice through G2G deals, the Thai government does not currently have a policy in place to sell rice through this method, as it prefers to involve the private sector.

### Kharif Sowing Progress as of 30<sup>th</sup> June, 2023

S.No.	State	Area Covered		Difference in Area Over Last Year
		(Lakh Ha)		
		2023	2022	
1	Andhra.Pradesh	0.59	0.45	0.14
2	Assam	0.865	2.324	-1.459
3	Bihar	0.44	0.68	-0.24
4	Chhattisgarh	0.55	1.99	-1.44
5	Gujarat	0.029	0.01	0.019
6	Haryana	2.05	1.9	0.15
7	Jammu..Kashmir.	1.45	0.319	1.131
8	Jharkhand	0.08	0.411	-0.331
9	Karnataka	0.284	0.714	-0.43
10	Kerala	0.35	0.31	0.04
11	Maharashtra	1.065	0.725	0.34
12	Mizoram	0.297	0.295	0.002
13	Nagaland	1.125	1.121	0.004
14	Odisha	0.5	0.655	-0.155

15	Punjab	9.06	14.96	-5.9
16	Rajasthan	0.18	0.18	0
17	Sikkim	0.01	0.01	0
18	Tamil.Nadu	0.45	0.499	-0.049
19	Telangana.	0.158	0.142	0.016
20	Tripura	0.171	0.23	-0.059
21	Uttar.Pradesh	4.255	5.474	-1.219
22	Uttarakhand	1.82	1.85	-0.03
23	West.Bengal	0.757	0.778	-0.021
	Others	0.02	0.02	0
	<b>Total</b>	<b>26.56</b>	<b>36.05</b>	<b>-9.5</b>

Source: NFSM

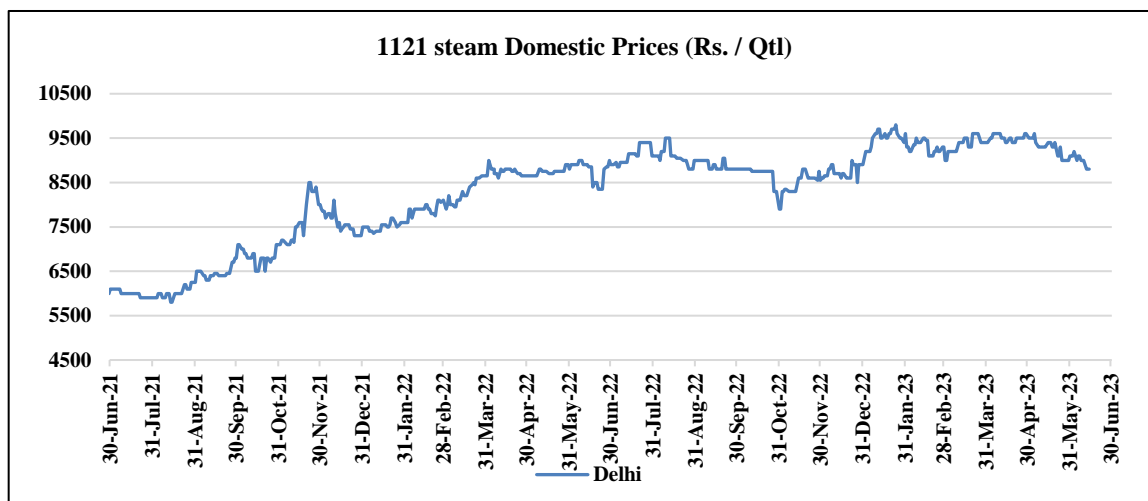
### State wise Wholesale Prices Weekly Analysis for Rice fourth Week of June, 2023

State	Prices 01-07 July 2023	Prices 24-30 Jun 2023	Prices 16-23 Jun 2023	Prices 01-08 July 2022	% Change (Over Previous Week)	% Change (Over Previous Year)
Gujarat	-	-	-	2488	-	-
Karnataka	3400	4244	4229	4197	-19.89	-19.6
Kerala	-	5439	4839	3749	-	-
Maharashtra	-	4472	4472	3567	-	-
NCT of Delhi	-	3840	3914	3783	-	-
Odisha	-	4527	3491	-	-	-
Tripura	-	3073	3075	2866	-	-
Uttar Pradesh	3400	3672	3651	2888	-7.41	-6.87
Uttarakhand	2880	2660	2677	2552	8.27	7.58
West Bengal	-	3409	3077	2109	-	-
<b>Average</b>	4329	3632	3531	3048	19.19	22.6

Prices in Rs/Quintal

(source: Agmarknet)

- Prices remained rangebound throughout the week amid subdued demand from buyers. However, sentiments remain firm due to slow sowing with area now standing at 26.56 lakh. which is 26% lower compared to same period last year.
- In the fiscal year 2022-23, Iran purchased approximately one million tonnes of aromatic rice from India, which accounted for 20.35% of India's total basmati rice exports of 4.5 million tonnes. Nevertheless, India is now confronted with the potential risk of losing Iran as one of its major markets for basmati rice exports due to the depletion of rupee reserves held by the West Asian country.
- The average price of Sugandha steam wand rice in the benchmark Narela market went up by 2.5% to Rs. 7341 from last week's price Rs. 7160 per quintal however, price of 1121 steam wand went marginally up by 0.5% at Rs. 9083 per quintal from the previous week's prices Rs. 9033 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 9,000 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.
- RSI has rebounded to 42, indicating improved buying strength and MACD is also indicating good momentum.
- 8,700-8,800 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 8,700 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.

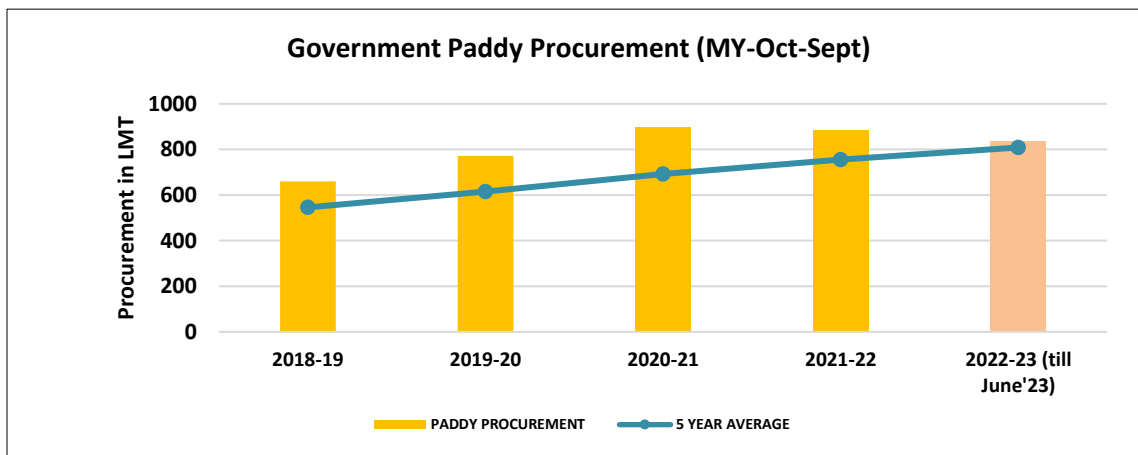
Rice Price Outlook (INR./Qtl)	Previous week 17 <sup>th</sup> Jun'23 – 23 <sup>th</sup> June'23	Week under review 24 <sup>th</sup> Jun'23 – 30 <sup>th</sup> June'23	Next week 1 <sup>st</sup> July'23 – 7 <sup>th</sup> July'23
Weekly Average Price	8983.33	9083.33	8900-9300

### State wise Procurement KMS 2022-23

KMS 2022-23 (Units in LMTs) (as on 21.06.2023)				
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 21<sup>st</sup> 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's losses and went marginally down by 2.01% at 18.05, made high of 18.5 and low of 17.22. It is currently trading above 9, 18,50 DMA and taking support from 9 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	S1-17.0 S2-16.5	R1-18.5 R2-19

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