

Rice Weekly Research Report

Contents

- ❖ **Outlook and Review**
- ❖ **Wholesale Weekly Prices**
- ❖ **Domestic Outlook**
- ❖ **Technical Analysis (Domestic Market)**
- ❖ **Outlook For Coming Week**
- ❖ **Comparative Rice Variety Prices**
- ❖ **State-wise Procurement**
- ❖ **IGC Balance Sheet**
- ❖ **Technical Analysis (International Market)**

Outlook and Review:

- According to NFSM, paddy kharif sowing area reached 103.2 Lakh Ha. till 14th July, 2023 which is down by 9.8% compared to same period last year which was at 114.4 Lakh Ha. It is a positive signal as the sowing paced up compared to previous week.
- The price range of 5% broken parboiled rice in India has increased from \$412 to \$420 per MT, as compared to the previous week's range of \$409 to \$416 per MT. Despite a decline in demand at these elevated price levels, prices are still being driven up due to restricted supplies.
- The price of Thailand's 5% broken rice remained steady at \$515 per tonnes, showing no change from the previous week. The sustained high prices due to the robust demand from countries such as Indonesia, Philippines, Malaysia, and certain African nations. Concerns over drought have prompted these countries to increase their rice stockpiles.
- The price range for Vietnam's 5% broken rice remained steady at \$500 to \$510 per tonnes, the same as last week. There is a robust demand for this rice variety, leading exporters to quickly procure paddy from farmers in order to fulfill their export agreements.
- To ensure food security within the country, Bangladeshi government has set a target of procuring 2.46 million metric tons of rice during the current financial year 2023-2024. Out of this quantity, 1.96 million metric tons of rice will be procured domestically, while 500,000 metric tons will be sourced internationally. Regarding international sources, there is a plan to import 300,000 metric tons of rice through Government-to-Government (G-to-G) channels and obtain 200,000 metric tons through international tenders.

Kharif Sowing Progress as of 14th July, 2023

No.	State	Area Covered		Difference in Area coverage	
		(Lakh Ha)		with Current Week	
		2023	2022	2022	2021
1	Andhra Pradesh	1.41	1.77	-0.36	-0.93
2	Arunachal Pradesh	1.365	1.348	0.016	0.105
3	Assam	2.716	4.76	-2.044	-2.877
4	Bihar	8.074	5.05	3.024	-0.696
5	Chhattisgarh	11.01	16.38	-5.37	-8.68
6	Goa	0.1	0.11	-0.01	-0.03
7	Gujarat	0.88	0.792	0.088	-0.22
8	Haryana	8.8	7.41	1.39	0.86
9	Himachal Pradesh	0.66	0.52	0.14	0.26
10	Jammu Kashmir	1.894	1.984	-0.09	1.304
11	Jharkhand	1.474	1.025	0.449	-1.456
12	Karnataka	0.86	1.11	-0.25	-0.42
13	Kerala	0.422	0.44	-0.018	-0.038

14	Madhya Pradesh	3.14	4.01	-0.87	-6.49
15	Maharashtra	1.63	3.18	-1.55	-1.33
16	Manipur	1.593	1.799	-0.206	0.348
17	Meghalaya	0.676	0.639	0.036	-0.264
18	Mizoram	0.319	0.295	0.024	-0.001
19	Nagaland	1.731	1.749	-0.018	0.478
20	Odisha	2.894	5.446	-2.551	-6.166
21	Punjab	23.97	27.8	-3.83	-5.5
22	Rajasthan	1.774	1.185	0.59	1.34
23	Sikkim	0.055	0.076	-0.021	-0.02
24	Tamil Nadu	1.489	1.463	0.026	0.148
25	Telangana	1.194	0.895	0.299	-2.056
26	Tripura	0.238	0.365	-0.127	-0.571
27	Uttar Pradesh	17.892	16.2	1.692	-17.398
28	Uttarakhand	2.1	2.18	-0.08	-0.13
29	West Bengal	2.84	3.94	-1.1	-1.84
30	Others	0.02	0.5	-0.48	-0.04
	Total	103.2	114.4	-11	-

Source: NFSM

State wise Wholesale Prices Weekly Analysis for Rice first Week of July, 2023

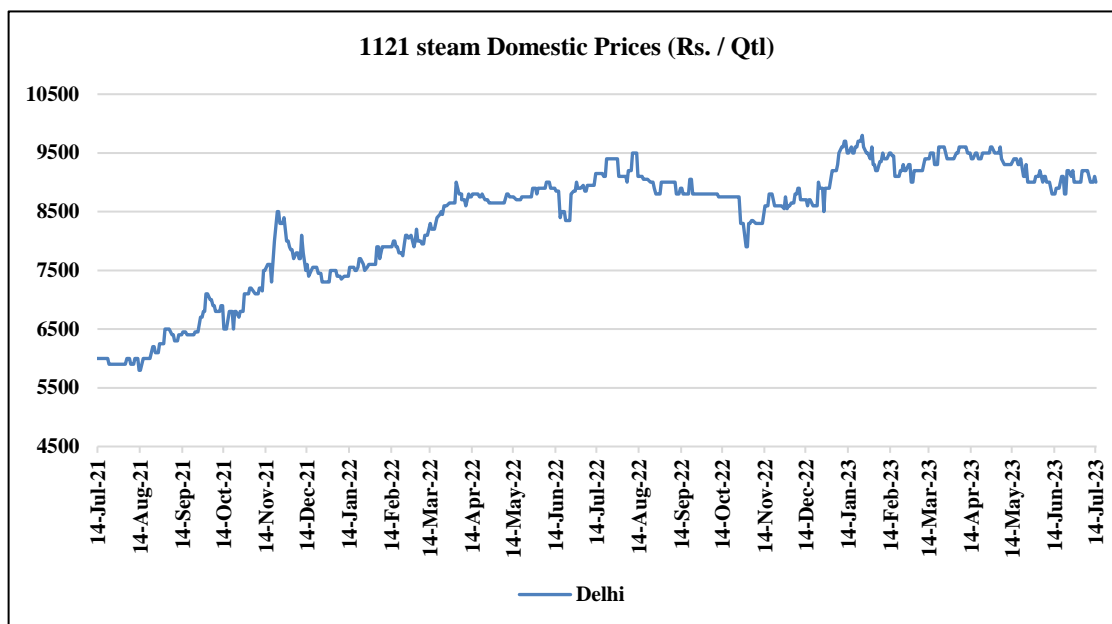
State	Prices 09-15 Jul 2023	Prices 01-08 Jul 2023	Prices 24-30 Jun 2023	Prices 09-15 Jul 2022	% Change (Over Previous Week)	% Change (Over Previous Year)
Bihar				2457		
Gujarat	5177	5128	4244	4247	0.96	21.98
Karnataka	5830	5775	5400	3574	0.95	7.96
Kerala	4430	4443	4472	3570	-0.29	-0.94
Maharashtra	4791	4574	3989	4398	4.74	20.11
NCT of Delhi	3000		4527			-33.73
Odisha	3271	3914	3051	2940	-16.43	7.21
Punjab	200					
Tripura	3971	3878	3678	2938	2.4	7.97
Uttar Pradesh	2708	2715	2660	2594	-0.26	1.8
Uttarakhand	3543	3803	3409	2333	-6.84	3.93
West Bengal	3677	3589	3622	3011	2.45	1.52
Average	3690.73	4202.11	3905.2	3206.2		

Prices in Rs/Quintal

(source: Agmarknet)

- Over the week under review, prices remained rangebound. As, kharif sowing pacing up and reached up to 103.3 Lakh Ha which is down by 9.8% compared to same period last year. However, sowing gap reduced compared to last week.

- The Food Corporation of India (FCI) has recently decreased the price of rice and wheat offered through the domestic open market sale scheme for registered bulk buyers. Previously sold at ₹34/kg, fortified rice is now available at ₹31/kg.
- The average price of Sugandha Steam Wand rice in the benchmark Naya Bazar market went down by 2.80 % to Rs. 7241 from last week's price Rs. 7450 per quintal. Price of 1718 Steam Wand rice went up marginally by to Rs. 8900 per quintal from the previous week's prices Rs. 8833 per quintal.



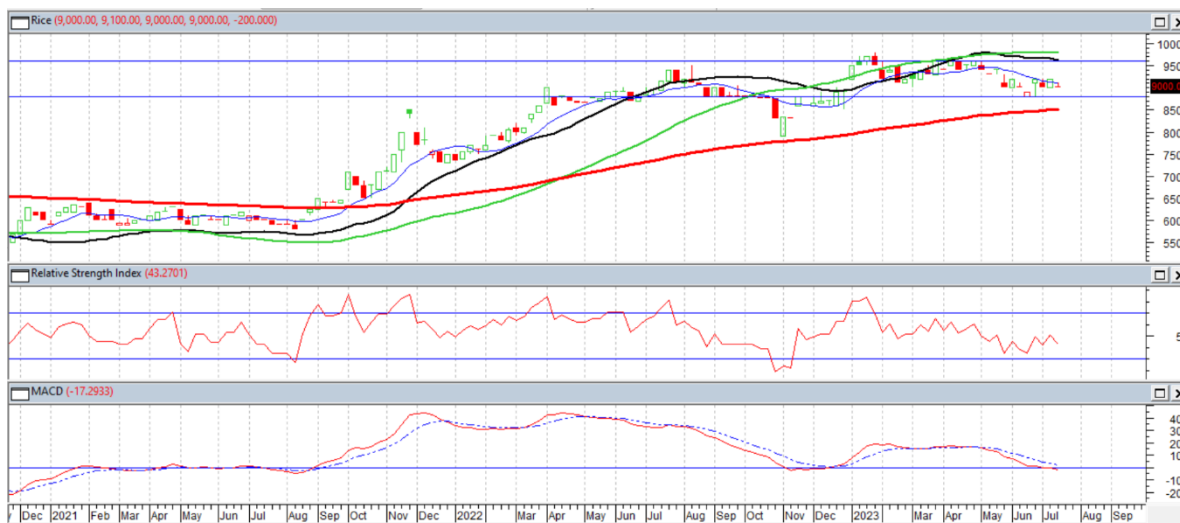
Technical Analysis (Domestic market -1121 steam wand)

(Based on Naya bazar, Delhi Mandi prices)

Rice – Technical Outlook time frame

Rice 1121 steam wand, Naya Bazar Mandi prices -Weekly

Technical Chart:



Technical Commentary:

- During the week under review, market remained rangebound and closed at 9,000 levels and made a high of 9,200 and a low of 9,000.
- Market is currently trading above 100 DMA, which can be characterized as long-term support. And 18 DMA can be characterized as short-term resistance.
- RSI has gone down to 53, indicating weak buying strength. However, MACD is indicating good momentum.
- 8,800-8,900 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 8,800 and sell above range of 9,500 in short run.

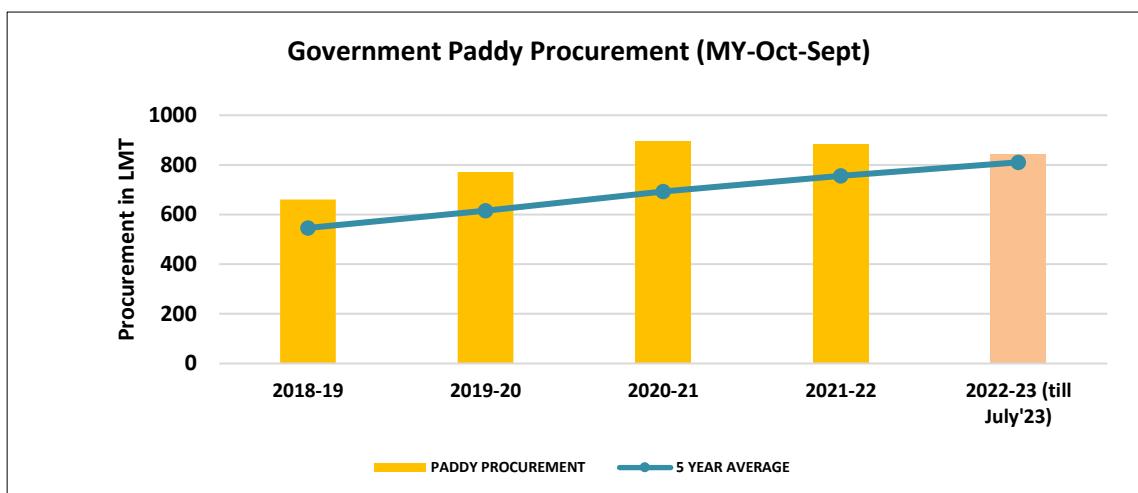
Rice Price Outlook for coming week (Naya bazar 1121 Steam): Prices are currently at INR. 9,000/ctl. and are expected to remain bullish in the range of INR 9,200-9,500 in short run.

Rice Price Outlook (INR./QtL)	Previous week 1 st July'23 – 7 th July'23	Week under review 8 th July'23 – 14 th July'23	Next week 15 th July'23 – 21 st July'23
Weekly Average Price	9133.33	9050	9200-9500

State wise Procurement KMS 2022-23

KMS 2022-23 (Units in LMTs) (as on 02.07.2023)				
S.No.	STATES/ UTs	FCI	State Agency	Total
1	A.P.	0.00	42.30	42.30
2	TELANGANA	0.00	130.34	130.34
3	ASSAM	1.94	3.98	5.92
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	7.29	7.29
14	M. P	0.00	46.16	46.16
15	MAHARASHTRA	0.00	18.33	18.33
16	ODISHA	0.00	78.99	78.99
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	34.36	34.36
	TOTAL	5.80	837.95	843.75

- As of 2nd July, 2023 the central pool had received 843.75 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.)	
				18.05.2023	29.06.2023
Production	509	515	514	521	524
Trade	51	55	54	54	55
Consumption	509	520	521	520	525
Carryover stocks	182	177	171	173	171
Y-O-Y change	0	-5	-6		0
Major Exporters	50	45	42	44	41

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 slightly decrease month-over-month to reach 171 million metric tonnes, representing a reduction of 6 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 slightly increase by 1MMT compare to previous month, with an estimated volume of 55 million metric tonnes, showing a slight year-over-year increase.

Rice Price Trend – CBOT@ CBOT Sept- 23, Rough Rice (Weekly Time frame)

(Prices in US\$/hundredweight)

Market Analysis

During the week under review, market went up by 3.2% at 15.48 and made high of 15.53 and low of 14.9. It is currently trading below 9, 18, 50 and 100 DMA. However, 9 DMA can be characterized as short-term resistance. RSI is near 40, indicating strong buying strength. However, MACD is also indicating bullish momentum.



Duration	Trend	Support	Resistance
July-2023	Bullish	S1-14.5 S2-14.0	R1-17.7 R2-18.2

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/disclaimer.php> © 2023 Indian Agribusiness Systems Limited.