

**Executive Summary:**

- In Bangalore 15% of onion is coming from local sources (Bijapur) whereas 85% is coming from Maharashtra. As per a trader, onion from Maharashtra is fetching higher prices of Rs 850-900/Qtl. Traders are expecting the prices to reach Rs 1100/Qtl in Bangalore during this month.
- In Bhubaneswar, wholesale prices of onion are trading in the range of Rs 800-1000/Qtl because of the high transportation cost as onion mainly comes from Karnataka and Maharashtra. As per news reports, prices are increasing as local traders have started stocking onion at their godowns.
- With pre-monsoon showers across the country, the demand for onion is likely to increase which will give support to prices. Also, kharif sowing, which had been delayed due to deficient rainfall, will gather momentum.
- Supply in Pimplagaon has increased but it has decreased in Lasalgaon during the week under review as onions in Pimplagaon are fetching higher prices than Lasalgaon.
- As per traders from Lasalgaon, with arrivals decreasing in mandis, prices are likely to start increasing further and may touch Rs. 800 by this month end. But things will be clear after kharif sowing figures and will depend on how kharif sowing progresses from here.

**Weekly Onion Prices and Arrivals (in Quintals) trend in important markets across India:**

Market	State	Avg. Arrivals 2-7 July 2012	Avg. Arrivals 25-30 June 2012	% Change in arrivals over Prev. Week	Avg. Wholesale Prices 2-7 July 2012	Avg. Wholesale Prices 25-30 June 2012	% Change in Price Over Prev. Week
Delhi	Delhi	12167	10334	17.74	632	640	-1.25
Bangalore	Karnataka	15667	15167	3.30	838	816	2.70
Belgaum	Karnataka	3167	3500	-9.51	686	705	-2.70
Lasalgaon	Maharashtra	15095	13844	9.04	486	491	-1.02
Pimplagaon	Maharashtra	19000	18500	2.70	575	480	19.79
Mumbai	Maharashtra	8875	6110	45.25	767	584	31.34
Pune	Maharashtra	5000	5372	-6.92	655	605	8.26
Rajkot	Gujarat	1176	784	50.00	355	426	-16.67
Gondal	Gujarat	550	520	5.77	550	530	3.77
Jaipur	Rajasthan	2330	3100	-24.84	742	720	3.06
Indore	MP	14917	10600	40.73	476	425	12.00
Ludhiana	Punjab	1484	1260	17.78	655	640	2.34

(Source: Agriwatch)

As seen in the table above, onion prices rose in major producing regions like Pimplagaon (Nasik), Indore and Bangalore compared to last week. In Rajkot, prices have decreased by 16 % due to higher arrivals in the wholesale mandi. In Indore and Mumbai, prices have increased despite higher arrivals which show good consumption demand for stored onion. In Delhi, no major change was seen in weekly average prices though average weekly arrivals have increased by 17%. Prices are increasing also due to declining arrivals in wholesale mandis and transportation problems during monsoon season.



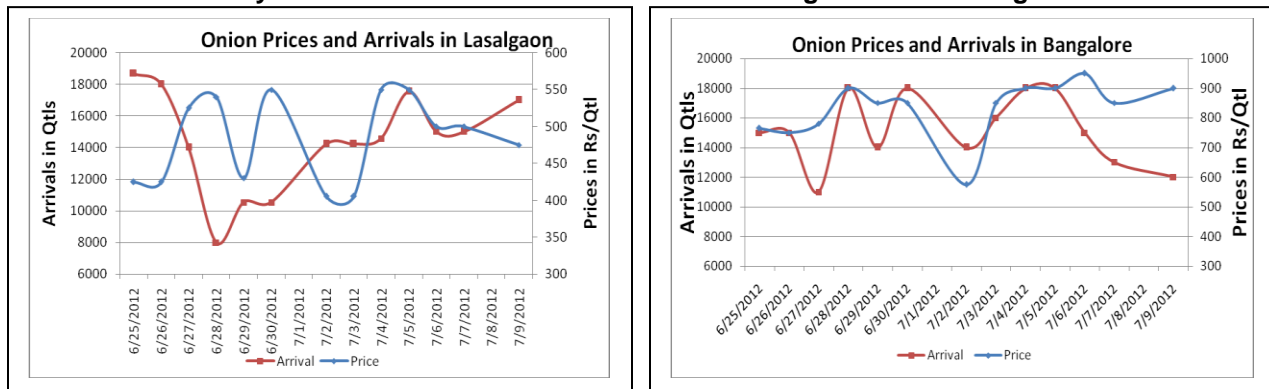
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Agribusiness  
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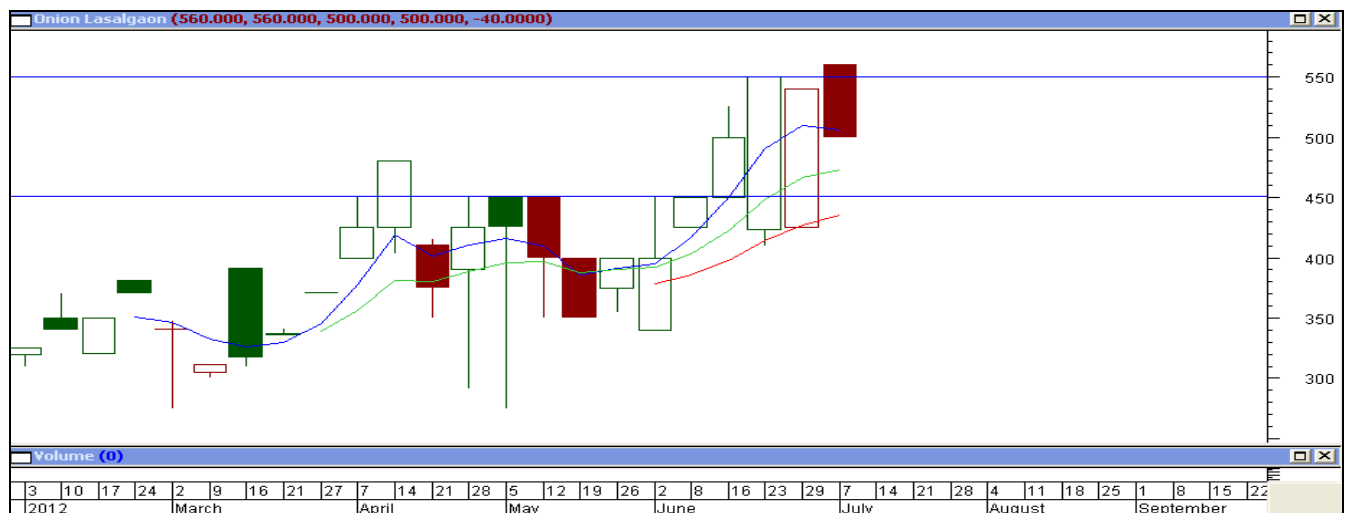
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## Daily Onion Prices & Arrivals trend in Producing and Consuming Center:



(Source: Agriwatch)

## Technical Analysis of Onion Prices at Lasalgaon, Nasik:



(Source: Agriwatch Research)

(Note: Each bar or "candle" in the chart shows the price movement in a particular week. The green candle signifies prices increased and red candle signifies prices decreased in that week. The length of the "candle" shows the upper and lower end of the price range for the week.)

The above chart shows the weekly spot price movement of Onion in the benchmark Lasalgaon Mandi of Nasik. After encountering resistance near 550 levels for last three weeks, last week prices in Lasalgaon closed near Rs. 500/Qtl. This could be due to regular supply from growers and kharif sowing activity picking up momentum after rains in Maharashtra and other onion producing regions. Two weeks ago, there was concern of delay in kharif sowing due to deficient rain.

Prices might test the support level at Rs. 450 per quintal in coming weeks as sowing activity gathers pace from here and thereafter it is likely to bounce again as this level is strong support for Lasalgaon onion price. If the resistance of Rs 550 is breached, prices might move quickly to the Rs 600 to 650 per quintal level.

### Disclaimer

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