

Executive Summary:

- Total arrivals of onion during January and December were lower among last four years due to lower production in Kharif and late kharif season as compared to last year. Farmers are also harvesting slowly and bringing their crop in installments to get better prices.
- According to official sources, onion export in the month of January has declined to 83000 tons from December figure of 96000 tons due to higher prices in domestic markets. Indian onion is being traded at \$450/ton whereas Pakistani onion is quoted around \$280/ton.
- In Lasalgaon (Maharashtra), Modal prices which had went upto Rs 2200/Qtl at month end had again came down to Rs. 1800/ quintal. The reason for decline in prices may be fear of strict government actions like ban of export or imposing higher MEP.
- In Bangalore, 90% of onion is coming from Maharashtra region whereas rest 10% is arriving in market from local region. This year prices are approximately 1.3 times high as compared to previous year at same time.
- According to trade sources, prices of onion in Katmandu has increased by Rs 15 compared to previous month and prices are hovering near Rs 45/kg. The reason for increase in prices is due to short supply and soaring prices in India as it is dependent on India.
- State Governments like Odisha, West Bengal and Delhi are making efforts to control rising onion prices.

Monthly Average Wholesale Price (Rs/Qtl) and Arrivals (in Quintals) Trend Comparison:

Market	Daily Avg. Arrivals January	Daily Avg. Arrivals December	% change over previous month	Avg. Prices January 2013	Avg. Prices December 2012	Previous year Avg January (2012) Price	% change over previous month	% change over previous Year
Delhi	12210	13520	-9.69	1320	1226	590	7.67	123.73
Bangalore	17038	24000	-29.01	1596	1610	650	-0.87	145.54
Lasalgaon (Nasik)	13470	12520	7.59	1534	1265	375	21.26	309.07
Pimplagaon	14091	19815	-28.89	1457	1221	632	19.33	130.54
Mumbai	10900	10041	8.55	1452	1330	549	9.17	164.48
Pune	9110	8050	13.17	1512	1327	530	13.94	185.28
Jaipur	3180	3500	-9.14	1398	978	583	42.94	139.79
Chennai	5400	4750	13.68	1948	1967	894	-0.97	117.90
Hyderabad	5887	7780	-24.33	1580	1441	654	9.65	141.59

(Source: AGRIWATCH)

The table above shows the monthly average wholesale prices and arrivals in the major markets as well as last year's average price during January. On a month-on-month basis, prices have increased in all producing regions.

February, 2013

Prices have softened in Delhi because of fresh arrivals from Rajasthan, Haryana and Gujarat region. Arrivals in Bangalore are dependent on Sholapur and other producing region of Maharashtra.

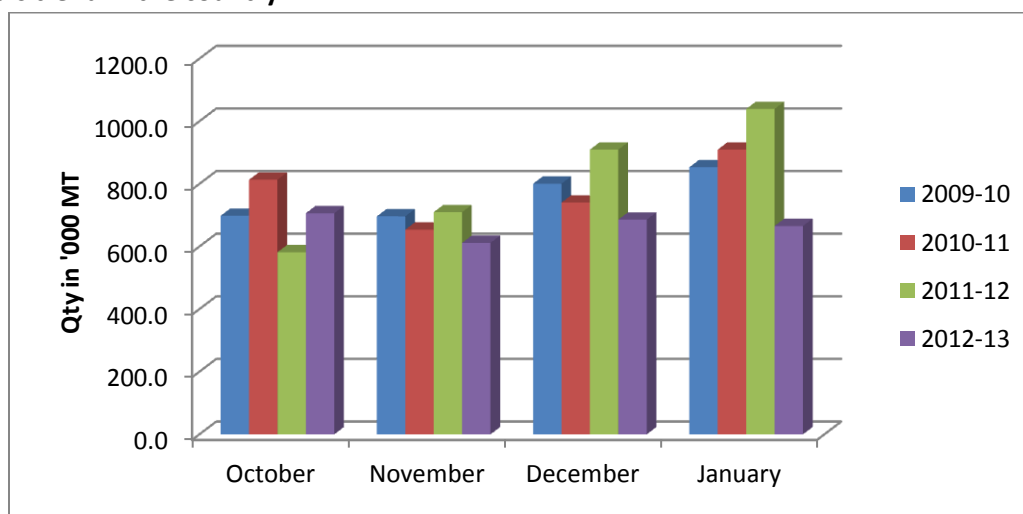
Monthly Average Retail Price (Rs/Qtl) trend comparison:

Market	State	Average Retail Price Jan 2013	Average Retail Price- Dec 2012	Previous year Avg Retail Price- Jan 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	2183	2286	1210	-4.51	80.41
Bhubaneswar	Odisha	2050	2115	1096	-3.07	87.04
Chennai	Tamil Nadu	2545	2471	1406	2.99	81.01
Delhi	Delhi	2180	2035	1388	7.13	57.06
Guwahati	Assam	2369	2596	1624	-8.74	45.87
Hyderabad	AP	1718	1432	1667	19.97	3.06
Kolkata	W. Bengal	2571	2696	1302	-4.64	97.47
Mumbai	Maharashtra	2104	2000	1000	5.20	110.40
Patna	Bihar	2212	2314	1248	-4.41	77.24

(Source: NHB)

Retail prices are hovering in the range of Rs. 1700-2600/Qtl in major cities of the country. Prices have decreased from 1% to 5% on a month-on-month basis depending on centre. However, when compared to last year's prices, current prices are almost 50-110 % higher on average.

Onion arrivals trend in the country:



(Source: Agmarknet, Agriwatch Research)

Above graph shows the monthly arrivals comparison of last four years. It clearly shows the lower arrivals in 2012-13 during month of December and January due to shortage of crop from kharif season which has impacted the prices.

Technical Analysis of Onion Prices at Lasalgaon, Nasik:



(Source: AGRIWATCH)

(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 price movement of onion in the benchmark of Lasalgaon mandi of Nasik. Prices were trading in the range of Rs. 1500 -1800 during January but at month end prices shoot upto Rs. 2200, however it closed near 2000 level. Present prices are trading near 1900 and candlestick pattern suggest that prices could soften further as Relative Strenght Index (RSI) is also hovering in over-bought zone. But breaking of 1500 level seems unlikely during next two weeks at least. The level of 1500 will act as strong support level till arrivals of rabi crop start from march end.

Disclaimer

The information contained in this document has been compiled by Agriwatch from sources believed to be reliable, such as NHB, Agmarknet, etc. and directly from traders in mandis. However, users of this data are requested to use the information with due caution and crosscheck with other sources. This document is not, and should not be construed as an offer to sell or buy any commodities. This document may not be reproduced, distributed or published without the express consent of SFAC.



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