

Executive Summary:

- Arrivals have increased in consuming centers as compared to previous month because Rabi crop has started arriving in market in full swing, the impact of the same can be noticed on prices. But it is expected that in coming months prices may rise as onion will start going to stores extensively to fetch higher prices in future.
- India's total onion export till March (14.3.2013) in the current FY 2012-13 has increased and reached to around 1635452 MT compared to previous year export of 1552904 MT which is approximately 5% higher than last year and expected to increase further.
- According to trade sources in Maharashtra export demands coming from gulf countries, Indonesia, Bangladesh and Pakistan. This week demand is low as compared to previous week.
- According to trade sources onion from India is being exported to Pakistan through Karachi port and Wagha Border. On a weekly basis 350-400 container (1 container=12.5 ton) are being sent from Mumbai to Karachi port and 450-500 truck (1 truck=16 ton) are exported through Wagah Border.
- According to trade sources in Nasik region, Rabi onion area is lower by 35-40% compared to previous year but water and fertilizers were sufficient for sown area. So, productivity has increased as compared to last year.

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

Market	Daily Avg. Arrivals March	Daily Avg. Arrivals February	% change in arrivals over previous month	Avg. Prices March 2013	Avg. Prices February 2013	% change in prices over previous month	Previous year Avg March (2012) Price	% change over previous Year
Delhi	22080	10845	103.60	1333	1754	-24.00	584	128.25
Bangalore	15522	15030	3.27	1064	1602	-33.58	604	76.16
Lasalgaon (Nasik)	12792	12710	0.65	935	1471	-36.44	330	183.33
Pimpalgaon	13444	13305	1.04	965	1462	-33.99	422	128.67
Mumbai	10709	9850	8.72	1057	1501	-29.58	483	118.84
Pune	10660	19757	-46.04	1059	1396	-24.14	499	112.22
Jaipur	4265	3883	9.84	1052	1598	-34.17	599	75.63
Chennai	5486	5321	3.10	1522	2012	-24.35	804	89.30
Hyderabad	4422	8288	-46.65	1355	1773	-23.58	690	96.38

(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 March. On a month-on-month basis, prices have decreased in all the major markets due to higher arrivals from producing region. But, it is expected that arrivals may be low in markets in coming weeks as farmers/traders are stocking Rabi crop onion to fetch higher prices in future.



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

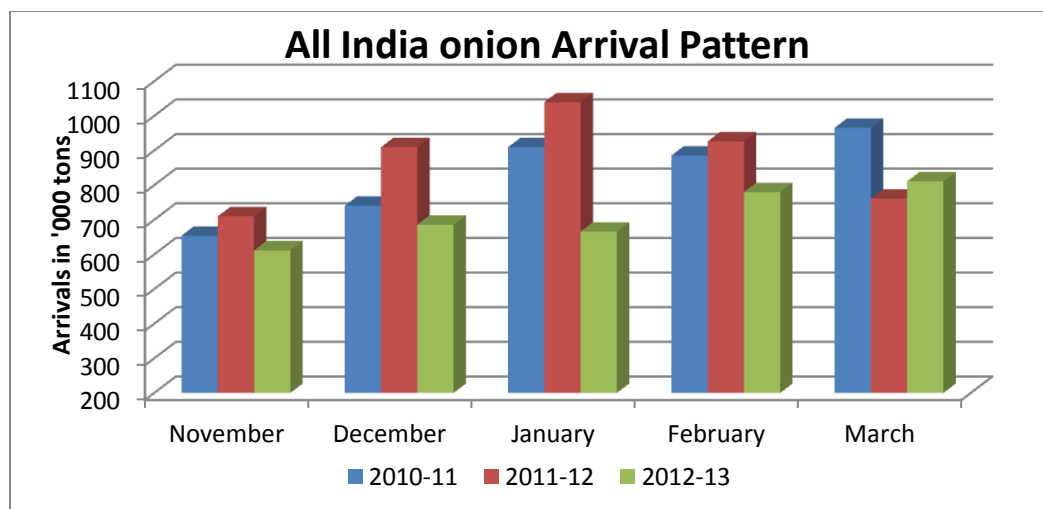
Market	State	Average Retail Price March 2013	Average Retail Price Feb 2013	Previous year Avg. Retail Price-March 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	1800	2464	1243	-26.95	44.81
Bhubaneswar	Odisha	1868	2572	1034	-27.37	80.66
Chennai	Tamil Nadu	2187	2876	1208	-23.96	81.04
Delhi	Delhi	2146	2617	1269	-18.00	69.11
Guwahati	Assam	2044	2888	1438	-29.22	42.14
Hyderabad	AP	2223	2905	1090	-23.48	103.94
Kolkata	W. Bengal	1996	2827	1106	-29.40	80.47
Mumbai	Maharashtra	1717	2382	1000	-27.92	71.70
Patna	Bihar	1857	2743	1044	-32.30	77.87

(Source: NHB)

Retail prices have decreased across the markets following higher supply from producing region of late kharif season and initial rabi crop. April is the peak harvesting season for rabi crop in most of the states. But lower production estimate in Maharashtra and Karnataka states may keep the prices stable and will not fall much. Another reason for stable prices in peak harvesting season could be stocking interest from farmers and stockiest looking at lower rabi crop and highest shelf life.

If we compare on a yearly basis, it is very clear from above table that prices have increased this year from 40% to 105% compared to previous year.

Onion arrivals trend in the country:



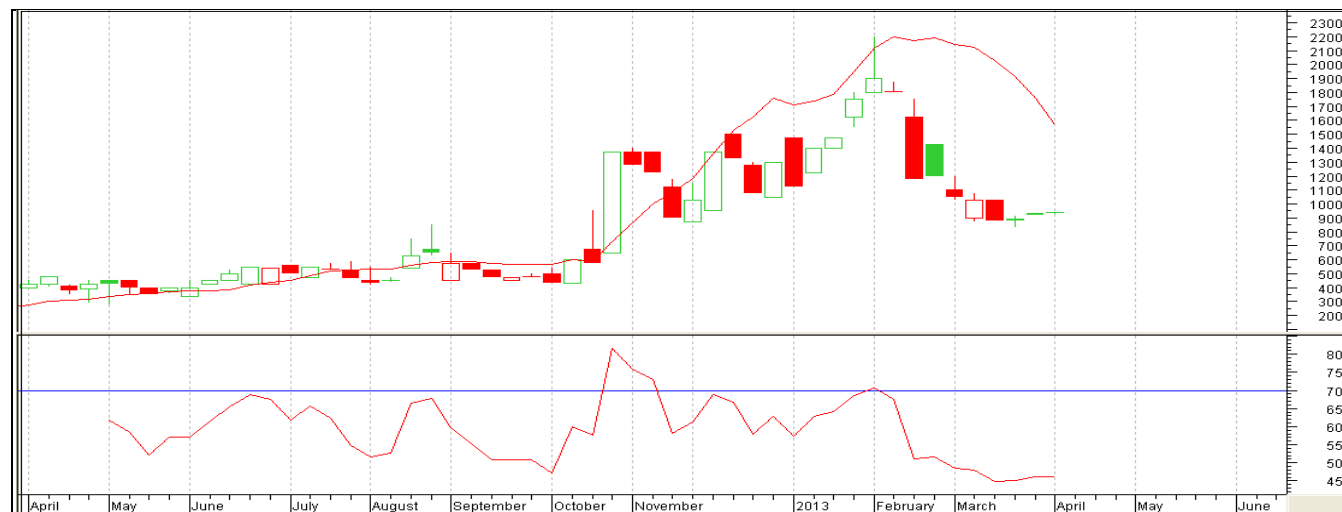
(Source: Agmarknet, Agriwatch Research)

Above graph shows the monthly arrivals comparison of last four years. It clearly shows that arrivals are lower than last year. On a month on month basis, arrivals are continuously increasing from last

April, 2013

2-3 months. Because of this increase in arrivals, prices have fallen down and the alarming situation of shooting up prices has come down and is under control.

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 are finding strong support near 850-900 levels. Relative Strength Index (RSI) is hovering in neutral zone and stable from last few weeks. It suggests prices are expected to be in range of Rs. 850-1200 in the coming weeks. Prices are expected to increase ahead as arrivals are expected to decline because traders and farmers are stocking the crop in expectation of high prices ahead.

Disclaimer

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