

## Executive Summary:

- All India, onion arrival in month of October is almost 25% higher compared to previous month. If we compare onion arrivals on a yearly basis we observed that onion arrivals are almost similar to last year. Last year October month also, crop was delayed due to late arrivals of monsoon and less rains.
- Government has again hiked the Minimum Export price (MEP) to \$1150/MT from \$900/MT one month back and \$ 650MT in the starting to curtail exports and bring down the rising onion prices.
- In Karnataka, Rabi sowing area has started and targeted area is approximately 21967 hectares. So far, 5555 hectare of area is sown as compared to previous year total sown area of 2047 hectares. Bagalkot, Bijapur and Chamarajnagar districts have maximum area of 5671 ha, 5439 ha and 2832 hectares respectively.
- In Maharashtra, 80%-85% of late kharif onion sowing is completed and remaining area will be sown in next few days. Nursery preparation for Rabi crop has started and is expected to pick up pace in next few weeks. Yield for late kharif crop is expected to be much higher than kharif crop based on current weather conditions.
- Arrivals are expected to pick up Pace after mid November as festival season will be over by that time and crop will be matured enough to bring in market. But still arrivals are coming from few parts of Maharashtra and expected that increase in arrivals may bring the prices down.

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

Market	Daily Avg. Arrivals October	Daily Avg. Arrivals September	% change in arrivals over previous month	Avg. Prices October 2013	Avg. Prices September 2013	% change in prices over previous month	Previous year Avg. October (2012) Price	% change over previous Year
Delhi	12537	14075	-10.93	4160	4654	-10.61	1128	268.79
Bangalore	87208	55125	58.20	4146	3623	14.44	1113	272.51
Lasalgaon	1135	2814	-59.67	4790	4695	2.02	775	518.06
Pimplagaon	1569	4120	-61.92	3978	4547	-12.51	833	377.55
Mumbai	11406	8423	35.41	4895	4761	2.81	945	417.99
Pune	5563	4862	14.42	4373	4818	-9.24	855	411.46
Jaipur	3474	3659	-5.06	4374	4458	-1.88	984	344.51
Chennai	4479	4730	-5.31	4742	5213	-9.04	1264	275.16
Hyderabad	4037	3927	2.80	3000	3793	-20.91	886	238.60

(Source: AGRIWATCH)

On a month-on-month basis, prices have decreased in most of the markets. Prices have decreased due to higher arrivals from producing regions. Prices are expected to come down further as arrival of kharif crop is in full swing from Maharashtra region.

If we compare the average arrivals it is visible from the above table that arrivals have increased in most of the markets. Maximum arrivals have increased in Mumbai, Pune, Bangalore and Hyderabad.

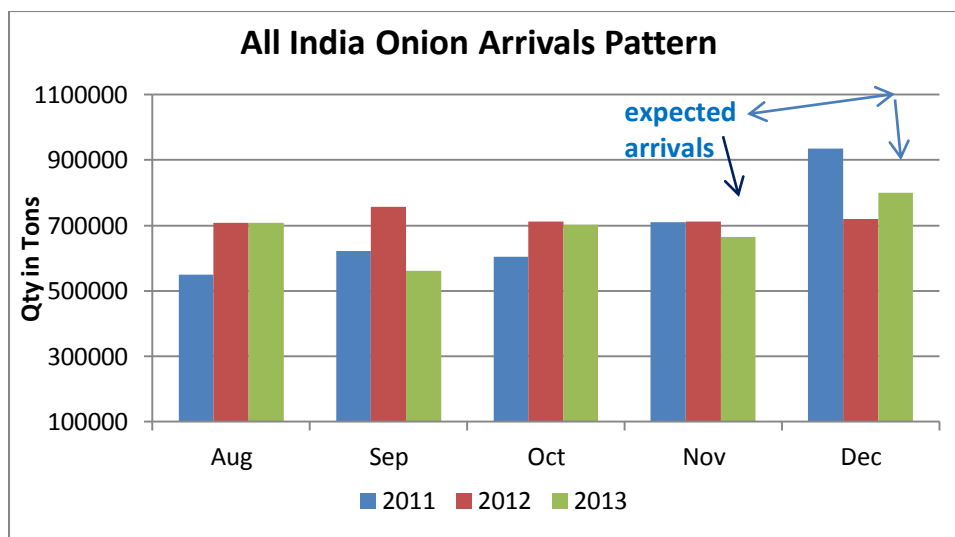
## Monthly Average Retail Price (Rs/Qtl) trend comparison:

Market	State	Average Retail Price October 2013	Average Retail Price September 2013	Previous year Avg. Retail Price- October 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. year
Bangalore	Karnataka	4748	4588	1530	3.49	210.33
Bhubaneswar	Odisha	5253	4858	1454	8.13	261.28
Chennai	Tamil Nadu	5928	6563	1739	-9.68	240.89
Delhi	Delhi	5868	5988	1767	-2.00	232.09
Guwahati	Assam	6964	6396	1983	8.88	251.19
Hyderabad	AP	4136	5064	1117	-18.33	270.28
Kolkata	W. Bengal	6257	6148	2018	1.77	210.06
Mumbai	Maharashtra	5960	5796	1342	2.83	344.11
Patna	Bihar	6675	5992	1609	11.40	314.85

(Source: NHB)

In Retail market mixed variation of prices were seen. Prices have fallen in Chennai, Delhi and Hyderabad by 9%, 2% and 18% respectively. Prices have marginally increased in few markets and expected to correct in coming days. Arrivals have started picking up pace which is leading downfall in onion prices.

## All India Onion Monthly Arrivals:



(Source: Agmarknet)

# November and December arrivals are assumed on the basis of historical arrivals

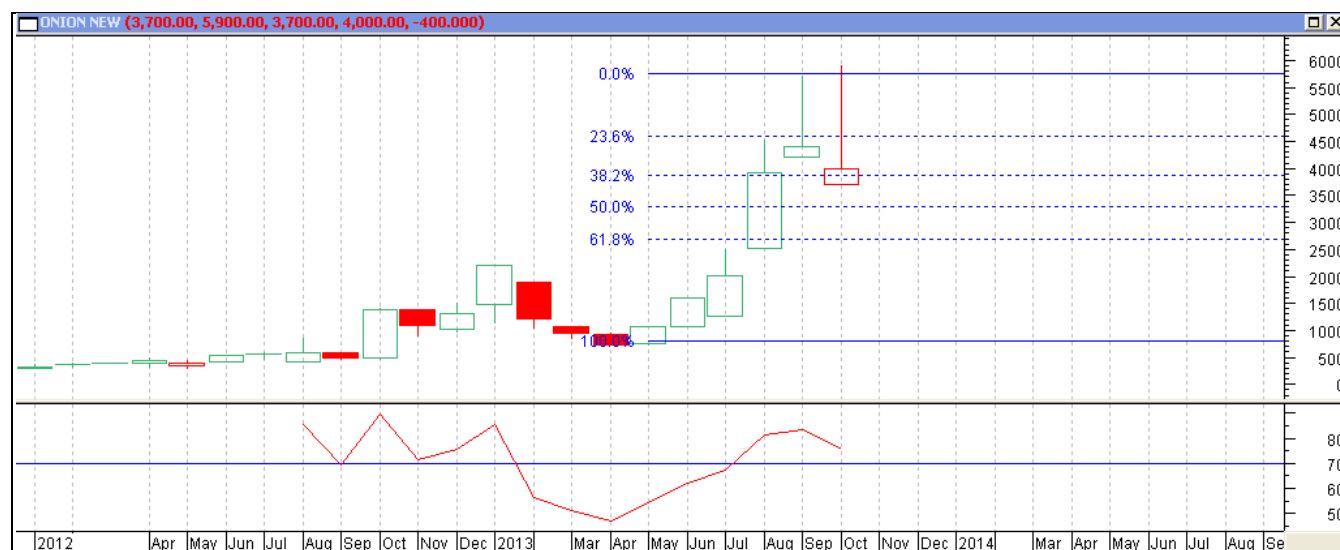
The above graph shows the monthly all India arrivals. Arrivals were increased in month of October because kharif crop arrivals start during this time. This phenomenon is similar to last year but this year arrivals were delayed due to later stage rains spoiled the early kharif crop and stocked onion was also less compared to previous year.

## Expected wholesale Prices in Metro Cities:

	Week	Bangalore	Chennai	Delhi	Mumbai
Actual Price	2nd week Oct	3830	3900	4200	4900
	3rd week Oct	4800	5000	4700	5300
	4th week Oct	4600	5700	4000	4900
Expected Prices in 2013	1st week Nov	4600	4200	4600	5000
	2nd week Nov	4000	3800	4200	4500
	3rd week Nov	3800	3600	3900	4200
	4th week Nov	3500	3400	3500	4000

(Source: Agriwatch Research)

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



(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 monthly price movement of onion in the benchmark of Lasalgaon mandi of Nasik. During the month of October modal prices touched low of Rs. 3900. This suggests further correction in prices in this month. However, if price starts trading higher again then first resistance could be found near 4600 and then previous high of Rs. 5700. On the lower side, support is placed at near 3300/quintal and after breaching this support, prices may settle down at a level of Rs 2700/ quintal. Relative Strength Indicator (RSI) oscillator has started downward movement which suggests price could correct further.

### 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.