

**Executive Summary:**

- Across the country, prices of onion has started increasing and expected to increase until the arrival of next crop which is expected to arrive in the mid November.
- In Delhi, fresh onion is coming from Karnataka and Kolhapur (Maharashtra) which are contributing 2 and 5 trucks (15 ton each) respectively to the total arrival. According to trade sources, arrival has declined to 9500 quintal from 10500 quintal in last one week due to 'Navratri' Festival.
- In Lasalgaon, modal prices have increased to Rs 716 as compared to last week Rs 540/ quintal. Usually consumption decreases during Festival season starting from "Navratra". Since prices have increased even during less consumption demand, it indicates prices could increase ahead when demand goes up again.
- In Belgaum (Karnataka), onion is arriving in market from local region only. Approximately 75% is fresh crop from the total arrival and rest 25% is stored onions. According to trade sources stored onion will last for couple of weeks only.
- In Hyderabad, onion is coming from local region, Ahmadnagar districts of Maharashtra which are contributing approximately 80%, 15-20% respectively to the total arrival. According to trade sources, demand of fresh onion comes from Kolkata side and fresh onion is able to fetch high prices.
- In Andhra Pradesh, approximately 70-75% of early kharif crop is already harvested. The crop is expected to get over by the end of this month.
- According to news sources, NHRDF is planning to focus on new areas across in the country to enhance onion production and aims to meet 25% of production demand through these new onion growing pockets which are Bihar, Orissa and Punjab.

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

Market	State	Avg. Arrivals 15th Oct - 20 Oct 2012	Avg. Arrivals 6th Oct - 123Oct 2012	% Change in arrivals Over Prev. Week	Avg. Prices 15th Oct - 20 Oct 2012	Avg. Prices 6th Oct -13 Oct 2012	% Change in Price Over Prev. Week
Delhi	Delhi	9500	10300	-7.76	1000	1113	-10.15
Bangalore	Karnataka	33117	27250	21.53	950	963	-1.35
Lasalgaon	Maharashtra	9183	8500	8.04	716	539	32.84
Pimpalgaon	Maharashtra	9700	8930	8.62	850	663	28.21
Mumbai	Maharashtra	7450	7370	1.09	870	740	17.57
Hyderabad	AP	8100	11416	-29.05	788	660	19.39
Jaipur	Rajasthan	2500	2708	-7.68	941	984	-4.37
Indore	MP	15800	11600	36.21	641	680	-5.74
Ludhiana	Punjab	1233	1580	-21.96	858	705	21.70

(Source: AGRIWATCH)



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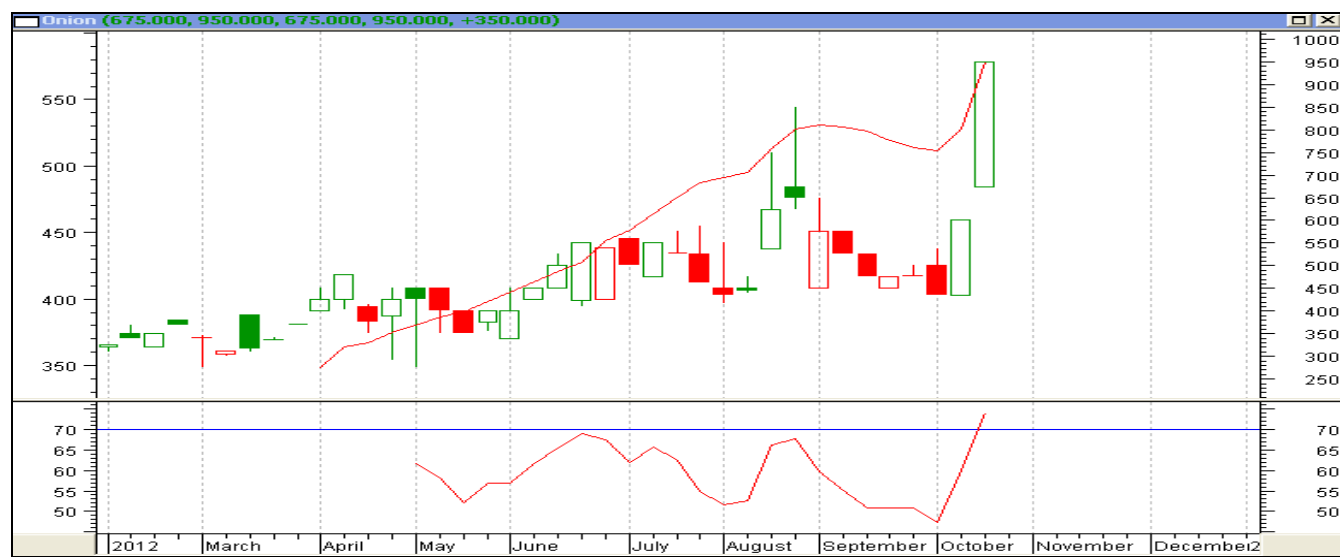
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Prices and arrivals both have decreased in Delhi and Jaipur due to less consumption demand in northern states during “Navratra”. However, prices have increased in most of producing region like lasalgaon, Pimplagaon despite higher arrivals. This is due to good quality onion coming into market and stored onion is coming to end.

### 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 spot price movement of Onion in the benchmark Lasalgaon Mandi of Nasik. During the week modal prices breached its long time resistance level of Rs. 700 and closed near Rs 950. During the week, prices touched Rs 950 due to lower arrivals in the market and good demand as we were expecting. At the weekend, modal prices were reported at Rs. 716 /quintal which are almost Rs 150 higher than last week. Prices closed above the previous week’s high which indicates further upward movement in coming weeks. The Relative Strength Index oscillator (RSI) is also increasing and is in overbought region which points towards firmness in the market. Prices are likely to increase further in the coming weeks and expected to cross range of Rs 1000/quintal in couple of days.

#### Disclaimer

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