

Executive Summary:

- Arrivals in major consuming markets have increased as supply increases in producing region after prices increased substantially. As a result, Prices have softened and have fallen in the range of 10-20% in last one week.
- Farmers in Maharashtra have prompted for early harvesting of kharif crop after surge in prices in last two weeks.
- New crop from Indore and Maharashtra has started to come in Azadpur, Delhi market.
- Export of onion has increased by approximately 70% to 177,239 MT in month of October as compared to September. The reason for increase in export is low prices of onion which were hovering between Rs 700-800/ quintal in the month of Oct.
- Export demand in the month of November may be low due to sharp increase in prices of onion at Lasalgaon market which are currently hovering between Rs 1350 to Rs 1400/ quintal. Pakistan onion is expected to enter overseas market after gap of two years. This year, Pakistan could witness a bumper crop of 1.5-1.6 million tons. As per news reports, Pakistan could export 2-2.5 lakhs tons of onion this year with FOB quote of \$ 220-240/Ton

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

| Market | State | Avg. Arrivals 5th Nov - 10th Nov 2012 | Avg. Arrivals 26th Oct - 2nd Nov 2012 | % Change in arrivals Over Prev. Week | Avg. Prices 5th Nov- 10th Nov 2012 | Avg. Prices 26th Oct- 2nd Nov 2012 | % Change in Price Over Prev. Week |
|------------|-------------|--|---|---|---|--|--|
| Delhi | Delhi | 23666 | 18167 | 30.27 | 1333 | 1478 | -9.81 |
| Bangalore | Karnataka | 52833 | 38200 | 38.31 | 1433 | 1470 | -2.52 |
| Lasalgaon | Maharashtra | 36300 | 11834 | 206.74 | 1315 | 1318 | -0.23 |
| Pimpalgaon | Maharashtra | 14050 | 7000 | 100.71 | 985 | 990 | -0.51 |
| Mumbai | Maharashtra | 8925 | 8219 | 8.59 | 1200 | 1300 | -7.69 |
| Hyderabad | AP | 9333 | 6250 | 49.33 | 1158 | 1550 | -25.29 |
| Jaipur | Rajasthan | 4166 | 4959 | -15.99 | 933 | 1167 | -20.05 |
| Indore | MP | 32583 | 13400 | 143.16 | 816 | 860 | -5.12 |
| Ludhiana | Punjab | 3666 | 2400 | 52.75 | 933 | 1097 | -14.95 |

(Source: AGRIWATCH)

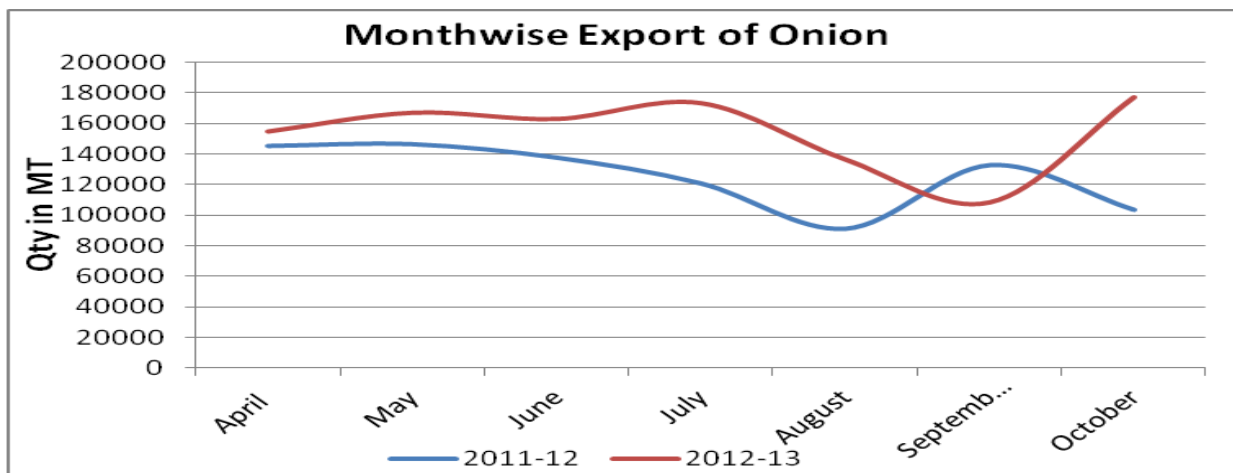
Prices have decreased in almost all the markets after arrivals increased due increase in price during last two weeks. Maximum increase in arrivals was seen in Lasalgaon and Indore followed by Pimplagaon

Export of Onion:

The below graph shows the monthly exports of onion during last two years; the exports follow a falling trend since July month during 2011-12 and 2012-13. But exports during Oct 2012 increased sharply where-as it had fallen during Oct 2011. Primarily, it is due to lower domestic prices and weak Indian Rupee this year. Significant

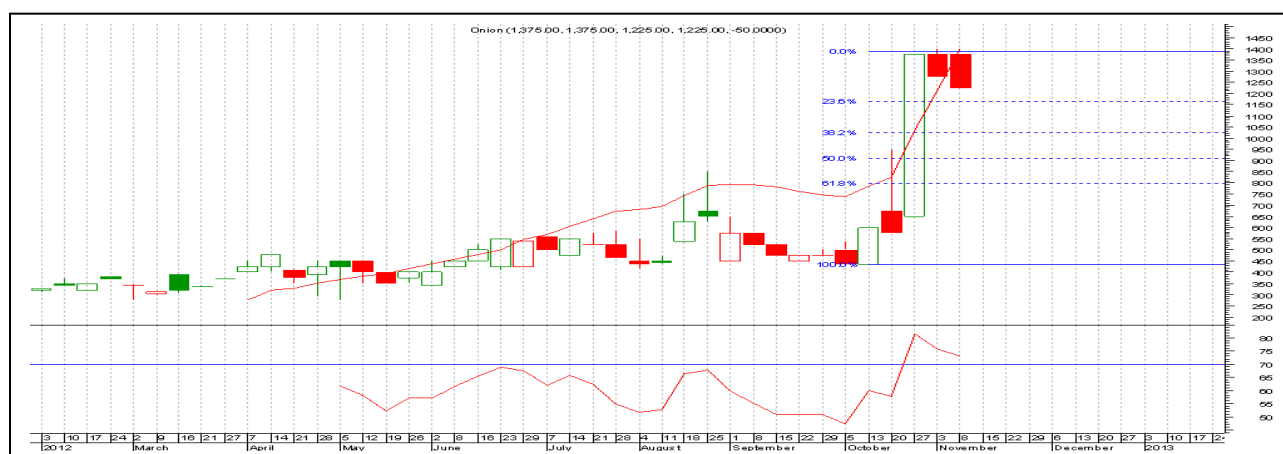
12 November, 2012

surge in exports during Oct also impacted domestic prices. In last two weeks of Oct, prices rallied by almost 50-60% in domestic markets due to fear of gap between demand & supply as kharif onion arrivals were delayed.



(Source: NAFED)

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 weekly spot price movement of Onion in the benchmark Lasalgaon Mandi of Nasik. Prices traded weaker and closed near the lows of the week. The Relative Strength Index oscillator (RSI) is falling in the overbought region which indicates prices are likely to weaken in the short term. Prices had moved sharply higher from Rs 600 to 1400 in a span of 4 weeks and are now giving up the gains.

As per Fiboonacci retracement technique, prices are likely to first fall to Rs 1180 (23% retracement level) and then to the Rs 1030 level which marks the 38% retracement level. Any fall below the Rs 1030 level could take prices down all the way to Rs 900 (50% retracement).

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