

Executive Summary:

- In Bhavnagar (Gujarat), maximum arrivals are arriving in market as compared to other regions. On an average approximately 40000 quintals are arriving in market on a daily basis. Prices are hovering in the range of Rs 1000 to Rs 1075/ quintal from last one week.
- According to trade sources, arrivals have increased but quality of crop is not up to mark as farmers are harvesting the crop before it is mature to take advantage of higher prices.
- In Delhi, onion is coming in market from Bhavnagar and Maharashtra region which are contributing approximately 40-45% each to the total arrival. Remaining 15-20% quantity is coming from Rajasthan and Haryana.
- Across the country, onion prices have begun to stabilize at lower levels with arrivals of late kharif crop increasing from producing regions. According to news sources, government is comfortable at these price levels and may not take any strict actions like ban of exports till prices in the domestic market are showing a declining trend.
- According to official sources, onion export in the month of January has declined to 83044 tons from December figure of 96403 tons due to higher prices in domestic markets.
- Pakistan's onion export has reached 170,000 metric tons mark and is anticipated to reach 200,000 MT mark by the end of March 2013. Pakistan onion is being traded at \$250 MT.

Weekly Wholesale and Retail Onion Prices (Rs/Qtl) in important markets across India:

Center Name	Avg. Wholesale Price (25th Feb-1st March)	Avg. Wholesale Price (17th Feb-23rd Feb)	% Change in Wholesale Price over prev. week	Avg. Retail Price (25th Feb-1st March)	Avg. Retail Price (17th Feb-23rd Feb)	% Change in Retail Price over prev. week
BANGALORE	1410	1530	-7.84	2400	2400	0.00
BHUBANESHWAR	1760	2000	-12.00	2300	2300	0.00
CHENNAI	1780	1800	-1.11	2600	2650	-1.89
DELHI	1475	1650	-10.61	2500	2500	0.00
Hyderabad	1850	1642	12.67	3000	2300	30.43
JAIPUR	1310	1400	-6.43	2200	2200	0.00
KOLKATA	1325	1866	-28.99	1598	2500	-36.08
MUMBAI	1225	1350	-9.26	2000	2150	-6.98
PATNA	1200	1775	-32.39	2000	2500	-20.00

(Source: Agriwatch, NHB)

The above table shows the wholesale and retail prices of onion in major cities of India. Wholesale prices have declined as onion from Gujarat is arriving in market in full pace. In Hyderabad wholesale prices have increased marginally by 12% because arrivals are coming from Maharashtra and Gujarat region. Prices of onion may increase ahead as a gap may occur between late kharif crop and Arrival of Rabi crop which may lead to increase in prices.



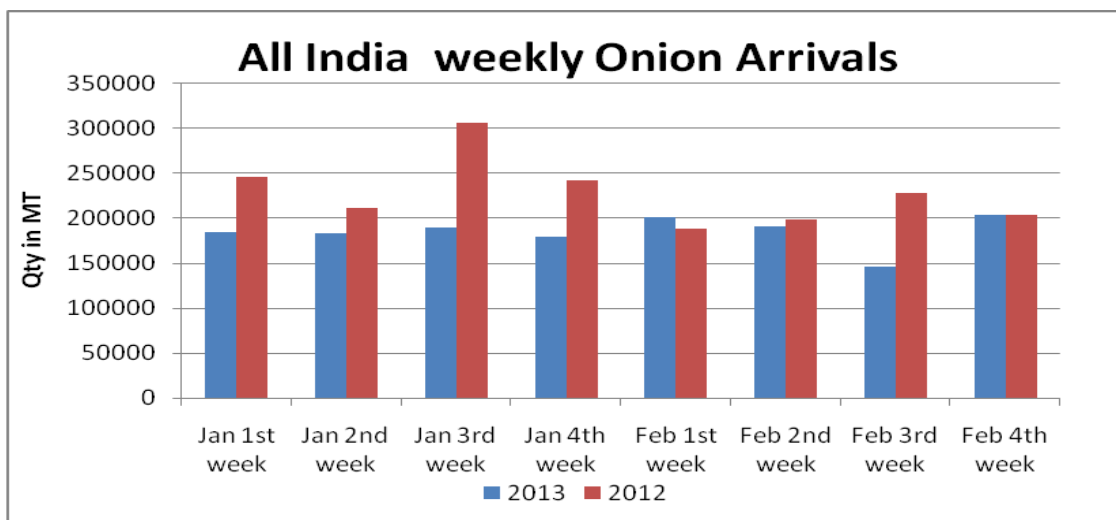
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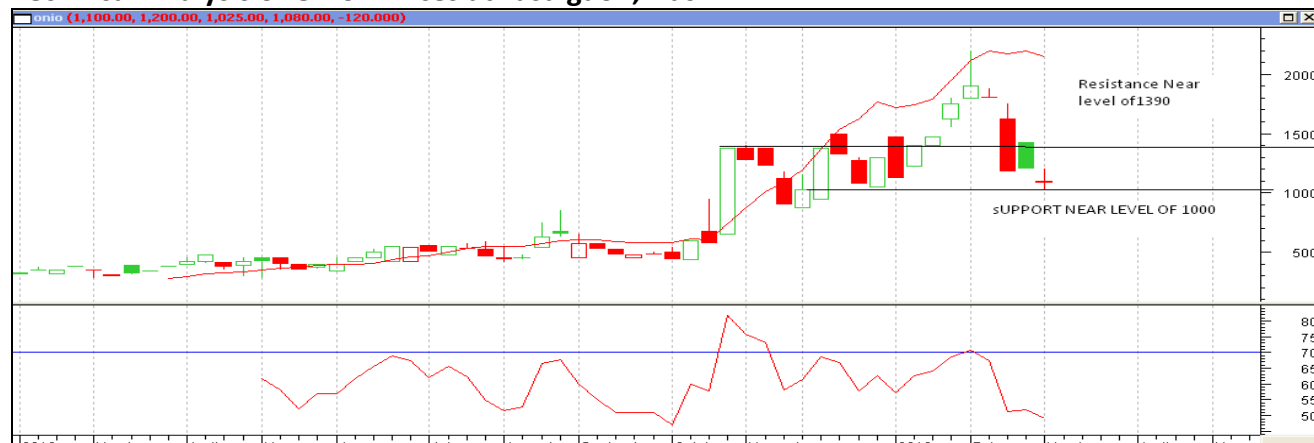
Onion arrivals (MT) in India:



(Source: NHB)

The above graph shows the all India weekly arrivals of onion during January and February month of year 2012 and 2013. Arrivals in 2013 Jan and Feb are more or less stable on week on week basis. When compared to last year, arrivals during current year are consistently lower.

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 weekly price movement of onion in the benchmark of Lasalgaon mandi of Nasik. Prices are trading between 1000 to 1400 level. On the lower side, prices may find support at a level of 1000. On the higher side price may find strong resistance near 1390. Relative Strength Index (RSI) Indicator is in neutral zone which suggests range bound movement in prices in coming week.

The next two weeks are crucial and after that arrival are expected to increase gradually with arrivals of rabi crop. During this two week, prices may increase due to supply demand mismatch.

Disclaimer

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