

Executive Summary:

- All India, onion prices have fallen in most of the markets as onion is being imported and fresh onion is arriving in market from Karnataka, A.P and few pockets of Maharashtra. On a week on week basis, onion arrivals have increased by approximately 8% compared to previous week and expected to increase ahead.
- All India, cumulative onion arrival till last week of September is approximately 32% less compared to previous year arrival during same time.
- In Bangalore, modal prices have fallen by approximately 23% compared to previous week as arrivals are continuous from 'Chitradurga' district and expected to maintain this pace for next couple of weeks. On a week on week basis arrivals are high by 23% compared to previous week.
- In Karnataka, targeted onion area for kharif season is approximately 145000 hectare. So far 99, 560 hectare area is sown of the targeted area as compared to last year's total sown area of 22,299 hectares.
- In A.P, onion acreage for kharif season is approximately 27,950 ha. So far 27,437 hectares of area is sown as compared to previous year's 21475 hectare area. Normally sown area during this time is approximately 25587 hectares.

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

Center Name	Avg. Wholesale Price(23 September-28 September)	Avg. Wholesale Price(16 September-21 September)	% Change in Wholesale Price over prev. week	Avg. Retail Price (23 September-28 September)	Avg. Retail Price (16 September-21 September)	% Change in Retail Price over prev. week
BANGALORE	2842	3709	-23.38	3700	5117	-27.69
BHUBANESHWAR	4300	4592	-6.36	4740	5238	-9.51
CHENNAI	5633	5584	0.88	6834	6867	-0.48
DELHI	4167	5575	-25.26	6000	6617	-9.32
HYDERABAD	3400	3875	-12.26	5000	5220	-4.21
JAIPUR	4208	5375	-21.71	5667	6817	-16.87
KOLKATA	4650	4975	-6.53	5980	6540	-8.56
MUMBAI	4000	5171	-22.65	6000	6750	-11.11
PATNA	5100	6025	-15.35	6417	7000	-8.33

(Source: Agriwatch, NHB)

The above table depicts the wholesale and retail prices of onion in major cities of India. This week onion prices have decreased in almost all the markets. In both retail and wholesale market prices have fallen because of serious steps taken by government.

MEP on onion was increased to \$ 900/ton from \$650/ton which impacted on onion price and bring it down. Government also eases the rules and regulation on the clearance of imported onion because of which supply has started recovering and onion from Afghanistan, Pakistan, Egypt, Iran and China is expected to arrive further.

In Bangalore, maximum prices have fallen in both wholesale and retail market because local crop is continuously arriving in market. In Hyderabad (A.P), prices of onion have fallen down in both wholesale and retail market by approximately 12% and 5% respectively due to arrival of local crop from Kurnool.

Weekly Wholesale Prices and Arrivals in producing regions

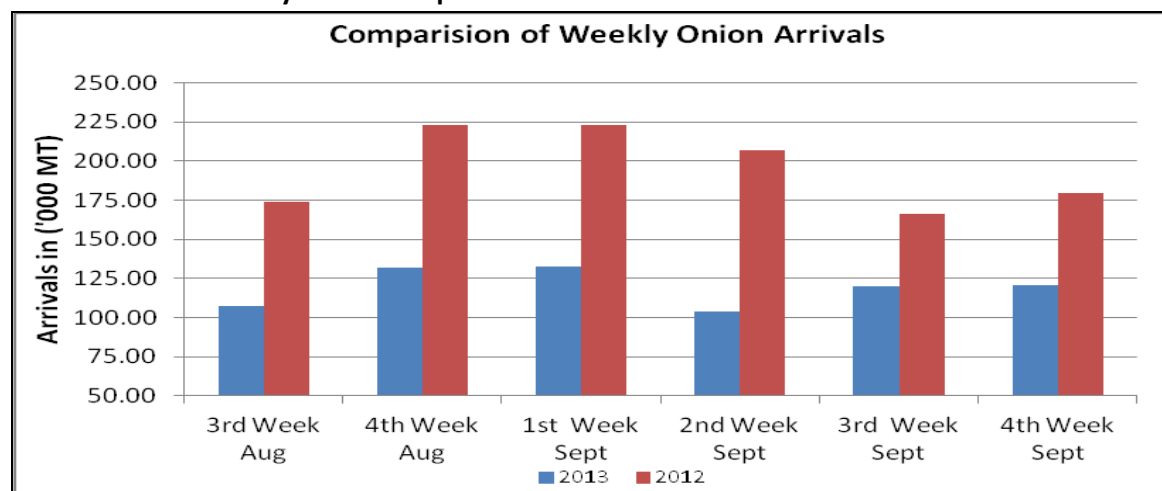
Center Name	Avg. Wholesale Price (23 September-28 September)	Avg. Wholesale Price (16 September-21 September)	% Change in Wholesale Price over prev. week	Total Arrivals (23 September-28 September) Quintals	Total Arrivals (16 September-21 September) Quintals	% Change in Arrivals over prev. week
LASALGAON	4663	5250	-11.18	11925	9200	29.62
PIMPALGAON	4338	5263	-17.58	10250	11875	-13.68
BANGALORE	2842	3709	-23.38	417500	347500	20.14
INDORE	3367	3750	-10.21	45500	34000	33.82

(Source: Agriwatch)

The above table shows the weekly difference between prices and arrivals in producing regions. Prices have decreased in all the markets due to imported onion and fresh crop arriving in market from Karnataka, Kurnool and few pockets of Maharashtra have started supplying which are trying to match the demand of market.

In Lasalgaon and Pimpalgaon market of Maharashtra prices have decreased by approximately by 11% and 17% respectively compared to previous week. In Lasalgaon arrivals were high by approximately 30% because of early kharif crop has started arriving in market from few pockets of Maharashtra.

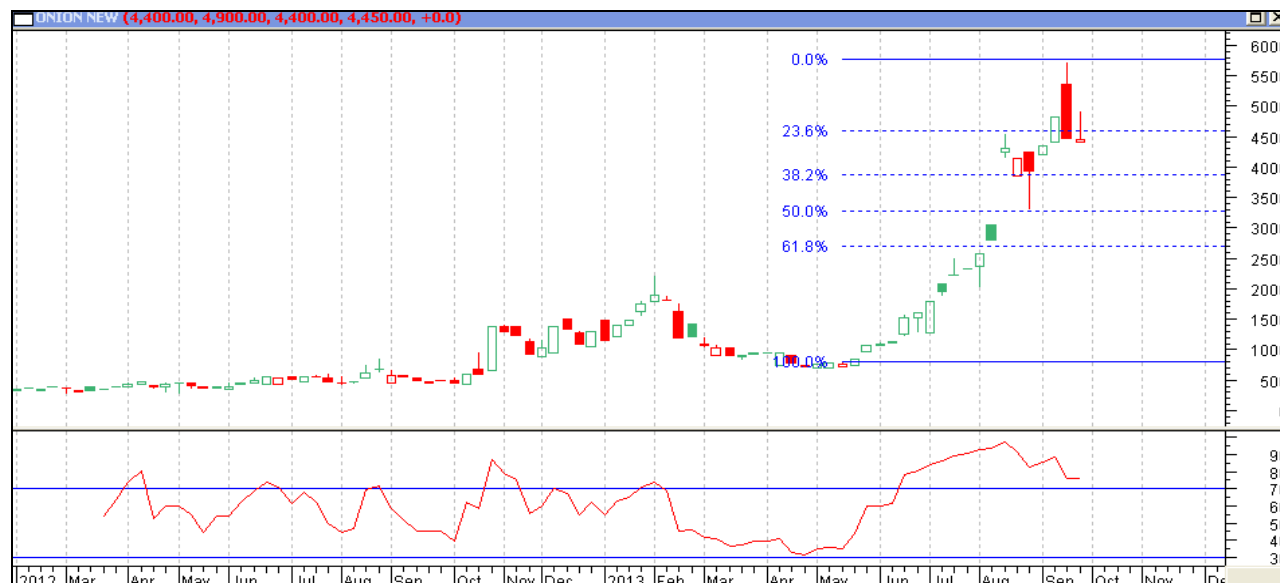
All India- Onion weekly arrival comparison



(Source: Agmarknet)

The above table depicts the weekly all India arrivals. Arrivals are clearly lower as compared to previous year in every week. But it is following the same pattern in both the years. Onion arrivals have started to increase from 3rd week of September.

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.)

Due to increasing arrivals and falling demand amid high prices, prices have started to correct from its life time high level. Modal prices have dropped down and trading at Rs 4600/ quintal. Candlestick chart pattern suggest further correction in prices in coming weeks. On the higher side prices may find resistance at previous high Rs 5000 and on the lower side support can be placed near at Rs.3900 / quintal and then Rs. 3300. The Fibonacci retracement shows that next support could be Rs 3900/ quintal at 38.2% retracement level. So it is expected that prices may attain level of Rs 3900/ quintal in next two weeks. Overall it is expected that prices may fall for the coming weeks.

Disclaimer

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