

Executive Summary:

- All India, onion arrival during 3rd and 4th week were comparatively higher than previous two weeks. Fresh onion arrivals have increased mostly in Ahmadnagar, Sholapur, Indore and Bangalore regions.
- Sowing for late kharif onion is progressing well and approx 70-80% of sowing is completed. Acreage is definitely going to be higher this year due to adequate availability of water from late rains and higher prevailing prices.
- Fresh onion arrivals of kharif season have started to come in major markets and pace will increase after Diwali.
- Arrivals which are coming to producing markets are consumed locally due to sub-standard quality. In Gujarat, onion is coming to Bhavnagar and Rajkot markets but they cannot be sent to Delhi or other northern cities as shelf life of onions are very low.
- In Lasalgaon and Pimpalgaon markets, prices have increased by 12% compared to previous week because of lower arrivals. Fresh early kharif onion has also started arriving in market from few pockets of Maharashtra and expected to pick up pace in coming weeks.

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

Center Name	Avg. Wholesale Price(21 October-26 October)	Avg. Wholesale Price(15 October-19 October)	% Change in Wholesale Price over prev. week	Avg. Retail Price (21 October -26 October)	Avg. Retail Price (15 October - 19 October)	% Change in Retail Price over prev. week
BANGALORE	4783	4875	-1.89	5434	5400	0.63
BHUBANESHWAR	5267	4100	28.46	6300	4467	41.03
CHENNAI	5683	4550	24.90	7067	5600	26.20
DELHI	4658	4688	-0.64	6700	6050	10.74
HYDERABAD	3100	2150	44.19	4200	3333	26.01
JAIPUR	5417	5000	8.34	6817	5725	19.07
KOLKATA	4983	5000	-0.34	6420	6100	5.25
MUMBAI	5217	5100	2.29	6600	6000	10.00
Patna	6325	5750	10.00	8300	6875	20.73

(Source: Agriwatch, NHB)

The above table depicts the wholesale and retail prices of onion in major cities of India. In wholesale market onion prices have increased in almost all the markets except Delhi, Bangalore and Kolkata. Prices are expected to come down in both wholesale and retail from this week as more kharif arrivals are expected.

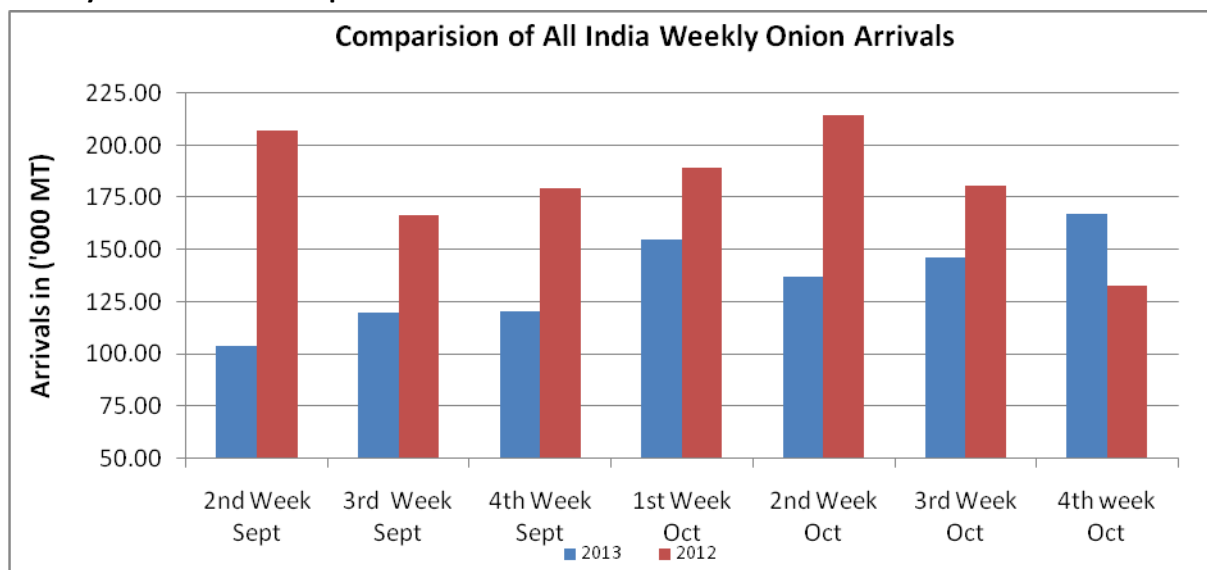
Weekly Wholesale Prices and Arrivals in producing regions

Center Name	Avg. Wholesale Price(21 October-26 October)	Avg. Wholesale Price(15 October-19 October)	% Change in Wholesale Price over prev. week	Total Arrivals (21 October-26 October) Quintals	Total Arrivals (15 October-19 October) Quintals	% Change in Arrivals over prev. week
LASALGAON	5720	4983	14.79	3500	2700	55.56
PIMPALGAON	3930	4000	-1.75	2564	3000	-14.53
Ahmadnagar	4500	4330	3.92	180000	87500	105
Solapur	3000	3250	-7.70	134000	60000	123
BANGALORE	4783	4875	-1.89	478000	335000	42.69
INDORE	3667	3563	2.92	102200	65000	57.23

(Source: Agriwatch)

The above table shows the weekly difference between prices and arrivals in producing regions. Mix trend of Prices have seen due to higher arrivals in key markets. Arrivals have increased in Sholapur, Ahmadnagar and Bangalore substantially. This increase in arrivals will soften the prices in coming days.

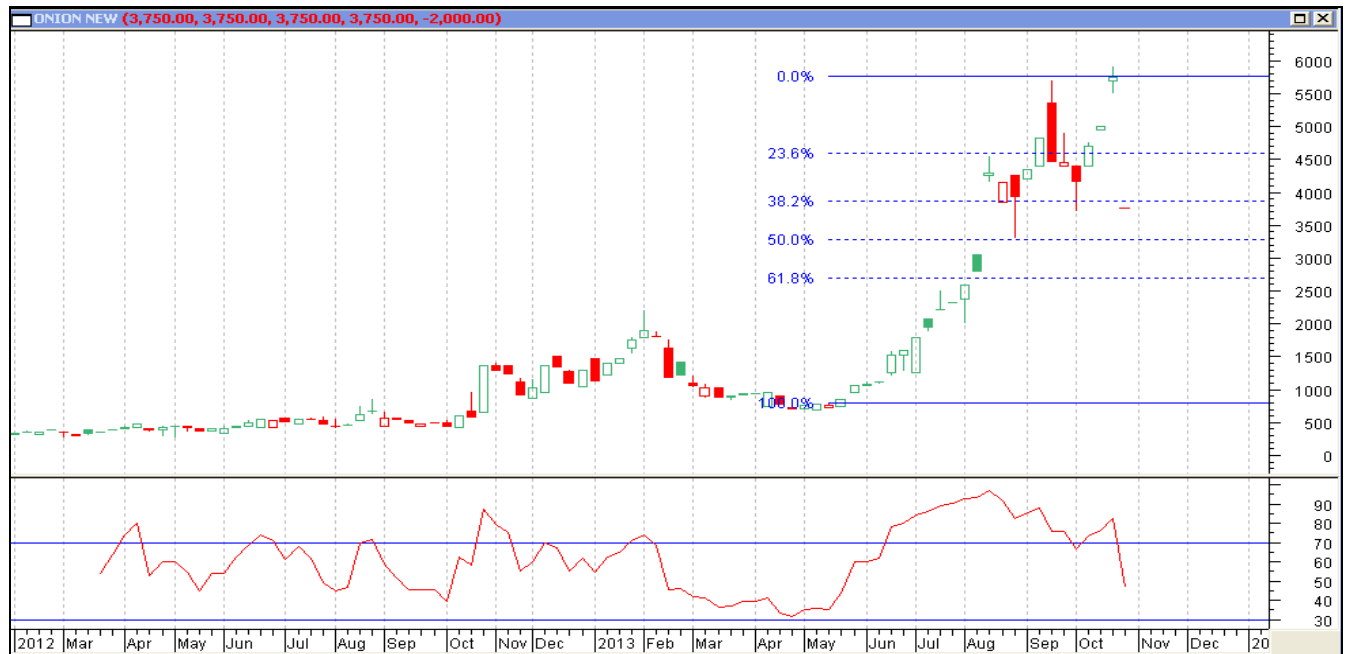
Weekly Onion Arrival Comparison:



(Source: Agmarknet, Agriwatch Research)

The above graph shows the week on week basis all India onion arrivals compared to last year. This year arrivals were comparatively lower than last year in every week. Arrival started increasing from 3rd week of October. Earlier, supplies were affected due to harvesting obstacles from rains. It is expected that arrivals will increase in coming weeks with regular supply.

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. Last week modal prices again touched its previous high of Rs. 5750 but fell from there as arrivals of fresh crop have increased. Earlier, some quantity of old crop is coming in market which was fetching higher prices. The Fibonacci retracement shows that if prices fall further it may come down to a level of 3300 in coming weeks. If this level is breached then next support would be around Rs. 2800/Qtl.

Disclaimer

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