

Executive Summary:

- All India, onion arrival during last week of October was approximately 156% higher compared to previous week. Arrivals have increased as kharif crop has started arriving in market and other reason is that onion market is to remain closed for next few days on the occasion of festivals.
- Government has increased the minimum export price (MEP) to \$1150/ ton from \$900/ ton for increasing domestic supplies and discouraging rising onion prices. Although exports are marginal, this step is taken to build sentiments in the market.
- In Maharashtra, 80%-85% of late kharif onion sowing is completed and remaining area will be sown in next few days. Nursery preparation for Rabi crop has started and is expected to pick up pace in next few weeks.
- In Maharashtra, yield for late kharif crop is expected to be much higher than kharif crop based on current weather conditions. Arrivals of kharif crop are slowly picking up pace and it is assumed that 10-15 % of kharif crop has been damaged.
- In Karnataka, rabi sowing has started and targeted area for this year is approximately 21967 hectares. So far, approximately 5542 hectares of area has sown as compared to previous year total acreage of 1887 hectares.

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

Center Name	Avg. Wholesale Price(28 October-1 November)	Avg. Wholesale Price(21 October-26 October)	% Change in Wholesale Price over prev. week	Avg. Retail Price (28 October -1 November)	Avg. Retail Price (21 October -26 October)	% Change in Retail Price over prev. week
BANGALORE	4263	4783	-10.87	5325	5434	-2.01
BHUBANESHWAR	5060	5267	-3.93	5425	6300	-13.89
CHENNAI	5320	5683	-6.39	6800	7067	-3.78
DELHI	3500	4658	-24.86	5800	6700	-13.43
HYDERABAD	3000	3100	-3.23	5000	4200	19.05
JAIPUR	4250	5417	-21.54	6000	6817	-11.98
KOLKATA	5138	4983	3.11	7020	6420	9.35
MUMBAI	4680	5217	-10.29	6400	6600	-3.03
PATNA	4610	6325	-27.11	5960	8300	-28.19

(Source: Agriwatch, NHB)

The above table depicts the wholesale and retail prices of onion in major cities of India. Prices of onion have fallen down in almost all the markets except Hyderabad and Kolkata. The prices have decreased because of higher arrivals from producing regions and strict steps taken by government to curb down prices.

Weekly Wholesale Prices and Arrivals in producing regions:

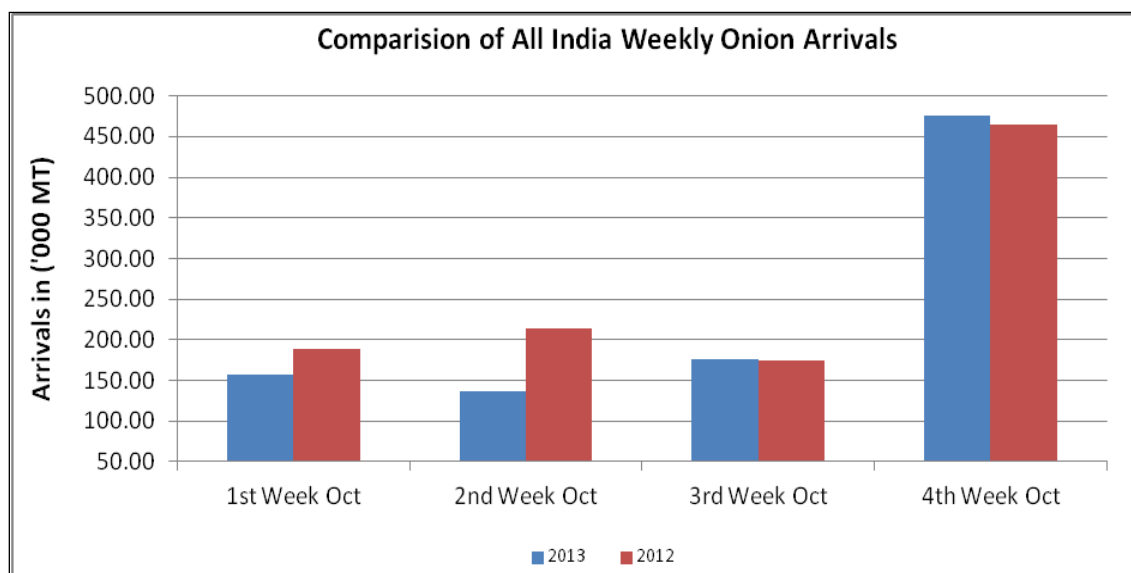
Center Name	Avg. Wholesale Price(28 October-1 November)	Avg. Wholesale Price(21 October-26 October)	% Change in Wholesale Price over prev. week	Total Arrivals (28 October-1 November) Quintals	Total Arrivals (21 October-26 October) Quintals	% Change in Arrivals over prev. week
LASALGAON	4179	5720	-26.94	7170	4200	70.71
PIMPALGAON	3485	3930	-11.32	13120	2564	411.70
BANGALORE	4263	4783	-10.87	290000	478000	-39.33
INDORE	3430	3667	-6.46	120500	102200	17.91

(Source: Agriwatch)

The above table shows the weekly difference between prices and arrivals in producing regions. Prices have fallen down in almost all the markets due to higher arrivals from producing regions. Maximum prices have fallen in Lasalgaon and Pimpalgaon markets by 26% and 11% respectively.

Arrivals have increased as kharif crop has started arriving in market. Relatively arrivals have increased more in Lasalgaon and Pimpalgaon.

Weekly Onion Arrival Comparison:



(Source: Agmarknet)

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 after 3rd week of October and increased because of kharif crop arrivals.

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. Modal prices are trading in a level of Rs 3800- Rs 4200/quintal. On the higher side prices may find Resistance at a level of Rs 4500/ quintal whereas on the lower side prices may find support at a level of Rs 3500/ quintal.

The Fibonacci retracement shows that prices may come down to a level of Rs 3330/ quintal. As we were expecting that prices may come down after breaching the 38.2% level. Now we are expecting prices to find support at 50% Fibonacci retracement level which is at Rs 3300/ quintal and then at Rs. 2700/Qtl.

Disclaimer

The information contained in this document has been compiled by Agriwatch from sources believed to be reliable, such as NHB, Agmarknet, etc. and directly from traders in mandis. However, users of this data are requested to use the information with due caution and crosscheck with other sources. This document is not, and should not be construed as an offer to sell or buy any commodities. This document may not be reproduced, distributed or published without the express consent of SFAC