

Executive Summary:

- All India, cumulative onion arrival during 3rd week of January month is approximately 3% higher compared to previous year arrival during same time. If we compare on a week on week basis, arrivals in 3rd week of January are approximately 10% lower compared to previous week.
- In Maharashtra transplanting of Rabi onion which has started from end of Nov and will continue till January end.
- In benchmark market of Lasalgaon, prices have increased by Rs 100/ quintal whereas arrivals have also increased by 16% compared to previous week.
- As per state government, progressive sowing of Rabi onion as on 13th Jan 2014 is 66000 hectare. Normal area for Rabi onion is 1.90-2.00 Lakh hectares.
- According to international Business Information Services (IBIS), approximately 74575 MT of processed and unprocessed onion was exported from India as on 26.01.2014 in month of January through sea and air route.
- In Karnataka, total targeted area for Rabi crop is approximately 21967 hectares. So far, 22937 hectares of area has been sown and expected that area may increase further as sowing is still in progress in Bagalkot and Bijapur district which are major producing regions.

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

Center Name	Avg. Wholesale Price(20 January-25 January)	Avg. Wholesale Price(13 January-18 January)	% Change in Wholesale Price over prev. week	Avg. Retail Price(20 January-25 January) 2013	Avg. Retail Price(13 January-18 January) 2013	% Change in Retail Price over prev. week
BANGALORE	992	1020	-2.75	1930	2150	-10.23
BHUBANESHWAR	1375	1331	3.31	2233	1963	13.75
CHENNAI	1350	1425	-5.26	2180	2400	-9.17
DELHI	1146	1033	10.94	1900	2040	-6.82
HYDERABAD	830	1000	-17.00	1600	1960	-18.37
JAIPUR	883	1150	-23.22	1820	1850	-1.62
KOLKATA	1310	1153	13.62	2155	2360	-8.69
MUMBAI	1002	1117	-10.30	1662	2000	-16.90
PATNA	1250	1300	-3.85	1900	2060	-7.77

(Source: Agriwatch, NHB)

Above table shows wholesale and retail prices of onion across different markets. Mixed variation of prices was seen. Maximum prices have increased in Kolkata by 13% followed by Delhi and Bhubaneswar by 10% and 3% respectively.

In Retail market maximum prices have fallen in almost all the markets because of continuous arrivals of crop from producing regions. Maximum retail prices have fallen in Hyderabad followed by Mumbai.

Weekly Wholesale Prices and Arrivals in producing regions:

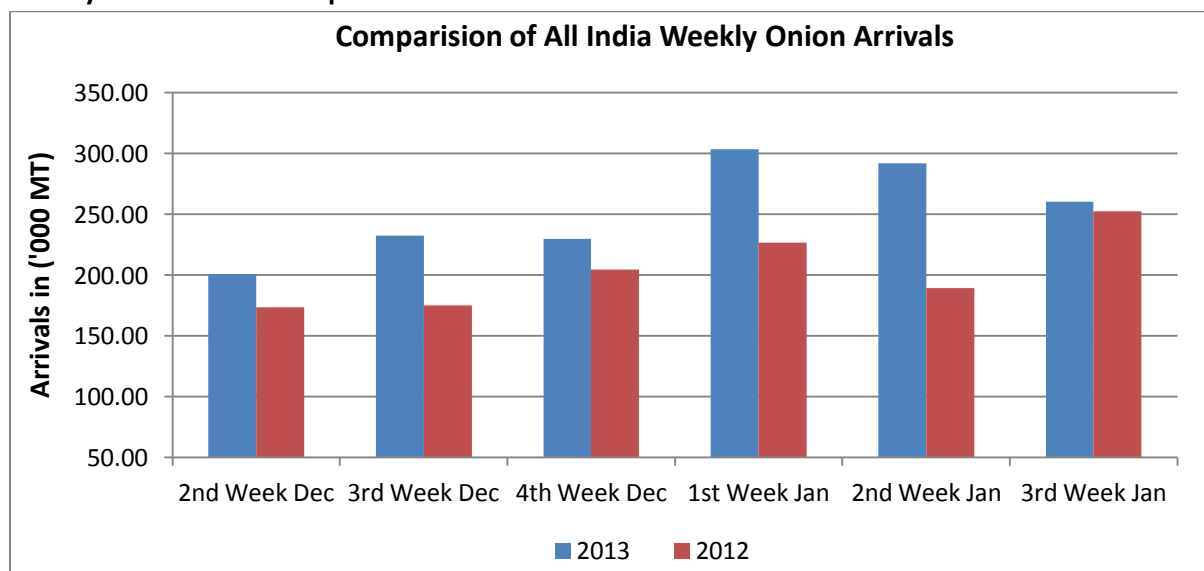
Center Name	Avg. Wholesale Price(20 January - 25 January)	Avg. Wholesale Price(13 January - 18 January)	% Change in Wholesale Price over prev. week	Average Arrivals (20 January- 25 January)	Average Arrivals (13 January- 18 January)	% Change in Arrivals over prev. week
AHMEDNAGAR	975	1079	-9.64	12916	10417	23.99
SOLAPUR	608	650	-6.46	34666	29333	18.18
BANGALORE	992	1020	-2.75	38833	25800	50.52
INDORE	760	740	2.70	16500	18300	-9.84
LASALGAON	980	888	10.36	23800	20375	16.81
PIMPALGAON	1025	968	5.89	12750	18125	-29.66

(Source: Agriwatch)

The above table shows the weekly difference between prices and arrivals in producing regions. Mixed variation of prices was seen. Maximum prices have decreased in Ahmednagar with increase in arrivals by 23%. Prices have decreased in Ahmednagar, Solapur and Bangalore markets due to continuous supply of onion from different parts of the country. Overall market is expected to be sluggish ahead due to continuous supply of onion crop.

Though arrivals have fallen compared to previous week but supply is continuous so there was no impact on continuous falling onion prices. Late kharif arrivals have started arriving in markets from Maharashtra and few parts of Gujarat.

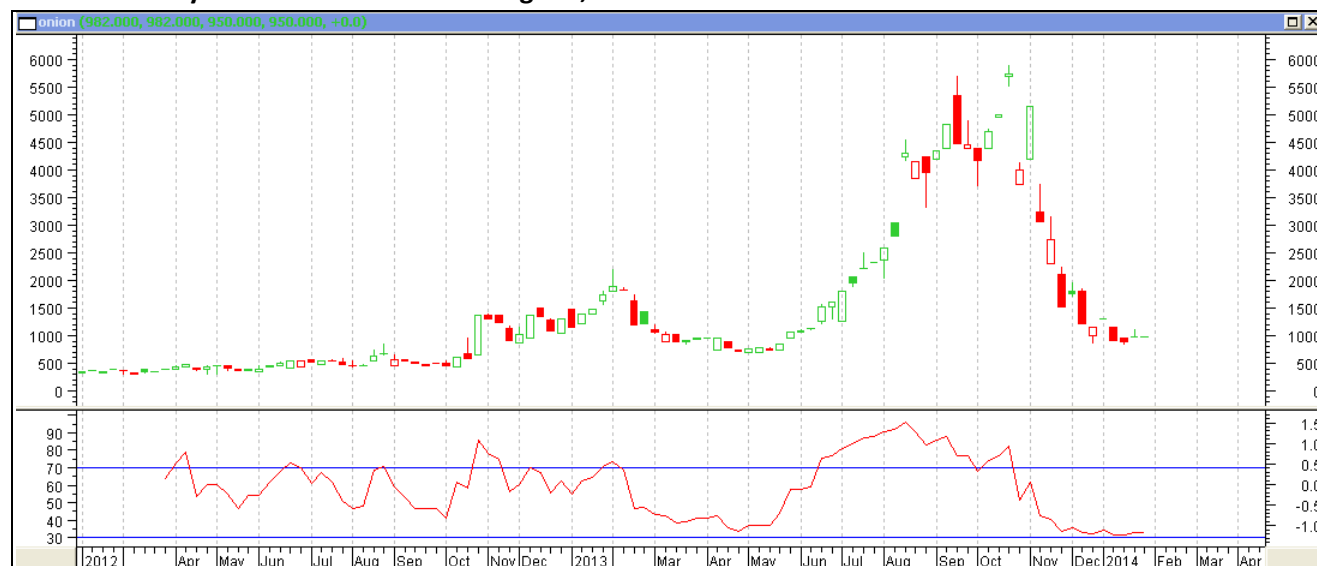
Weekly Onion Arrival Comparison:



(Source: Agmarknet)

The above graph shows the week on week basis all India onion arrivals compared to last year. This year arrivals are comparatively higher than last year but in 3rd week of January arrival are approximately 4% higher. These arrivals will increase in coming weeks also because last year arrivals were low because of drought condition.

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. As we expected prices are in a range bound movement between Rs 900 –Rs 1100/ quintal from last two weeks and may continue for next coming week. On the higher side prices may find resistance at a level of Rs 1300/ quintal and on the lower side prices may find support at level of Rs 800/ quintal. Prices are moving in range bound movement because of continuous supply of crop from producing regions. Relative Strength Indicator (RSI) indicator is also stable which suggest stability in the market

Disclaimer

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