

Executive Summary:

- All India, cumulative onion arrival during 2nd week of February month is approximately 39.83% higher compared to previous year arrival during same time. If we compare on a week on week basis, arrivals in 2nd week of February are approximately 5.21% lower compared to previous week.
- Late Kharif onion arrivals expected to come till mid of March in Maharashtra and other producing regions.
- Sources revealed that, minimum export price (MEP) for onion may be cut by another \$10-15 per tonne next week.
- Onion transplanting for Rabi season is almost completed in major growing region. Rabi acreage in Maharashtra state is expected to be higher by 15-20% this year.
- Onion has been sown in 0.12 lakh hectares in A.P as on 12th February 2014. Chilli sowing in Andhra Pradesh is going on in the districts like Guntur, Srikakulam, Kurnool, Anantapur, Mahabubnagar, Kadapa, Rangareddy, Nizamabad, Medak etc.
- In Karnataka, Rabi sowing is almost completed in 28078 hectares of the total targeted area of 21967 hectares as on 03.02.2014 as compared to the last year 4191 hectares. In Chitradurga and Bijapur districts which are major producing region.

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

Center Name	Avg. Wholesale Price(10 February -15 February) 2014	Avg. Wholesale Price(3 February -8 February) 2014	% Change in Wholesale Price over prev. week	Avg. Retail Price(10 February-15 February) 2014	Avg. Retail Price(10 February-15 February) 2014	% Change in Retail Price over prev. week
BANGALORE	717	900	-20.33	1460	1460	Unch
BHUBANESHWAR	1017	1142	-10.95	1450	1600	-9.38
CHENNAI	1250	1317	-5.09	1933	2000	-3.35
DELHI	733	855	-14.27	2080	1950	6.67
HYDERABAD	675	700	-3.57	1200	1200	Unch
JAIPUR	771	800	-3.63	1540	1566	-1.66
KOLKATA	1113	1265	-12.02	2040	2100	-2.86
MUMBAI	625	775	-19.35	1000	1240	-19.35
PATNA	1058	1233	-14.19	1633	2000	-18.35

(Source: Agriwatch, NHB)

Above table shows wholesale and retail prices of onion across different markets. Prices have declined in all markets. Maximum prices have fallen in Bangalore by 20.33% followed by Mumbai and Delhi by 19.35% and 14.27% 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 Mumbai followed by Patna by 19.35% and 18.35% respectively.

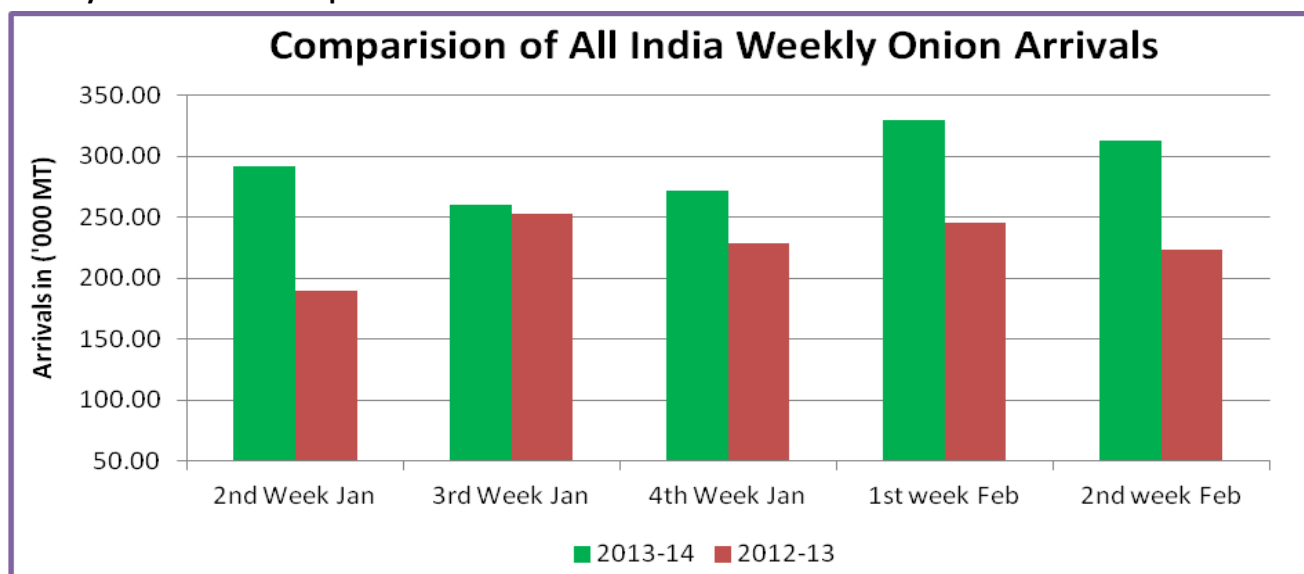
Weekly Wholesale Prices and Arrivals in producing regions:

Center Name	Avg. Wholesale Price(10 February -15 February) 2014	Avg. Wholesale Price(3 February -8 February) 2014	% Change in Wholesale Price over prev. week	Average Arrivals (10 February - 15 February)	Average Arrivals (3 February -8 February)	% Change in Arrivals over prev. week
AHMEDNAGAR	642	787	-18.42	23833	17500	36.19
SOLAPUR	480	554	-13.36	27600	31833	-13.30
BANGALORE	717	900	-20.33	33033	35100	-5.89
INDORE	700	692	1.16	22300	21667	2.92
LASALGAON	655	728	-10.03	9300	13400	-30.60
PIMPALGAON	646	890	-27.42	9438	14000	-32.59

(Source: Agriwatch)

The above table depicts the weekly difference between prices and arrivals in producing regions. Weak prices reported during the week period. Maximum prices have decreased in Pimpalgaon by 27.42% followed by Bangalore and Ahmednagar by 20.33% and 18.42% respectively. Sluggish demand in the domestic market put pressure on prices during the week period and also arrivals were also reported less due to lower prices.

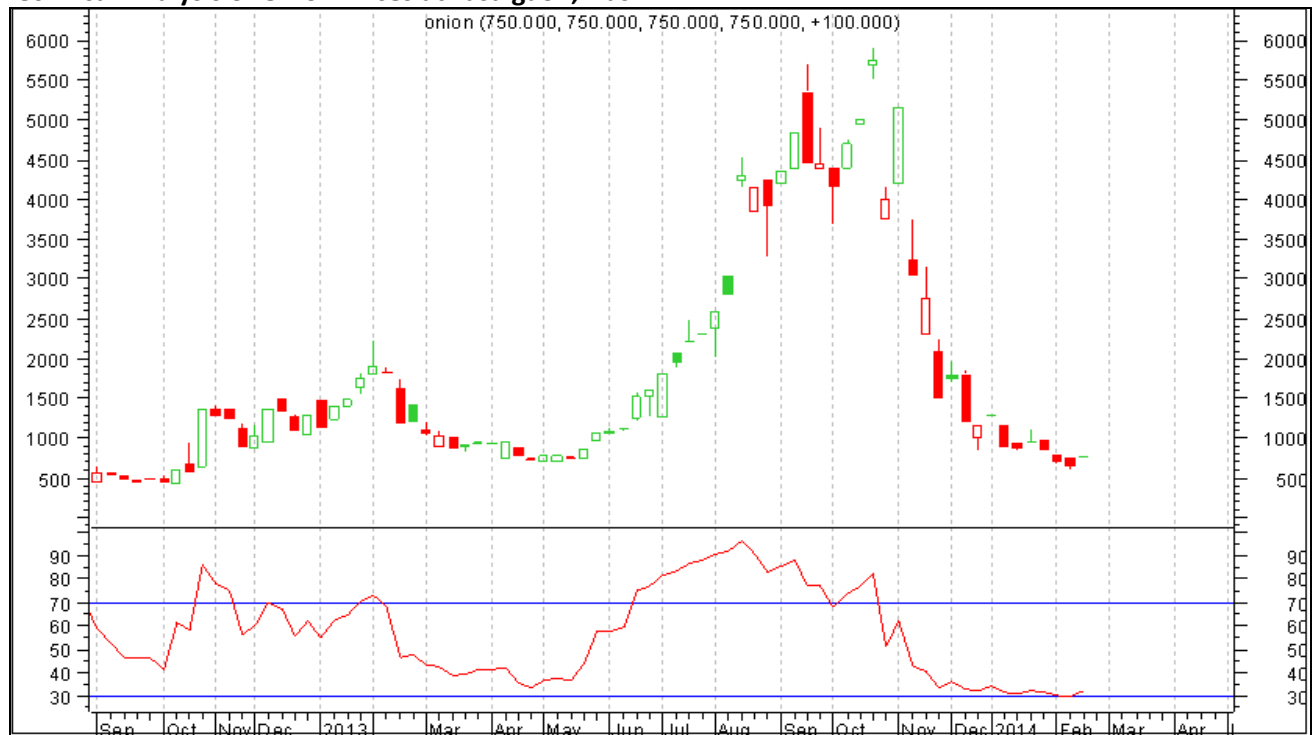
Weekly Onion Arrival Comparison:



(Source: Agmarknet)

The above graph depicts the week on week basis All India onion arrivals compared to last year. This year arrivals are comparatively higher than last year due to higher onion prices which attracted farmers to grow onion on larger scale. These arrivals will increase further in coming weeks as new crop arrivals will start from mid of March.

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. Candlestick chart formation reveals bearish trend in the market. On the higher side prices may find resistance at a level of Rs 950/ quintal and on the lower side prices may find support at level of Rs 550/ quintal. Prices are moving in range bound movement because of continuous supply of crop from producing regions. Relative Strength Indicator (RSI) indicator is also indicates bearish trend. We expect prices moving in a range between Rs. 550 – 950/ qtl in coming week.

Disclaimer

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