

Executive Summary:

- All India, cumulative onion arrival during 1st week of March month is approximately 7% lower compared to previous year arrival during same time. If we compare on a week on week basis, arrivals in 1st week of March are almost similar to last week of February.
- According to International Business Information services (IBIS) data as on 9.3.2014 approximately 28161.58 tons of processed and unprocessed onion has been exported in the month of March. Among this exported onion approximately 85% of onion has been exported from JNPT Port only.
- In Delhi, onion crop is mainly coming from Gujarat, Maharashtra and Rajasthan which are contributing approximately 55%, 35% and 10% respectively to the total arrival.
- Across the country, mixed variation of prices was seen. Among the producing regions, prices have increased in Maharashtra because of rains which affected the supply of onions.
- In benchmark market of Lasalgaon and Pimpalgaon market prices have increased by 2% and 3% respectively. But arrivals in Lasalgaon are almost similar to last week whereas arrivals in Pimpalgaon have almost doubled.
- In Bangalore and Indore, prices have decreased by approximately 4% each because of increase in arrivals.
- Prices are expected to be firm for coming week and may fall down after that because Rabi crop arrivals may start arriving in market with continuous supply.

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

Center Name	Avg. Wholesale Price(3 March -8 March) 2014	Avg. Wholesale Price(24 February -1 March) 2014	% Change in Wholesale Price over prev. week	Avg. Retail Price(3 March -8 March) 2013	Avg. Retail Price(24 February -1 March) 2014	% Change in Retail Price over prev. week
BANGALORE	887	900	-1.48	1717	1437	19.46
BHUBANESHWAR	1192	1090	9.33	2100	1775	18.31
CHENNAI	1267	1340	-5.47	2333	1750	33.33
DELHI	971	1012	-4.07	2450	1481	65.43
JAIPUR	817	870	-6.13	1750	1362	28.49
KOLKATA	1263	1238	1.99	2250	1296	73.61
MUMBAI	825	805	2.48	2000	1244	60.77
Patna	1229	1305	-5.81	1917	1625	17.95

(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 Bhubaneswar by 9% followed by Mumbai by 3%. In Patna, supply from West Bengal has started so prices have fallen by 5% compared to previous week.

In Bangalore, onion is arriving in market from local region (Gulbarga and Chitradurga districts) and Maharashtra region which are contributing approximately 50% each.

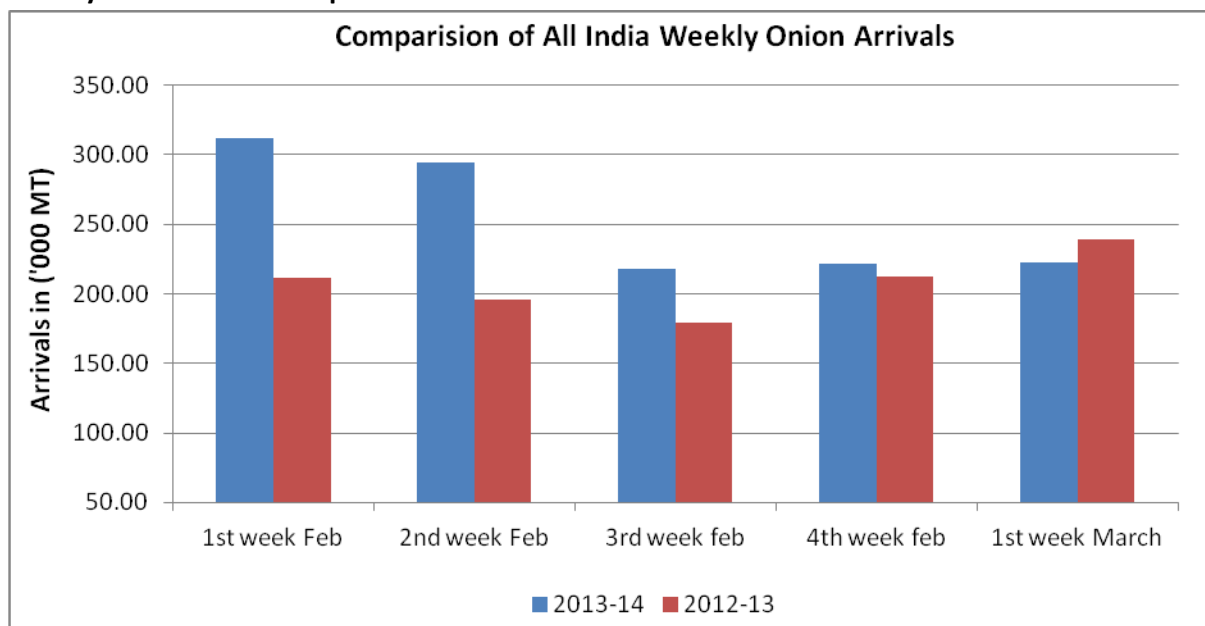
Weekly Wholesale Prices and Arrivals in producing regions:

Center Name	Avg. Wholesale Price(3 March -8 March) 2014	Avg. Wholesale Price(24 February -1 March) 2014	% Change in Wholesale Price over prev. week	Average Arrivals (3 March -8 March)	Average Arrivals (24 February -1 March)	% Change in Arrivals over prev. week
AHMEDNAGAR	783	760	3.07	30000	36000	-16.67
SOLAPUR	604	540	11.88	22000	23800	-7.56
BANGALORE	867	900	-3.70	27333	19480	40.31
INDORE	750	780	-3.85	11250	6300	78.57
LASALGAON	794	775	2.42	9925	10000	-0.75
PIMPALGAON	782	758	3.22	10400	5250	98.10

(Source: Agriwatch)

The above table depicts the weekly difference between prices and arrivals in producing regions. Market was firm in Maharashtra region because of lower arrivals due rains and lower pace of harvesting. In Bangalore and Indore, prices have fallen because of increase in arrivals.

Weekly Onion Arrival Comparison:

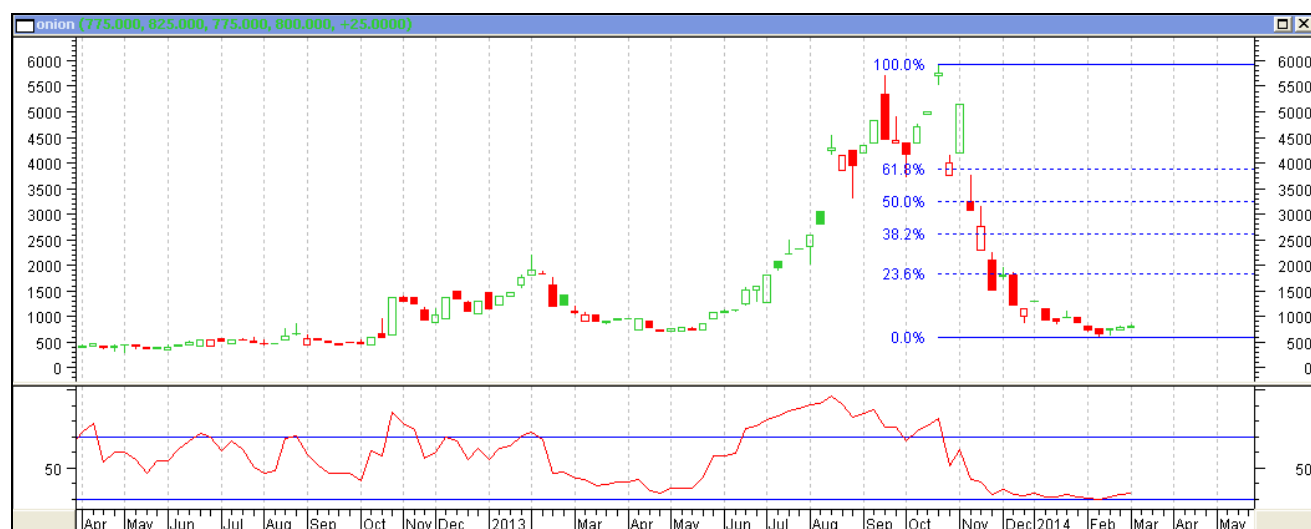


(Source: Agmarknet)

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. But in 1st week of March, rains and slow pace of harvesting during this time led the arrivals fall down.

It is expected that arrivals will increase ahead because harvesting of Rabi crop is expected to start in coming couple of weeks.

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. On the higher side prices may find resistance at a level of Rs 1200/ quintal and on the lower side prices may find support at level of Rs 600/ quintal. As we were expecting that prices will find support near Rs 600/ quintal as per Fibonacci retracement and that exactly is in continuation for last 2-3 weeks. It is expected that prices will increase before it start falling again with the arrivals for Rabi crop.

Disclaimer

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