

Executive Summary:

- All India, cumulative onion arrival during 1st week of April month is approximately 3 % lower compared to previous year, on a week on week basis, arrivals in 1st week of April are also 5% lower than previous week. The reason for this downfall in arrivals is because of unseasonal rains which damaged the crop in the field.
- As per State government data of Maharashtra total Rabi/unhali area is approximately 2.14 lakh hectares out of which 1.20 lakh hectare of area is affected. So far it is estimated that 40- 50% of crop loss is expected in the above affected area.
- Arrivals are expected to be lower ahead as traders/farmers are hoarding the onion after crop loss in Maharashtra which may led to rise in prices of onion crop in couple of weeks.
- In benchmark market of Lasalgaon, prices have increased with increase in arrivals which indicates firmness in market ahead. Prices are expected to increase further in couple of weeks.
- According to NAFED, onion exports in the month of February were 150000 MT with an increase of approximately 30000 MT from the month of January.
- All India, rabi onion storage is expected to be less this year compared to previous week because shelf life of onion have declined this year to higher content of water in onion crop which was due to unseasonal rains and hailstorms.

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

Center Name	Avg. Wholesale Price(31 March -05 April) 2014	Avg. Wholesale Price(24 March -29 March) 2014	% Change in Wholesale Price over prev. week	Avg. Retail Price(31 March -05 April)2014	Avg. Retail Price(24 March -29 March) 2014	% Change in Retail Price over prev. week
BANGALORE	880	808	8.91	1475	1333	10.65
BHUBANESHWAR	1125	1142	-1.49	1520	1510	0.66
CHENNAI	1200	1300	-7.69	1800	1867	-3.59
DELHI	950	1008	-5.75	1750	1720	1.74
JAIPUR	800	850	-5.88	1520	1490	2.01
KOLKATA	879	944	-6.89	1650	1620	1.85
MUMBAI	970	917	5.78	1500	1200	25.00
PATNA	1021	1004	1.69	1800	1767	1.87

(Source: Agriwatch, NHB)

Above table shows wholesale and retail prices of onion across different markets. Mixed sentiment witnessed in all the markets. Prices have fallen slightly from 1% to 8% in few markets. Maximum prices have fallen in Chennai and Kolkata by approximately 8% and 7% respectively. Maximum prices have increased in Bangalore and Mumbai by 8% and 6% respectively.

In Bangalore, 80% crop is arriving in market from local region and rest 20% is arriving in market from Maharashtra region.

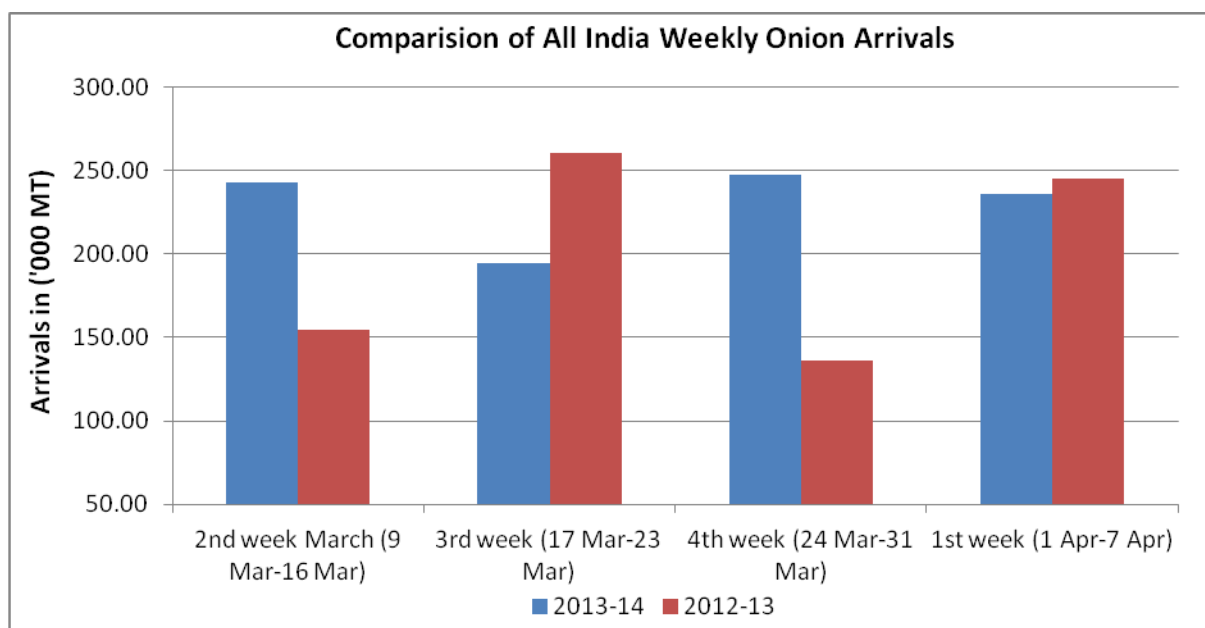
Weekly Wholesale Prices and Arrivals in producing regions:

Center Name	Avg. Wholesale Price (31 March -05 April) 2014	Avg. Wholesale Price(24 March -29 March) 2014	% Change in Wholesale Price over prev. week	Average Arrivals (31 March -05 April) 2014	Average Arrivals (24 March -29 March) 2014	% Change in Arrivals over prev. week
AHMEDNAGAR	740	910	-18.68	15000	24000	-37.50
SOLAPUR	533	500	6.60	13833	12833	7.79
BANGALORE	880	808	8.91	20520	40000	-48.70
INDORE	700	767	-8.74	9500	9583	-0.87
LASALGAON	850	800	6.25	14000	12500	12
PIMPALGAON	850	875	-2.86	6250	5625	11.11

(Source: Agriwatch)

The above table depicts the weekly difference between prices and arrivals in producing regions. Mixed market was seen in all the producing regions because of lower arrivals. Arrivals are expected to be higher during this time of season but expectedly they are less because of crop damaged due to unseasonal rains. The other reason for less arrival is either crop has completely damaged in some parts or farmers are not releasing the crop in order to fetch higher prices in coming future.

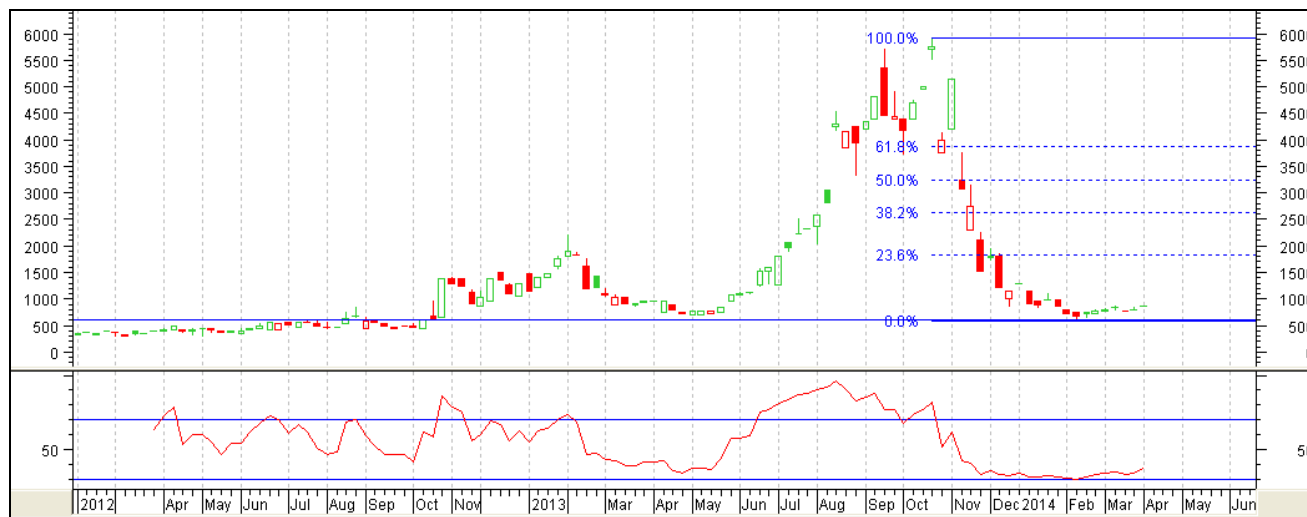
Weekly Onion Arrival Comparison:



(Source: Agmarknet)

The above graph depicts the week on week basis All India onion arrivals compared to last year. Rabi crop arrival in month of April is comparatively lower than last year because of crop loss this year because of unseasonal rains and hailstorms. Arrivals may decline further as yield is less this year which due to rains.

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. Range bound movement seen in the market. On the higher side prices may find resistance at a level of Rs 1100/ quintal and on the lower side prices may find support at level of Rs 600/ quintal. As we were expecting that prices may rise as per Fibonacci retracement and that exactly is in continuation from last 3-4 weeks. It is expected that prices may rise further with increase in arrivals from producing regions in coming weeks.

Disclaimer

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