

**Executive Summary:**

- All India, onion arrival in month of May 1<sup>st</sup> week is approximately 12 % higher compared to previous week. If we compare onion arrivals in 1st week of May on a yearly basis we observed that arrivals are 44% higher than last year during same time.
- In benchmark market of Lasalgaon, prices have decreased by 11% compared to previous week whereas arrivals have also increased by approximately 46% compared to previous.
- In Delhi, 50% of onion is arriving in market from Rajasthan, 30% from Madhya Pradesh and rest 20% from Maharashtra and Gujarat.
- All India, rabi onion storage is expected to be less this year compared to previous year 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.
- As per IBIS (International Business Information System), approximately 45500 tons of processed and fresh onion has been exported in month of May 2014 as on 9<sup>th</sup> May. It includes the exports which are exported through sea routes only and do not include exports through roads.

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

Center Name	Avg. Wholesale Price (05 May- 10 May) 2014	Avg. Wholesale Price (28 April- 03 May) 2014	% Change in Wholesale Price over prev. week	Avg. Retail Price (05 May- 10 May) 2014	Avg. Retail Price (28 April- 03 May) 2014	% Change in Retail Price over prev. week
<b>BANGALORE</b>	1117	983	<b>13.63</b>	1450	1400	<b>3.57</b>
<b>BHUBANESHWAR</b>	1258	1325	<b>-5.06</b>	1520	1567	<b>-3.00</b>
<b>CHENNAI</b>	1500	1467	<b>2.25</b>	2120	2000	<b>6.00</b>
<b>DELHI</b>	875	992	<b>-11.79</b>	2000	1800	<b>11.11</b>
<b>JAIPUR</b>	1017	1100	<b>-7.55</b>	1467	1467	<b>Unch</b>
<b>KOLKATA</b>	1236	1281	<b>-3.51</b>	1940	1800	<b>7.78</b>
<b>MUMBAI</b>	1075	1050	<b>2.38</b>	2000	2000	<b>Unch</b>
<b>PATNA</b>	1150	1342	<b>-14.31</b>	1800	2000	<b>-10.00</b>

(Source: Agriwatch, NHB)

Above table shows wholesale and retail prices of onion across different markets. Mixed variation of prices is seen. Prices have decreased in Delhi and Patna by 11% and 14% respectively. Prices have declined because of higher arrivals.

Prices are expected to be firm in next couple of weeks because of less storage of onion crop and less shelf life of onion in major growing regions like Maharashtra.

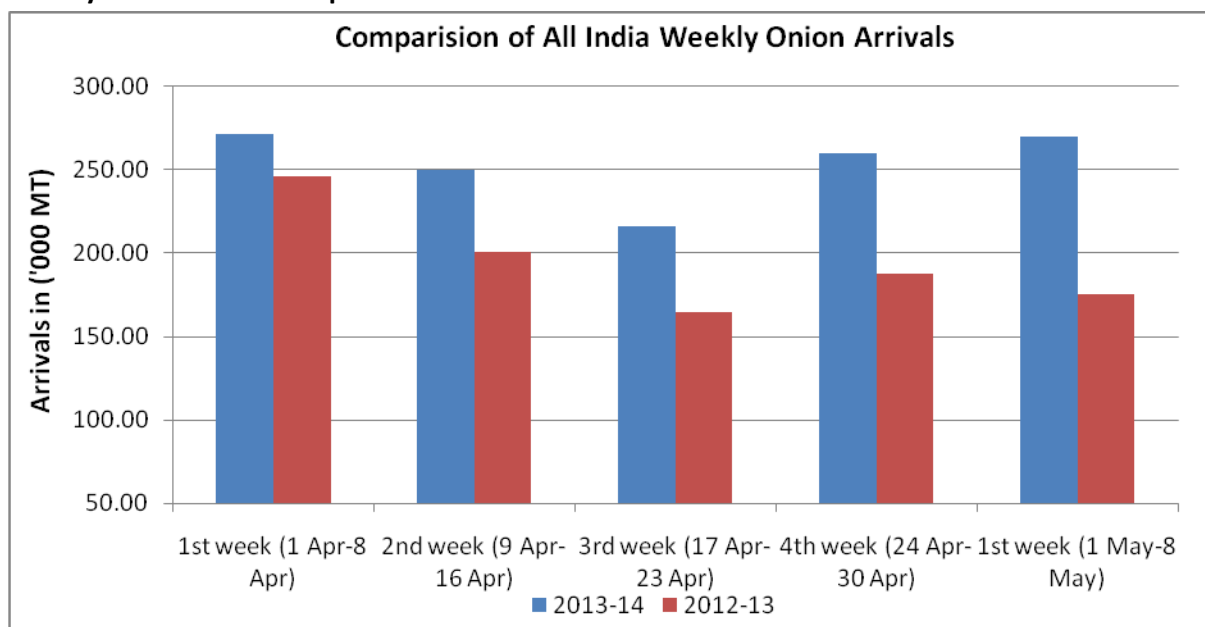
## Weekly Wholesale Prices and Arrivals in producing regions:

Center Name	Avg. Wholesale Price (05 May- 10 May) 2014	Avg. Wholesale Price(28 April- 03 May) 2014	% Change in Wholesale Price over prev. week	Average Arrivals (05 May- 10 May) 2014	Average Arrivals(28 April- 03 May) 2014	% Change in Arrivals over prev. week
AHMEDNAGAR	833	1100	-24.27	26833	20000	34.17
SOLAPUR	750	588	27.55	18333	16000	14.58
BANGALORE	1117	983	13.63	25773	41427	-37.79
INDORE	800	750	6.67	14833	15000	-1.11
LASALGAON	985	1117	-11.82	16560	11333	46.12
PIMPALGAON	1050	950	10.53	21150	25000	-15.40

(Source: Agriwatch)

The above table depicts the weekly difference between prices and arrivals in producing regions. Mixed variation of prices was seen because of higher arrivals in almost all the markets. Higher arrivals are because of low shelf life of onion and farmers are not able to hold the crop for longer period because of higher water content in onion crop. Prices are expected to be range bound for next few weeks and may rise after that because of less storage this year.

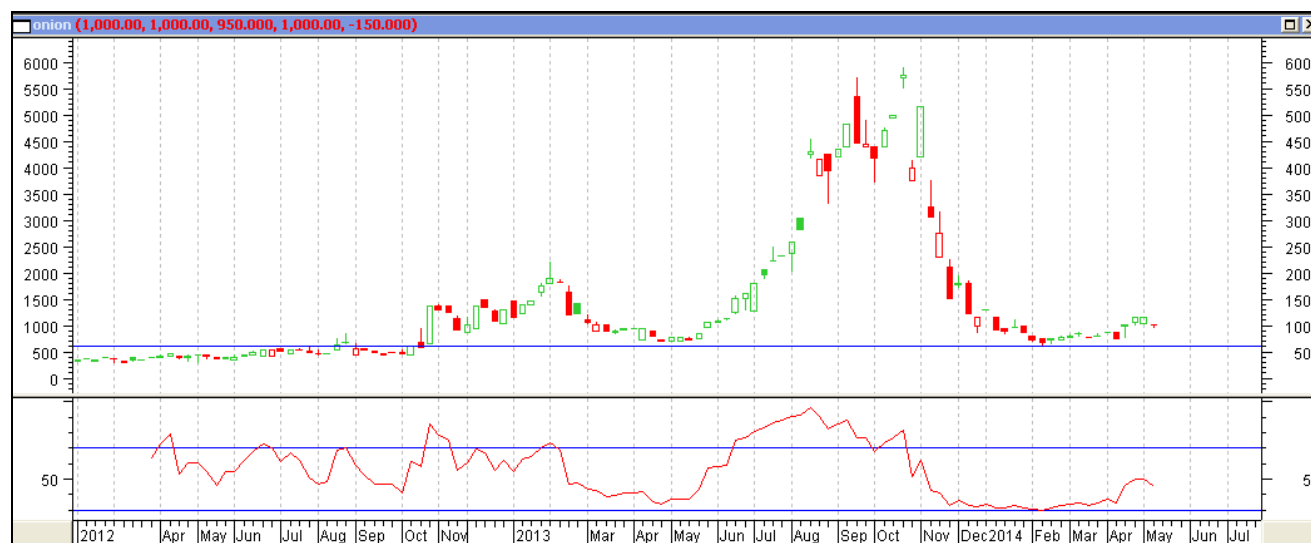
## Weekly Onion Arrival Comparison:



(Source: Agmarknet)

The above graph depicts the week on week basis All India onion arrivals compared to last year. Rabi crop arrival in 1<sup>st</sup> week of May is comparatively higher than previous week which has led to decline in prices. Arrivals may be higher continuously for next week as farmers have started releasing their stored crop as shelf life of onion has declined due to higher water content in onion crop. Arrivals may decline further as yield is less this year which is due to unseasonal 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. Market was seen firm. On the higher side prices may find resistance at a level of Rs 1500/ quintal and on the lower side prices may find support at level of Rs 800/ quintal. As we were expecting that prices may rise as per Fibonacci retracement and that exactly is in continuation from last few weeks but have fallen this week because of higher arrivals. Relative Strength indicator (RSI) oscillator is also decreasing which indicates range bound market.

### Disclaimer

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