

**Executive Summary:**

- All India, onion arrival in month of May 3rd week is approximately 8% higher compared to previous week. If we compare onion arrivals in 3rd week of May on a yearly basis we observed that arrivals are 32% higher than last year during same time.
- Total Rabi onion production is expected to be in the range of 95-100 lakh tons. Onion sowing and production prospects in next Kharif season will build the sentiment further.
- As per IBIS (International Business Information System), approximately 53000 tons of processed and fresh onion has been exported in month of May 2014 as on 23<sup>rd</sup> May. It includes the exports which are exported through sea routes only and do not include exports through roads.
- In benchmark market of Lasalgaon, model prices reported Rs.1010/- per quintal which is approximately 10% higher than previous week. Arrivals are also increasing which suggest that market is firm ahead.
- In M.P, total Rabi acreage is approximately 110000 hectares compared to last year 104000 hectares. Area affected due to unseasonal rains and hailstorm is approximately 12000 hectares.

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

Center Name	Avg. Wholesale Price (19 May- 24 May) 2014	Avg. Wholesale Price (12 May- 17 May) 2014	% Change in Wholesale Price over prev. week	Avg. Retail Price (19 May- 24 May) 2014	Avg. Retail Price (12 May- 17 May) 2014	% Change in Retail Price over prev. week
<b>BANGALORE</b>	1408	1258	11.92	1680	1480	13.51
<b>BHUBANESHWAR</b>	1375	1390	-1.08	1700	1625	4.62
<b>CHENNAI</b>	1617	1820	-11.15	2167	2360	-8.18
<b>DELHI</b>	975	960	1.56	2000	2000	Unch
<b>JAIPUR</b>	933	950	-1.79	1525	1530	-0.33
<b>KOLKATA</b>	1494	1322	13.01	2520	2133	18.14
<b>MUMBAI</b>	1250	1230	1.63	2000	2000	Unch
<b>PATNA</b>	1442	1370	5.26	2017	2080	-3.03

(Source: Agriwatch, NHB)

Above table shows wholesale and retail prices of onion across different markets. Mixed sentiment witnessed during the week period. Prices have decreased in Bhubaneswar, Chennai and Jaipur by 1%, 11% and 2 % respectively. Maximum prices were increased in Kolkata and Bangalore by 13% and 12% respectively.

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.

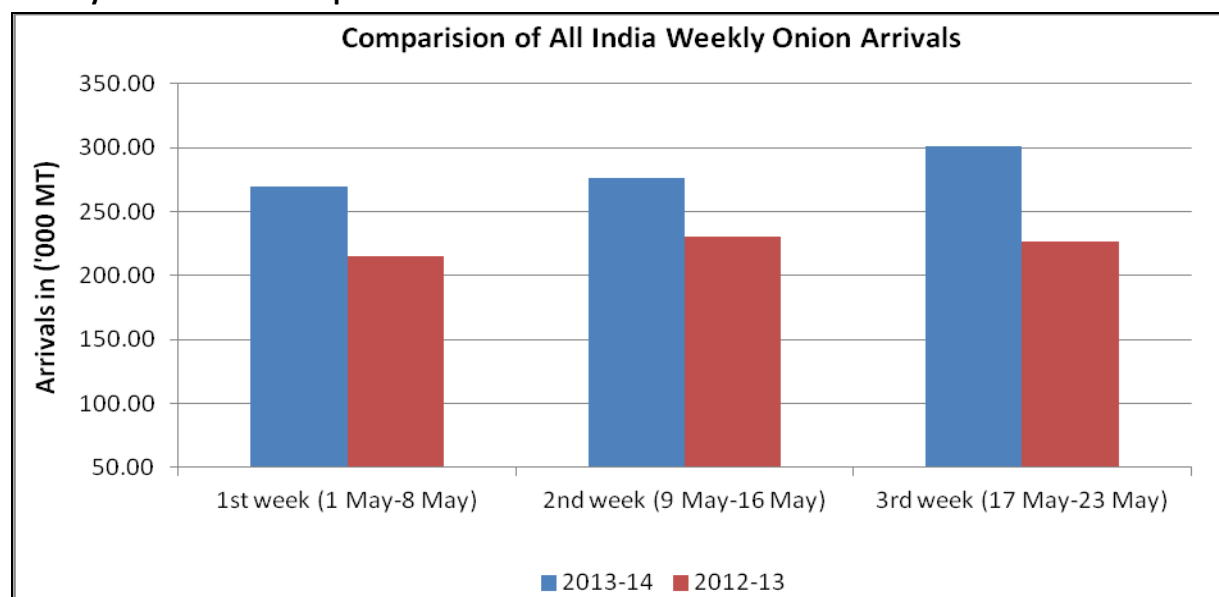
## Weekly Wholesale Prices and Arrivals in producing regions:

Center Name	Avg. Wholesale Price 19 May-24 May) 2014	Avg. Wholesale Price (12 May-17 May) 2014	% Change in Wholesale Price over prev. week	Average Arrivals 19 May-24 May) 2014	Average Arrivals (12 May-19 May) 2014	% Change in Arrivals over prev. week
AHMEDNAGAR	685	675	1.48	11100	22000	-49.55
SOLAPUR	600	682	-12.02	17333	14900	16.33
BANGALORE	1408	1258	11.92	23500	25200	-6.75
INDORE	867	870	-0.34	22000	18260	20.48
LASALGAON	1010	911	10.87	16450	14395	14.28
PIMPALGAON	1107	970	14.12	19900	11000	80.91

(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 except Bangalore and Ahmednagar. 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.

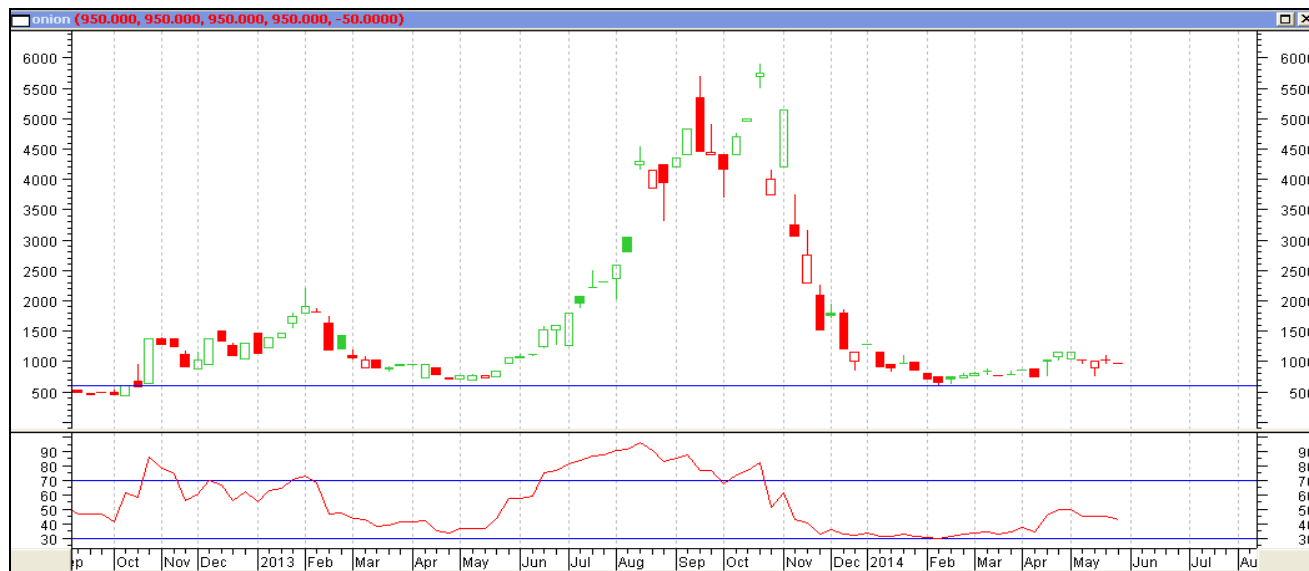
## Weekly Onion Arrival Comparison:



(Source: Agmarknet)

The above graph depicts the week on week basis All India onion arrivals compared to last year. Rabi crop arrival in 3<sup>rd</sup> week of May is comparatively higher than previous two weeks. As we were expecting that arrivals may increase as farmers have started releasing their stored crop as shelf life of onion has declined due to higher water content in onion crop and that exactly happened this week. 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. Range bound movement reported in the domestic market. 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 830/ quintal. Relative Strength indicator (RSI) oscillator is stable and not moving much in neutral zone which indicates prices may remain range bound for next coming weeks.

## Disclaimer

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