

Executive Summary:

- All India, onion arrival in month of May 4th week is approximately 20% lower compared to previous week. If we compare onion arrivals in 4th week of May on a yearly basis we observed that arrivals are 9% higher than last year during same time.
- 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 23rd May. It includes the exports which are exported through sea routes only and do not include exports through roads.
- In Maharashtra, approximately 60000 tons of onion is expected to arrive in month of June because of lower production due to hailstorms and rains. Higher water content in onion has led to higher post harvest and low shelf life of onion in Maharashtra.
- In benchmark market of Lasalgaon, model prices reported Rs.1000/- per quintal which is approximately 1% lower than previous week. Arrivals are also similar to last week which suggests that market is stable and may remain firm ahead.
- In Delhi, onion is arriving in market from Rajasthan, MP and Pune which are contributing approximately 57%, 23% and 20% respectively.

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

Center Name	Avg. Wholesale Price (26 May- 31 May) 2014	Avg. Wholesale Price (19 May- 24 May) 2014	% Change in Wholesale Price over prev. week	Avg. Retail Price (26 May- 31 May) 2014	Avg. Retail Price (19 May- 24 May) 2014	% Change in Retail Price over prev. week
BANGALORE	1458	1408	3.55	1983	1680	18.04
BHUBANESHWAR	1342	1375	-2.40	1680	1700	-1.18
CHENNAI	1717	1617	6.18	2400	2167	10.75
DELHI	883	975	-9.44	2000	2000	Unch
JAIPUR	958	933	2.68	1525	1525	Unch
KOLKATA	1221	1494	-18.27	1980	2520	-21.43
MUMBAI	1300	1250	4.00	2000	2000	Unch
PATNA	1358	1442	-5.83	2000	2017	-0.84

(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, Delhi, Kolkata and Patna by 2%, 9%, 18% and 5% 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.

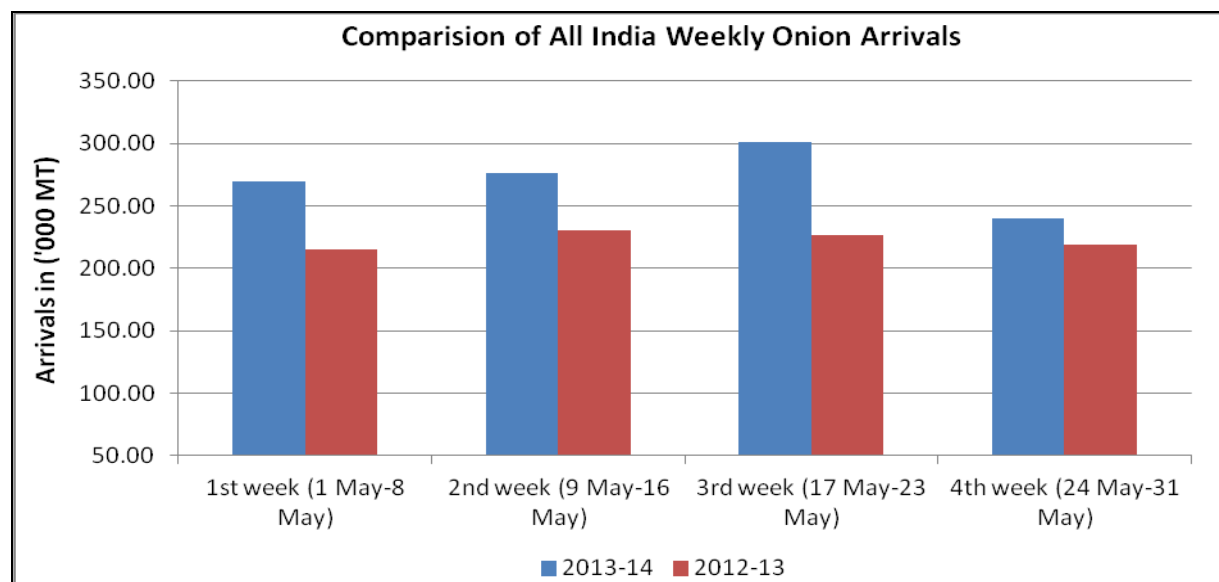
Weekly Wholesale Prices and Arrivals in producing regions:

Center Name	Avg. Wholesale Price (26 May- 31 May) 2014	Avg. Wholesale Price 19 May- 24 May) 2014	% Change in Wholesale Price over prev. week	Average Arrivals (26 May- 31 May) 2014	Average Arrivals 19 May- 24 May) 2014	% Change in Arrivals over prev. week
AHMEDNAGAR	1050	900	16.67	15500	11100	39.64
SOLAPUR	750	600	25.00	8167	17333	-52.88
BANGALORE	1458	1408	3.55	21000	23500	-10.64
INDORE	842	867	-2.88	20917	22000	-4.92
LASALGAON	1000	1010	-0.99	16500	16450	0.30
PIMPALGAON	1125	1107	1.63	14250	19900	-28.39

(Source: Agriwatch)

The above table depicts the weekly difference between prices and arrivals in producing regions. Prices have increased in most of the producing regions except Indore and Lasalgaon. Arrivals have declined in almost all the regions except Ahmednagar and Lasalgaon which has led the onion prices rise in these regions. 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 4th week of May is lower than previous weeks. Arrivals have fallen all of a sudden by 20% if

compared to previous week. Arrivals may remain stable or 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 800/ 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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