

Executive Summary:

- All India, onion arrival in June 1st week is approximately 37% lower compared to previous week. If we compare onion arrivals in 1st week of June on a yearly basis we observed that arrivals are 22% lower than last year during same time.
- According to International Business Information System (IBIS), approximately 16,878 tons of onion has exported as on 9th June 2014 which includes both processed and unprocessed onion from Sea route.
- In benchmark market of Lasalgaon, model prices reported Rs.1187/- per quintal which is approximately 18% higher than previous week. Arrivals have fallen which has led the prices to increase. Overall market is expected to be firm ahead.
- According to trade sources, approximately 60000 MT of fresh onion (Unhali) is expected to arrive by end of June month.
- In Bangalore, onion is arriving in market from Maharashtra region and local region (Bijapur) which are contributing approximately 50% each.

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

Center Name	Avg. Wholesale Price (2 Jun- 7 Jun) 2014	Avg. Wholesale Price (26 May- 31 May) 2014	% Change in Wholesale Price over prev. week	Avg. Retail Price (2 Jun- 7 Jun) 2014	Avg. Retail Price (26 May- 31 May) 2014	% Change in Retail Price over prev. week
BANGALORE	1692	1458	16.05	2300	1983	15.99
BHUBANESHWAR	1325	1342	-1.27	1760	1680	4.76
CHENNAI	1883	1717	9.67	2466	2400	2.75
DELHI	1000	883	13.25	2000	2000	Unch
JAIPUR	1000	958	4.38	1567	1525	2.75
KOLKATA	1719	1221	40.79	2384	1980	20.40
MUMBAI	1683	1300	29.46	1800	2000	-10.00
PATNA	1350	1358	-0.59	2000	2000	Unch

(Source: Agriwatch, NHB)

Above table shows wholesale and retail prices of onion across different markets. Prices have increased in almost all the markets during week period except Patna and Bhubaneswar. Prices have increased because of lower arrivals in markets from producing regions. Maximum prices have increased in Kolkata and Mumbai by 40% and 30% respectively.

Prices are expected to be firm in next couple of weeks because of lower arrivals in coming weeks as crop storage is less this year.

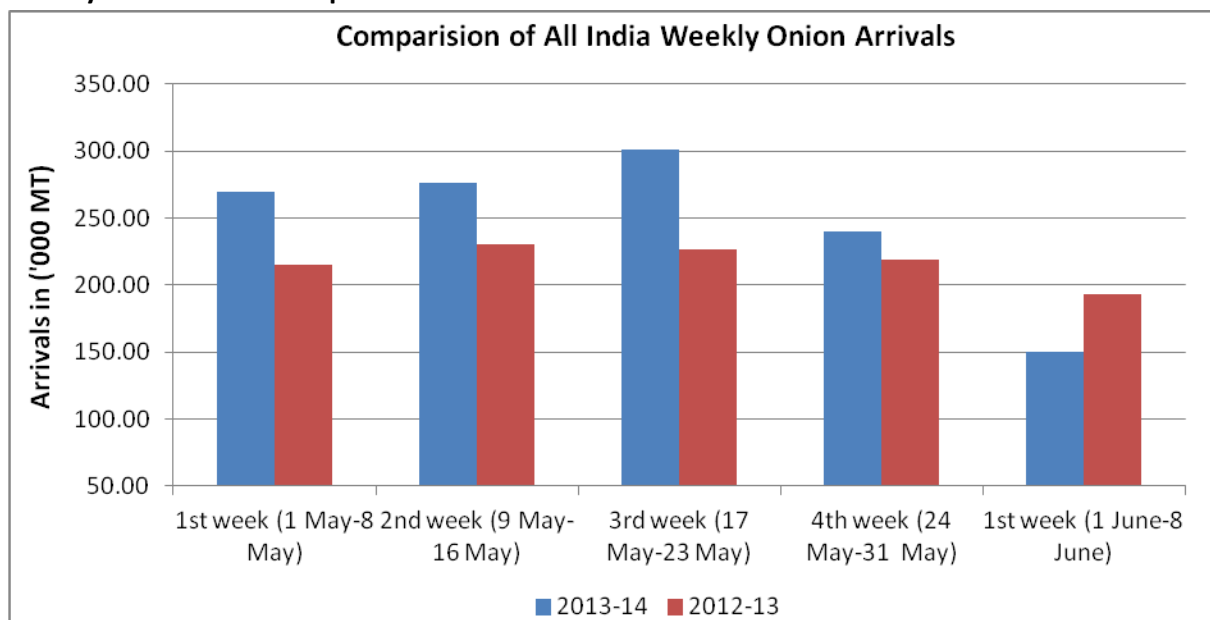
Weekly Wholesale Prices and Arrivals in producing regions:

Center Name	Avg. Wholesale Price (2 Jun-7 Jun) 2014	Avg. Wholesale Price (26 May- 31 May) 2014	% Change in Wholesale Price over prev. week	Average Arrivals (2 Jun-7 Jun) 2014	Average Arrivals (26 May- 31 May) 2014	% Change in Arrivals over prev. week
AHMEDNAGAR	900	1050	-14.29	18583	15500	19.89
SOLAPUR	1100	750	46.67	9000	8167	10.20
BANGALORE	1692	1458	16.05	26667	21000	26.99
INDORE	925	842	9.86	19333	20917	-7.57
LASALGAON	1187	1000	18.70	15500	16500	-6.06
PIMPALGAON	1237	1125	9.96	15000	14250	5.26

(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 Ahmednagar. Arrivals have also increased in almost all the markets still prices are increasing which shows that onion market is firm. Prices are expected to increase ahead and arrivals are expected to low due to less storage of onion 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 1st week of June has declined sharply. The reasons for sharp decline may be hoarding of onion as farmers/traders are expecting to fetch maximum price. Further arrivals are expected to be low even average yield was low this year.

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 moving upward which suggest prices may increase in coming days.

Disclaimer

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