

Executive Summary:

- All India, onion arrival in June 2nd week is approximately 58% higher compared to previous week. If we compare onion arrivals in 2nd week of June on a yearly basis we observed that arrivals are 14% lower than last year during same time.
- According to International Business Information System (IBIS), approximately 36,352 tons of onion has exported as on 15th June 2014 which includes both processed and unprocessed onion from Sea route.
- In Karnataka, kharif sowing is in progress. So far approximately 12032 hectares of area is sown from a total targeted area of 132165 hectares. Chitradurga, Bagalkot, Dharwad and Gadag are the major onion growing districts.
- In benchmark market of Lasalgaon, model prices reported Rs.1212/- per quintal which is approximately 2% higher than previous week. Arrivals have fallen which has led the prices to increase.
- In Delhi, onion is arriving in market from Rajasthan, M.P and Maharashtra which contribute approximately 80%, 15% and 5% respectively.

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

Center Name	Avg. Wholesale Price (9 Jun-14 Jun) 2014	Avg. Wholesale Price (2 Jun-7 Jun) 2014	% Change in Wholesale Price over prev. week	Avg. Retail Price (9 Jun-14 Jun) 2014	Avg. Retail Price (2 Jun-7 Jun) 2014	% Change in Retail Price over prev. week
BANGALORE	1700	1692	0.47	2671	2300	16.13
BHUBANESHWAR	1200	1325	-9.43	1900	1760	7.95
CHENNAI	2400	1883	27.46	3114	2466	26.28
DELHI	1017	1000	1.70	1885	2000	-5.75
JAIPUR	1025	1000	2.50	1636	1567	4.40
KOLKATA	1496	1719	-12.97	2528	2384	6.04
MUMBAI	1690	1683	0.42	2460	1800	36.67
PATNA	1408	1350	4.30	2086	2000	4.30

(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 Bhubaneswar and Kolkata. Prices have increased because of lower arrivals in markets from producing regions. Maximum prices have increased in Chennai by 27% compared to previous week.

Prices are expected to be firm in next couple of weeks because of lower stocks in coming weeks as of less storage of onion crop.

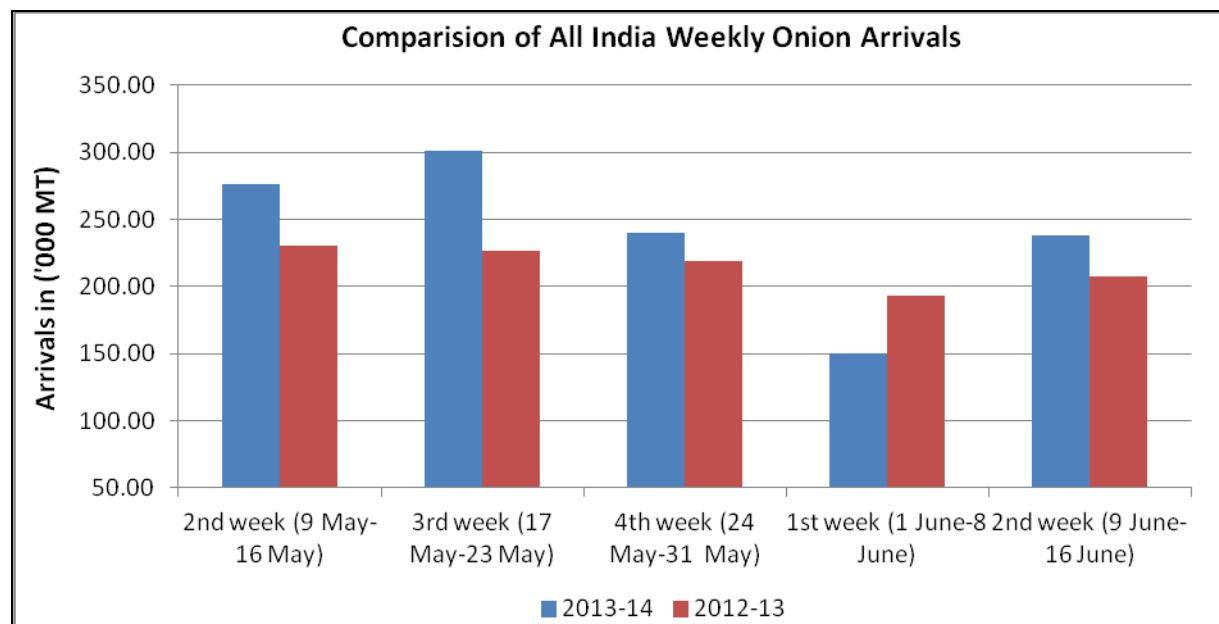
Weekly Wholesale Prices and Arrivals in producing regions:

Center Name	Avg. Wholesale Price (9 Jun-14 Jun) 2014	Avg. Wholesale Price (2 Jun-7 Jun) 2014	% Change in Wholesale Price over prev. week	Average Arrivals (9 Jun-14 Jun) 2014	Average Arrivals (2 Jun-7 Jun) 2014	% Change in Arrivals over prev. week
AHMEDNAGAR	1000	900	11.11	18333	18583	-1.35
SOLAPUR	1050	1100	-4.55	13667	9000	51.86
BANGALORE	1700	1692	0.47	24333	26667	-8.75
INDORE	958	925	3.57	21666	19333	12.07
LASALGAON	1212	1187	2.11	12800	15500	-17.42
PIMPALGAON	1253	1237	1.29	10675	15000	-28.83

(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 Solapur. Arrivals have decreased in most of the markets which has led the prices rise. Prices are expected to increase ahead and arrivals are expected to low due to less storage of onion this year.

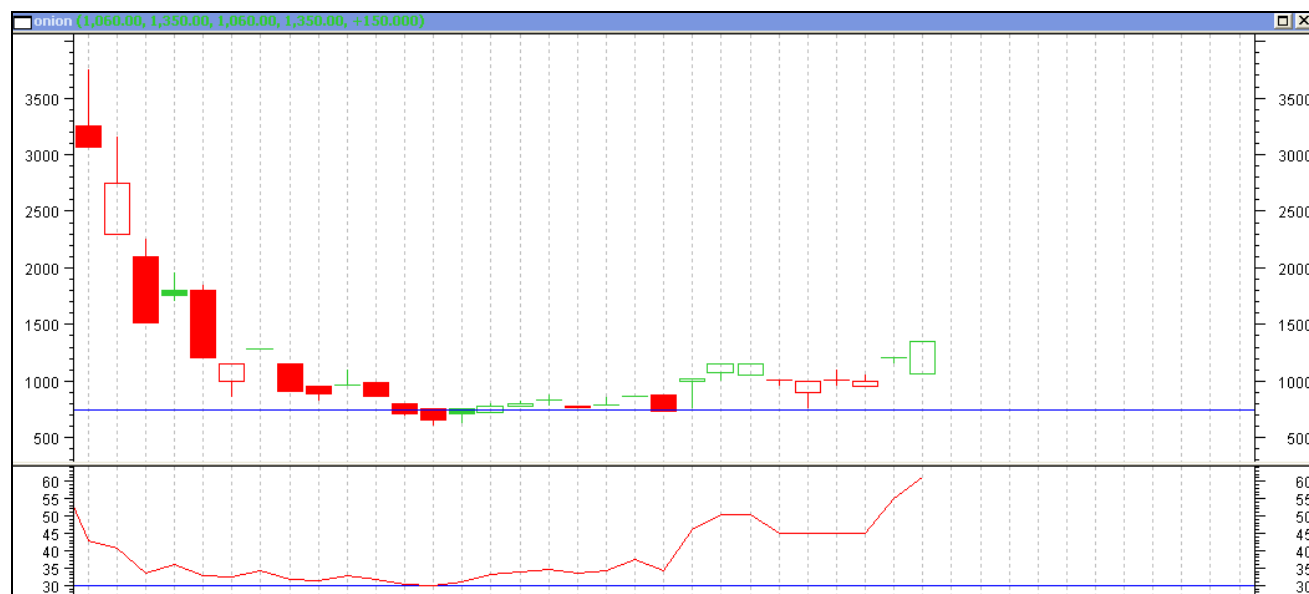
Weekly Onion Arrival Comparison:



(Source: Agmarknet)

The above graph depicts the week on week basis All India onion arrivals compared to last year. Rabi crop arrival in 2nd week of June has increased sharply as farmers are bringing their onion stock to market as of higher price and lower shelf life of onion. The reasons for sharp rise may be release of stocks from farmers/hoarders. Further arrivals are expected to be range bound.

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. Prices have increased in the market. On the higher side prices may find resistance at a level of Rs 1600/ quintal and on the lower side prices may find support at level of Rs 900/ quintal. Relative Strength indicator (RSI) oscillator is moving upward which suggest prices may increase in coming days. Lower arrivals in the spot market has led the prices to rise and expected to remain firm ahead in coming weeks.

Disclaimer

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