

Executive Summary:

- All India, onion arrival in August 4th week is approximately 15% higher compared to previous week. If we compare onion arrivals in August 4th week on a yearly basis we observed that arrivals are 25 % higher than last year during same time.
- According to International Business Information System (IBIS), approximately 29139 tons of onion has exported in month of August 2014 which includes both processed and unprocessed onion from sea route.
- In Karnataka this year total targeted area is approximately 132165 hectares. Till 1st September, 110374 hectares of area is sown compared to last year's sown area of 79264 hectares during same time.
- Total onion production in Kharif season (kharif + late kharif) is expected to be between 45-50 lakh tons after revival of rains in Maharashtra and Karnataka which may increase the prospect of late kharif onion.
- According to news sources government has ease down the import policies and may import onion from Pakistan and Afghanistan to stablize the prices in domestic market.

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

Centre	Wholesale Prices (Rs/Qtl.)#			Retail Prices (Rs./Kg.) *		
	Current Week	Previous Week	A year ago	Current Week	Previous Week	A year ago
	As on 02.09.2014	As on 26.08.2014	As on 02.09.2013	As on 02.09.2014	As on 26.08.2014	As on 02.09.2013
DELHI	1731	1642	3700	3000	3200	5800
LUCKNOW	NA	1745	3800	2500	2500	5000
AHMEDABAD	1400	NA	4300	2100	2000	4000
INDORE	1375	NA	3250	2700	2500	4800
MUMBAI	1750	1950	NA	3200	3000	5200
JAIPUR	1500	1500	NA	2300	2500	4500
BHUBANESHWAR	2350	NA	5000	2500	2600	4600
KOLKATA	2375	2375	4250	2500	2500	4500
HYDERABAD	2000	2000	NA	2800	2800	6900
BENGALURU	2100	2000	NA	2800	2800	4000
TRIVANDRUM	NA	NA	NA	3700	3500	5200
CHENNAI	NA	NA	NA	2900	2700	5300

(Source: #Agmarknet, *Consumer Affairs)

Above table shows wholesale and retail prices of onion across different markets. Prices are almost similar to previous week and have slightly increased in few markets. Prices may remain range bound ahead because

continuous track on domestic prices by Government. Government may also import onion from Pakistan and Afghanistan to stabilize prices in domestic market for which it has liberalise the import policies. Mixed variation of retail prices were seen but if compared with previous year prices are comparatively lower which indicates market to remain stable.

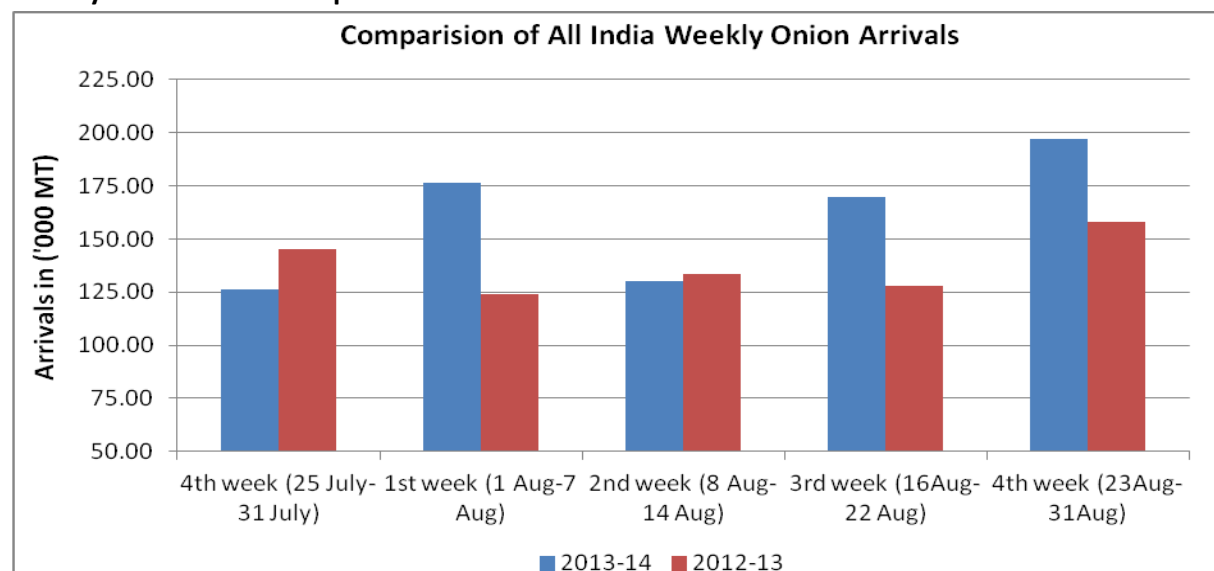
Monsoon Progress as on 3 September, 2014

	Normal (mm)	Actual (mm)	Deficit/Surplus
Madhya Maharashtra	594.3	585.6	-1%
Marathwada	542.7	344.5	-37%
North Karnataka	370.9	401	8%
South Karnataka	530.1	651.5	23%

(Source: IMD)

The above table depicts the rainfall data of kharif onion sowing regions. In South and North Karnataka, rainfall is comparatively more compared to normal. In Karnataka onion sowing this year is better as compared to previous year. In Maharashtra, sowing is delayed and onion area may increase in late kharif season.

Weekly Onion Arrival Comparison:



(Source: Agmarknet)

The above graph depicts the week on week basis All India onion arrivals compared to last year. In fourth week of August arrivals have increased sharply because farmers/ traders are bringing their stocks in market in fear of crop damage as of low shelf life 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 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 market. On the higher side prices may find strong resistance at a level of Rs 2000/ quintal and on the lower side prices may find support at level of Rs 1200/ quintal. Relative Strength indicator (RSI) oscillator is moving stable in neutral region which suggest prices may remain range bound in coming weeks. Prices are expected to be in the range of Rs 1500- Rs 2000/ quintal.

Disclaimer

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