

Executive Summary:

- During the 3rd week of May (14th May -20th May), onion arrival has down by -19.67% compared to previous week. If we compared to previous year during same time arrivals also decreased by -17.05%.
- Current year as per Agriwatch estimate Rabi onion production was between 95-100 lakh tons which was similar to last year after considering crop damage in Maharashtra due to unseasonal rains and hailstorms.
- Shelf life of onion is expected to be less (4-5 months) due to late rains during harvesting. Storage quantity in Madhya Pradesh and Maharashtra will be the deciding factor in coming 3-4 months.
- As per IBIS (International Business Information Services) around 27130 tons of processed and fresh onion has been exported during 11th May – 17th May compared to previous week export of 27259 tons during 4th May – 10th May 2015.
- Onion price likely to increase from July as local onion arrivals will end and domestic as well as export demand will go up. Export demand may increase from Pakistan, UAE countries, Malaysia etc.

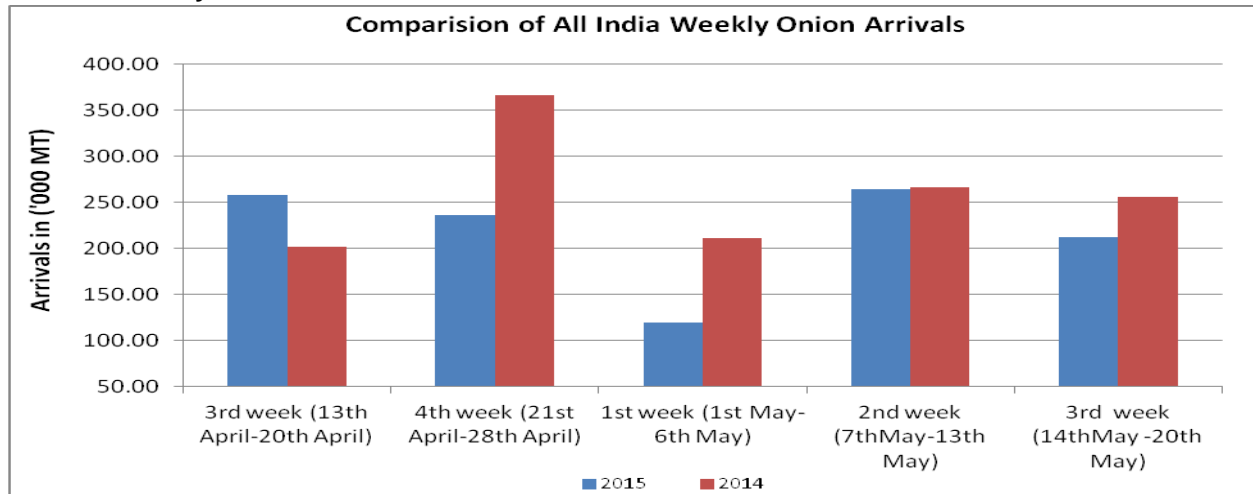
Weekly Wholesale and Retail Onion Prices (Rs/Qtl) in important markets across India

Centre	Wholesale Prices (Rs/Qtl.)#			Retail Prices (Rs./Qtl.) *		
	Current Week	Previous Week	A year ago	Current Week	Previous Week	A year ago
	As on 19.May.2015	As on 12.May.2015	As on 19.May.2014	As on 19.May.2015	As on 12.May.2015	As on 19.May.2014
DELHI	1269	1370	1207	2900	2900	2400
LUCKNOW	NR	1400	1200	2000	2000	2000
AHMEDABAD	1000	1100	800	1700	1700	2000
INDORE	NR	875	625	1000	1100	1500
MUMBAI	NR	1600	1200	2300	2300	2800
JAIPUR	1050	1050	NR	1500	1600	1200
BHUBANESHWAR	1550	1650	1700	2000	2000	1600
KOLKATA	NR	NR	NR	2500	2400	1800
HYDERABAD	1400	1500	1000	2200	2200	1800
BANGALORE	900	1200	1100	2300	2200	NR
TRIVANDRUM	NR	NR	NR	3100	3100	2600
CHENNAI	NR	NR	NR	1500	2000	2200

(Source: #Agmarknet, *Consumer Affairs)

The above table depicts the wholesale and retail prices in major markets. Steady to weak sentiment witnessed in retail and wholesale prices. Prices are expected to steady to weak ahead as onion is arriving in market with full pace. However, mixed sentiment witnessed in retail market prices during the week.

All India Weekly Arrival



(Source: Agmarknet)

Lower supply reported in 3rd week of May as compared to previous week. Due to unseasonal rainfall Onion area affected and quality damage reported in Madhya Pradesh and Maharashtra state. During the week, Maharashtra reported highest supply 102922 tones current week as compared to the last year same week 66445 tones.

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 depicts the weekly price movement of onion in the benchmark of Lasalgaon mandi of Nasik. Candlestick chart indicates range bound movement market. Relative Strength Indicator (RSI) is moving down in neutral zone indicates bearishness in the market. On the upper side prices may find resistance at a level of Rs 1500/ quintal whereas on the lower side prices may find long term support at a level of Rs 880/ quintal. Overall market is expected to remain in the range of Rs 1000- Rs 1400/ quintal for short term.

Disclaimer

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