

Executive Summary:

- During the fourth week of May (21st May-27th May), onion arrival has decreased by 5% compared to previous week. If we compared to previous year during same time arrivals have decreased by 25%.
- As per IBIS (International Business Information Services) around 25614 tons of processed and fresh onion has been exported during 18th May – 24th May compared to previous week export of 26992 tons during 11th May – 17th May 2015.
- 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.
- According to trade sources in Maharashtra, shelf life of onion has reduced to 3-4 months this year from 6-7 months due to rains and hailstorms during harvesting time.
- Onion prices are comparatively lower than last year in both wholesale and retail market because of crop damaged during harvesting time in producing regions.
- In Bangalore, onion is arriving in market from Local region and Maharashtra which are contributing approximately 40% and 60% respectively.

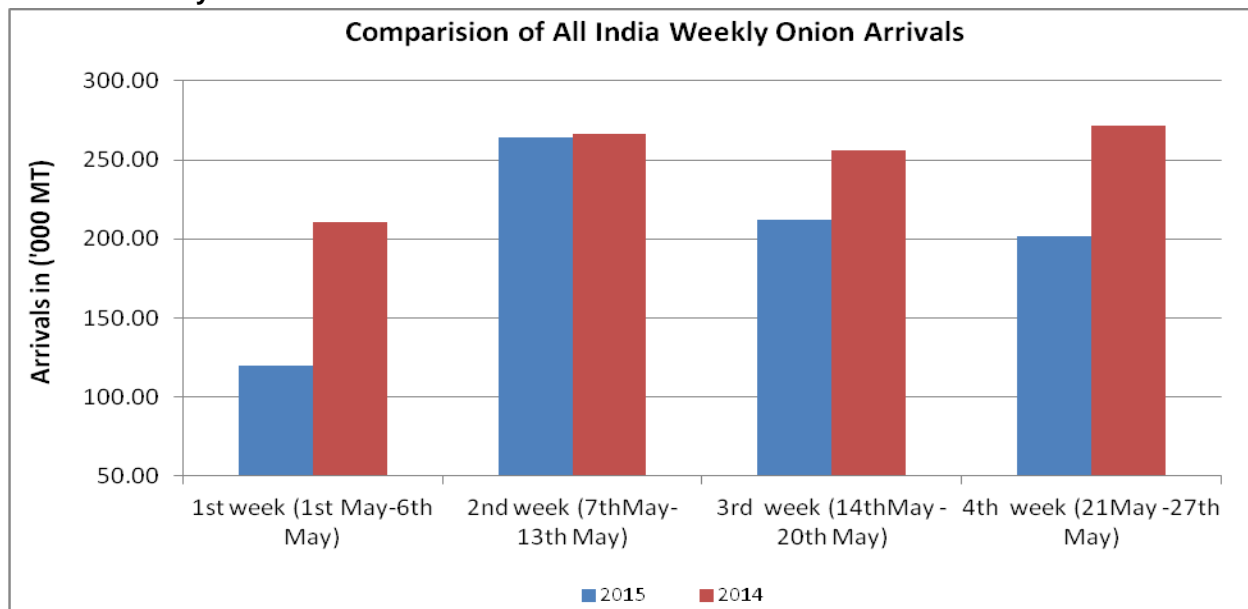
Weekly Wholesale and Retail Onion Prices (Rs/Qtl) in important markets across India

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 26.May.2015	As on 19.May.2015	As on 26.May.2014	As on 26.May.2015	As on 19.May.2015	As on 26.May.2014
DELHI	1238	1269	1085	2900	2900	2500
LUCKNOW	1500	NR	1200	2000	2000	NR
AHMEDABAD	1100	1000	800	1800	1700	2000
INDORE	NR	NR	500	1000	1000	1200
MUMBAI	1650	NR	1250	2300	2300	2700
JAIPUR	1000	1050	NR	1500	1500	1200
BHUBANESHWAR	NR	1550	1800	2000	2000	1600
KOLKATA	NR	NR	NR	2400	2500	2200
HYDERABAD	1500	1400	1100	2200	2200	1800
BANGALORE	1500	900	1250	2200	2300	1600
TRIVANDRUM	NR	NR	NR	3100	3100	2800
CHENNAI	NR	NR	NR	1900	1500	1600

(Source: #Agmarknet, *Consumer Affairs)

The above table depicts the wholesale and retail prices in major markets. Weak sentiment witnessed in retail and wholesale prices. Prices are expected to steady to weak ahead as onion is arriving in market from producing regions. However, steady sentiment witnessed in retail market prices during the week.

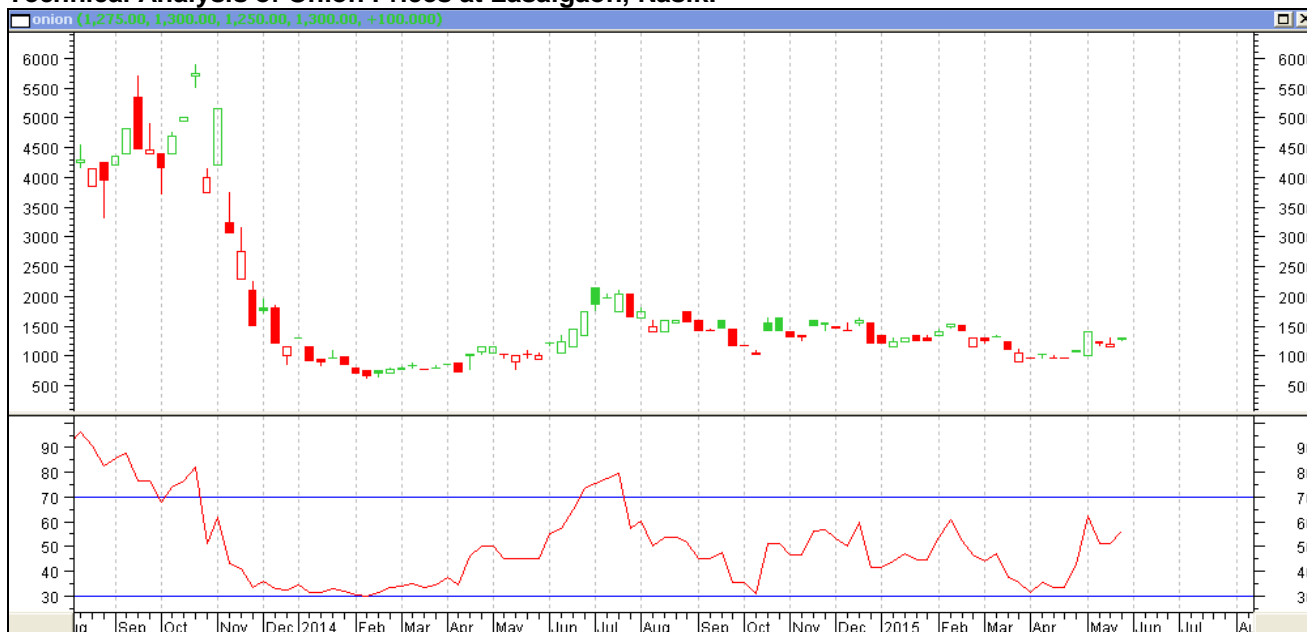
All India Weekly Arrival



(Source: Agmarknet)

Steady supply reported in 4th week of May as compared to previous week but expected to remain stable for next week and may decline after that as farmers store their crop to fetch higher prices in coming months. Arrivals are expected to remain stable due to crop loss in Maharashtra which has damaged the onion crop to a high extent.

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 up in

neutral zone indicates short term bullishness in the market. On the upper side prices may find resistance at a level of Rs 1700/ quintal whereas on the lower side prices may find long term support at a level of Rs 880/ quintal. Once prices breach a level of Rs 1700/ quintal on higher side then it may go above for a longer period. Overall market is expected to remain in the range of Rs 900- Rs 1600/ quintal for coming weeks.

Disclaimer

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