

Executive Summary:

- In Delhi, modal onion prices are expected to be in the range of Rs 2500 to Rs 2800/ quintal due to lower arrivals in market and expectation of lower crop in kharif season.
- In Karnataka, kharif sowing is in progress. So far, 69126 hectares of area is sown compared to last year's 66197 hectares as on 3-08-2015.
- In A.P, so far 15765 hectares of area is sown compared to last year's 18067 hectares. Normal area as on date is 13942 hectares.
- In Bangalore, local crop has started arriving in market which is contributing approximately 50-60% to the total arrival. In coming weeks further arrivals are expected to increase.
- In Lasalgaon market during the week period prices were trading at Rs 3200/ quintal compared to last year's Rs 1650/quintal during same time.
- During the period (29th July – 4th August), onion arrival has increased by 4% compared to previous week. If we compared to previous year during same time arrivals has decreased by 2%.
- Fresh crop has started arriving in market from A.P and Karnataka. It is expected that prices may remain range bounded as fresh crop starts arriving in market in full fledged.

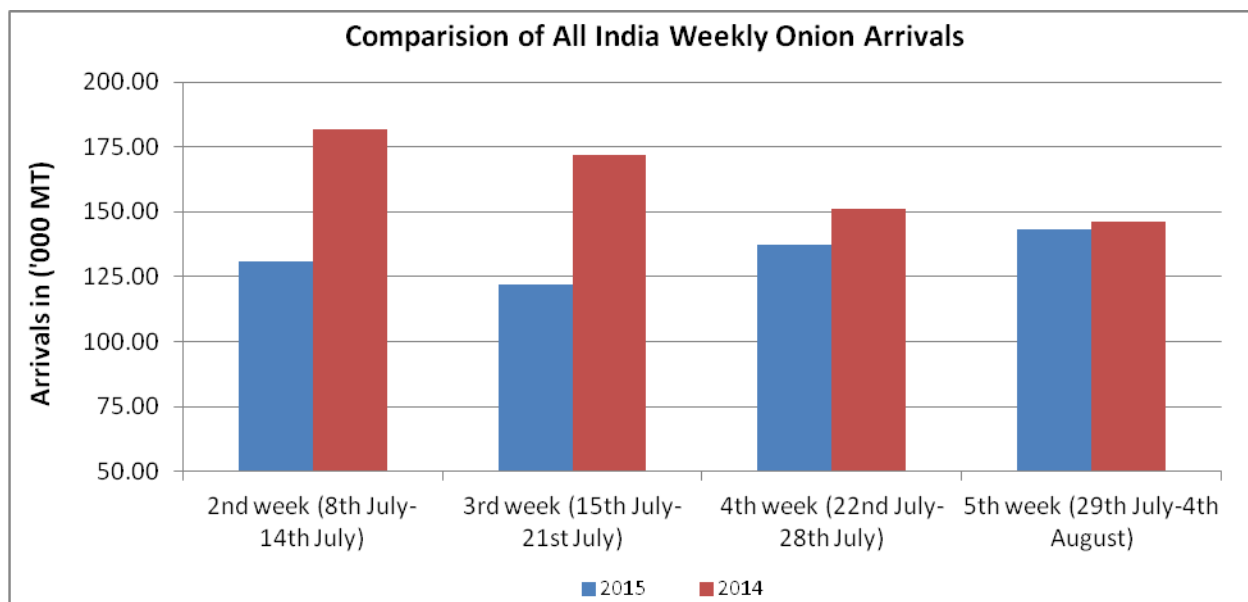
Weekly Wholesale and Retail Onion Prices (Rs/Qtl) in important markets across India

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 6.Aug.2015	As on 4.Aug.2015	As on 6.Aug.2014	As on 6.Aug.2015	As on 4.Aug.2015	As on 6.Aug.2014
DELHI	2794	NR	1818	4600	4500	3000
LUCKNOW	2600	2550	NR	3500	3500	3000
AHMEDABAD	2900	2800	1500	3500	3300	3000
INDORE	2500	2500	1250	2300	2300	2500
MUMBAI	3850	NR	2050	4300	4100	2500
JAIPUR	NR	2300	1500	3000	3000	2500
BHUBANESHWAR	NR	3600	2600	4000	4000	2600
KOLKATA	NR	NR	NR	4500	4500	3000
HYDERABAD	3700	3000	NR	3800	3800	3000
BANGALORE	3000	3000	2200	4600	NR	2600
TRIVANDRUM	NR	NR	NR	5700	5700	4100
CHENNAI	NR	NR	NR	3800	4200	2800

(Source: #Agmarknet, *Consumer Affairs)

The above table depicts the wholesale and retail prices in major markets. Wholesale prices are reported stable or have increased in few markets during week period. Fresh crop from southern India has started arriving in market. Retail prices have increased during the week period. Onion prices are expected to remain on higher side in coming weeks until Karnataka and A.P crops starts arriving in market in full pace.

All India Weekly Arrival



(Source: Agmarknet)

Increased supply reported during 29th July- 4th July as compared to previous week and expected to remain similar in coming weeks as arrivals from southern states is picking up pace. Fresh crop has started arriving in market from Karnataka and picking up pace slowly. Arrivals are lesser this year compared to last year due to crop damage during harvesting time in major producing regions.

Cumulative Rainfall Comparison:

Subdivision	Normal (mm)	Actual 2015 (As on 29 July)	Actual 2014 (As on 30th July)	% Departure with Normal
Madhya Maharashtra	372	279	299.9	-25
Marathwada	314.5	144.5	134.4	54
N.I Karnataka	229.9	126.7	171.8	-45
S.I Karnataka	344.6	331.2	354.9	4

(Source: IMD)

The above table gives a comparison between cumulative rainfalls this year and last year. This year rainfall is better in South Karnataka and Marathwada compared to last year during same time. Continuous rainfall in coming weeks may increase the intension of late kharif crop sowing in producing regions.

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 bullish market. Onion prices have breached the long term resistance of Rs 3300/ quintal. Relative Strength Indicator (RSI) is moving in over bought region indicates firmness in market. On the upper side prices may find resistance at a level of Rs 4000/ quintal whereas on the lower side prices may find long term support at a level of Rs 1800/ quintal. Overall market is expected to remain firm for coming weeks.

Outlook- Modal Prices are expected to remain on higher side for coming week in between Rs 31000-Rs 3500/ quintal.

Disclaimer

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