

## POTATO DAILY

APRIL 24, 2007

### SPOT MARKETS:

Market sentiment for potato prices remained strong on Monday amidst dwindle supplies and strong demand from the South Indian markets. Traders said, around 1125-1875 tonnes of potato is releasing from the Cold Storages in Agra for South Indian market. The potato is supplying from U.P. to South Indian market. In West Bengal, traders reported that stockists are likely to release stock in the first week of May; therefore it may dampen the spot prices. However, most of the produce is now stocked in the cold storage and the price action in the potato markets will be determined by the action of cold storages. If the stockists hold their stuff in cold storages in expectation of higher prices, it might create a temporary shortage in the market, supporting the prices to get up. As the cold storages charge fixed amount for storing for a definite time span, the stockists would use the tenure judiciously to get better price. However, they will have a keen eye on the financing cost too, which will keep rising with time. The market is currently in indecision and feeble fresh arrivals and controlled release of stocks by cold storages in some states are feeding the markets at this moment. Government has pegged potato production this year at 25-27 million tonnes against 22-23 million tonnes last year. So good production of the crop hints for the easy supply in the commodity in the coming time. In Agra, potato traded firm at Rs.600-650/quintal where it remained steady in Tarkeshwar and quoted at Rs.625-650/quintal.

### FUTURES MARKETS:

MCX potato futures settled up on Monday. Futures market were strong after firm opening amidst firm spot market sentiment but short covering at late hour pull down the prices. Most active Agra May contract gained Rs.3.80 at Rs.603.90 after firm opening at Rs.600.90 and traded in the range of Rs.600-608.40. However, Potato (Tarkeshwar) for May delivery slipped Rs.2.60 at Rs.588 after strong opening at Rs.593 and traded in the range of Rs.587.60-593.

### PRICE DRIVERS:

1. Scanty arrivals at most of the markets; Steady demand
2. Releasing stocks by the cold storages in some pockets

### WEATHER:

Harvesting is over.

### SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	23.04.07	21.04.07	Change
Agra- Uttar Pradesh	Fair Average Quality	580-600	560-570	+20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	450-500	415-425	+35.00
Meerut- Uttar Pradesh	Fair Average Quality	550-600	530-540	+20.00
Indore- Madhya Pradesh	Fair Average Quality	675-725	650-700	+25.00
Tarkeswar-West Bengal	Fair Average Quality	625-650	625-650	-
Burdwan- West Bengal	Fair Average Quality	610-650	610-630	-
Ludhiana-Punjab	Fair Average Quality	470-520	450-500	+20.00

### TECHNICALS: MCX Potato May Contract

Candlesticks charts are hinting slight upward market. Prices closed above short term EMAs, indicate bullishness. MACD is steady in positive zone. Stochastic is moving up after made bullish cut at neutral region, exhibits bullish market. The prices are likely to remain steady to firm after weak opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES: MCX Agra May Potato

Month	S1	S2	PCP	R1	R2
May	595	588	603.90	610	615

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX potato above Rs.599 with target towards Rs.609 and then Rs.611; put stop loss below Rs.592.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	582	575	588	598	605

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX potato above 584 with target of Rs 594 and then 596; put stop loss below Rs 577.

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