

POTATO DAILY

13th APRIL, 2007

SPOT MARKETS:

Potato prices remained steady at most of the trading centres Thursday except Indore and Agra, where subdued arrivals pressured the prices. Fresh arrivals are drying up at most of the places as the harvesting is almost over. Cold storages have also left with small spaces at most of the places. Whatever capacities left in cold storages are expected to be packed up shortly. In Bengal, 52 lakh MT of storage capacity of the cold storages are left with only 25% air. Potato production in the state is pegged at around 70-75 lakh tonnes against 75 lakh tonnes last year. Similarly, in Punjab, around 75% of the cold storage capacity in the state is full of potatoes. Harvesting in the state is over and farmers are holding their produce in anticipation of higher prices. Markets in UP are witnessing sluggish arrivals these days on account of elections in the state. According to the traders the prices have very small scope left on the higher side as good production and small empty space in cold storages might contain the prices. According to the Government estimates, potato production this year is 25-27 million tonnes against 22-23 million tonnes last year. Looking at the estimated consumption of around 24 million tonnes this year, the production seems healthy enough to check the gains in the prices.

FUTURES MARKETS:

MCX potato futures showed slight firmness during Thursday's trade. Most active Agra May contract started the day on a firm note at Rs 571.50 against previous close of Rs 571.30 and then it surged to the highs of Rs 579 before finally settling at Rs 576.60. Tarkeshwar Potato for May delivery also traded with bullish inclination between Rs 573-580.40 before closing at Rs 580.

PRICE DRIVERS:

1. Sluggish arrivals; Increasing demand; Weak stocks at market
2. weakening stockists demand

WEATHER:

Harvesting is over.

TECHNICALS: MCX Potato May Contract

Potato futures are in the trader's remorse phase. The close above 9-days EMA suggests short-term firmness in the prices. Stochastic is on the verge of making bullish crossover in the normal region, whereas MACD is showing continued fall in bearish momentum. Volumes traded increased whereas opened interest dipped during the session.



SUPPORT / RESISTANCES: MCX May Potato

Month	S1	S2	PCP	R1	R2
May	567	561	576.6	587	592

TRADE RECOMMENDATION: (Intraday)

Buy MCX-May Potato above 573 with target towards 582, second target near 586. Put stop loss below 568.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	571	566	580	591	595

TRADE RECOMMENDATION: (Intraday)

Buy MCX-May Potato Tarkeshwar above 576 with target towards 584, second target near 588. Put stop loss below 571.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	12.04.07	11.04.07	Change
Agra- Uttar Pradesh	Fair Average Quality	500	420-460	+40
Farookhabad- Uttar Pradesh (50kg)	Fair Average Quality	390-410	385-420	-
Meerut- Uttar Pradesh	Fair Average Quality	election80%480-500	480-500	-
Indore- Madhya Pradesh	Fair Average Quality	ncs3-4000t700	650-700	+50
Tarkeswar-West Bengal	Fair Average Quality	(245cold)630-660	630-660	-
Burdwan- West Bengal	Fair Average Quality	620-640	620-640	-
Ludhiana-Punjab	Fair Average Quality	(3000)240-260	450-475	-

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