

POTATO DAILY

APRIL 26, 2007

SPOT MARKETS:

Potato prices are gradually firming up due to weak supplies and strong South Indian and Western Indian demand. Cold stores are releasing stocks at some pockets in UP. Traders said, around 1125-1875 tonnes of potato is releasing from the Cold Storages in Agra for South Indian market. The demand from the South Indian market is remaining bullish; they are showing good demand for UP potato. 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. But currently, shortage of stocks and lower production are keeping pressure on 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. 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.590-610/quintal where it remained steady in Tarkeshwar and quoted at Rs.640-675/quintal.

FUTURES MARKETS:

MCX potato futures traded soft on Wednesday amidst profit taking and increased seller's activity. Futures market tumbled down after strong opening on short covering. Most active Agra May contract lost Rs.8.40 at Rs.588.90 after firm opening at Rs.598.10 and traded in the range of Rs.586.20-599. Potato (Tarkeshwar) for May delivery slipped Rs.3.10 at Rs.583.30 after weak opening at Rs.583 and traded in the range of Rs.579.50-585.

PRICE DRIVERS:

1. Lower supplies at most of the markets; Rising demand
2. Releasing stocks by the cold storages in some pockets

WEATHER:

Harvesting is over.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	25.04.07	24.04.07	Change
Agra- Uttar Pradesh	Fair Average Quality	590-610	580-600	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	470-500	450-500	+20.00
Meerut- Uttar Pradesh	Fair Average Quality	550-600	550-600	-
Indore- Madhya Pradesh	Fair Average Quality	675-725	675-725	-
Tarkeshwar-West Bengal	Fair Average Quality	640-675	640-675	-
Burdwan- West Bengal	Fair Average Quality	610-630	610-630	-
Ludhiana-Punjab	Fair Average Quality	470-520	470-520	-

TECHNICALS: MCX Potato May Contract

Candlesticks charts are indicating weak market. Prices closed below short term EMAs, indicate weakness. MACD is declining in positive zone. Stochastic is moving down at neutral region, suggest downward market. Potato is likely to trade steady to weak after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX Agra May Potato

Month	S1	S2	PCP	R1	R2
May	574	570	588.90	590	595

TRADE RECOMMENDATION: (Intraday)

Sell MCX potato below Rs.585 with target towards Rs.575 and then Rs.572; put stop loss above Rs.592.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	575	570	583.30	588	593

TRADE RECOMMENDATION: (Intraday)

Sell MCX potato below 585 with target of Rs 578 and then 574; put stop loss above Rs 590.

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