

POTATO DAILY

3rd APRIL, 2007

SPOT MARKETS:

Potato prices witnessed steady undertone on Monday amidst stable demand supply scenario at most of the producing centres. However, the market sentiment for potato prices firmed up in West Bengal on reducing supplies and strong demand from the cold storages as harvesting is completed. Around 75% of the cold storages are fulfilled with potato in this marketing year. According to trade estimates, around 70-75 lakh Mt of potato is produced during this year in the State as compared to 75 lakh Mt in last year. Therefore the demand is likely to remain strong in this year, traders said. In Indore mandis of the M.P., local potato has traded at Rs.650-700/qrtl with average arrivals of 3000-4000 packets while Agra potato offered at Rs.450-500/qrtl with average arrivals of 15-20 trucks from Agra, traders said. Besides, over 90% of the cold storages have occupied in U.P. and about 100% in M.P., Gujarat and Rajasthan. Therefore the demand is expected to remain weak in the rest of months in this sector. Traders said, the crop losses in U.P. due to bad weather at the harvesting stage are unlikely to have much effect on the total production in this state due to higher acreage this year. Again, the extent of crop damage may not be as high as stated earlier. Government estimated the potato output will be at 25-27 MMt as compared to the consumption of around 24 MMt. In Agra mandis, potato quoted at Rs.350-400/qrtl while in Tarkeshwar, it traded mostly up at Rs.600-620/quintal for Cold Storage delivery.

FUTURES MARKETS:

MCX potato futures traded bearish on Monday amidst selling pressure and expectation of lower prices in near future. Therefore market opened firm and went up at early hour but selling interest pulled down the prices thereafter. Most active Agra April contract lost Rs.7.90 at Rs.554 after strong opening at Rs.564 and traded at Rs.553-567.80 while Potato Tarkeshwar April contract slipped Rs.7.40 at Rs.578.50 after firm opening at Rs.588 and moved between Rs.577.50-593.80.

PRICE DRIVERS:

1. Steady arrivals; Above 90% of cold storages fulfilled in U.P.
2. Reduced arrivals and stockists demand in West Bengal

WEATHER:

Most of the potato producing areas are experiencing with clear weather at present, favouring in harvesting.

TECHNICALS: MCX Potato April Contract

Candlestick favours the bears for the next trading day. Stochastic and RSI also favours the bears. MA and MACD hinting bearish market as medium term. Open interest as well as volume of trade increased. Potato is expected to trade weak after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	545	540	554	560	567

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato below 557 with target towards 547, second target near 542. Put stop loss above 562.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	567	560	578.50	585	595

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato Tarkeshwar below 584 with target towards 570, second target near 565. Put stop loss above 594.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	02.04.07	31.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	350-400	Closed	-
Farookhabad- Uttar Pradesh	Fair Average Quality	300-350	Closed	-
Meerut- Uttar Pradesh	Fair Average Quality	400-420	Closed	-
Indore- Madhya Pradesh	Fair Average Quality	650-700	Closed	-
Tarkeshwar-West Bengal	Fair Average Quality	600-620	560-590	+40.00
Burdwan- West Bengal	Fair Average Quality	580-600	560-600	+20.00
Ludhiana-Punjab	Fair Average Quality	400-420	Closed	-

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