

POTATO DAILY

APRIL 19, 2007

SPOT MARKETS:

Potato markets are maintaining steady undertone in the absence of fresh inputs to the market. Most of the produce is now locked in 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 anticipation of higher prices, it might create a temporary void in supply supporting the prices. 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. Meerut mandi witnessed steady arrivals of 1000 bags Wednesday of fresh potatoes. In West Bengal, cold storage stuffs are likely to see the markets in the forthcoming 7-8 days. Whereas, potatoes are coming out of cold storages in UP slowly. 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 steady at Rs.570-580/quintal where is it remained slight soft in Tarkeshwar and quoted at Rs.615-625/quintal. However, the action and holding power of stockists might inject some temporary strength in the prices.

FUTURES MARKETS:

MCX potato futures moved down on Wednesday amidst profit taking and increased selling. Agra contract opened firm but tumbled thereafter on strong selling pressure due to short covering. Most active Agra May contract started the day on a firm note at Rs 613.40 against previous close of Rs 611.70 and then it surged to the highs of Rs 616.40 but finally settled down Rs.13.20 at Rs.598.50. Potato (Tarkeshwar) for May delivery lost Rs.7.80 at Rs.589.50 after weak opening at Rs.595 with traded in the range of Rs.587.30-596.10.

PRICE DRIVERS:

1. Sluggish fresh arrivals; Steady demand
2. Releasing stocks by the cold storages in some markets

WEATHER:

Harvesting is over.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	18.04.07	17.04.07	Change
Agra- Uttar Pradesh	Fair Average Quality	570-580	570-580	-
Farookhabad- Uttar Pradesh (50kg)	Fair Average Quality	420-430	425-430	-5.00
Meerut- Uttar Pradesh	Fair Average Quality	530-540	540	-10.00
Indore- Madhya Pradesh	Fair Average Quality	650-700	650-700	-
Tarkeshwar-West Bengal	Fair Average Quality	615-625	620	-5.00
Burdwan- West Bengal	Fair Average Quality	600-610	600	-
Ludhiana-Punjab	Fair Average Quality	450-500	450-500	-

TECHNICALS: MCX Potato May Contract

Potato futures are looking negative as depicted by indicators. Candlesticks pattern are showing weak market. But prices close above short term EMAs indicate firmness. MACD is steady in positive zone. Stochastic is supporting bears. The prices are likely to remain soft after weak opening with possibility of later upwards movement.



SUPPORT / RESISTANCES: MCX Agra May Potato

Month	S1	S2	PCP	R1	R2
May	588	580	598.50	607	612

TRADE RECOMMENDATION: (Intraday)

Sell MCX potato below 600 with target towards Rs 590 and then 585; put stop loss above Rs 607.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	580	575	589.50	596	605

TRADE RECOMMENDATION: (Intraday)

Sell MCX potato below 592 with target of Rs 580 and then 577; put stop loss above Rs 600.

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