

POTATO DAILY

APRIL 16, 2007

SPOT MARKETS:

Potato prices remained steady at most of the trading centres Saturday as the action is absent in the markets. Harvesting season is over and thus fresh arrivals are shrinking with time. Cold storages have started releasing potatoes in some markets. Farmers are holding their stocks in UP in anticipation of higher prices, however they are left with very small quantity with them. Demand from cold storages has also gone down at most of the places at current prices. Mere 10-25% cold storage capacity has left empty in UP and West Bengal, where as cold storages in MP, Rajasthan and Gujarat are packed with potatoes. Demand is gradually weakening in West Bengal from stockists, as cold storages are left with small spare capacity. Overall the market is likely to remain range bound in such a scenario of weak demand and weak supply. Potato production of India this year is pegged marginally higher by government at 25-27 million tonnes against 22-23 million tonnes last year, which might contain the prices in the coming time looking at domestic consumption of 24 million tonnes.

FUTURES MARKETS:

MCX potato futures showed slight firmness during Friday's trade. Most active Agra May contract started the day on a weak note at Rs 580.3 against previous close of Rs 579.5 and then it surged to the highs of Rs 579 before finally settling at Rs 5584. Tarkeshwar Potato for May delivery also traded with bullish inclination between Rs 577-584 before closing at Rs 580.

PRICE DRIVERS:

1. Sluggish fresh arrivals
2. Cold storages have started releasing stocks in some markets
3. Weakening stockists demand

WEATHER:

Harvesting is over.

TECHNICALS: MCX Potato May Contract

Potato futures are in traders remorse phase. Candlesticks pattern are showing indecision. The close above 9 days EMA's indicate firmness and MACD is rising in negative zone. Stochastic is indicating firmness however RSI depicts weakness. Volumes traded and open interest both decreased during the day.



SUPPORT / RESISTANCES: MCX May Potato

Month	S1	S2	PCP	R1	R2
May	570	561	581.3	587	599

TRADE RECOMMENDATION: (Intraday)

Buy MCX potato above 578 with target of Rs 585, put stop loss at Rs 574.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	572	558	576.1	591	605

TRADE RECOMMENDATION: (Intraday)

Buy MCX potato above 574 with target of Rs 579 and then 781, put stop loss at Rs 571.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	14.04.07	13.04.07	Change
Agra- Uttar Pradesh	Fair Average Quality	480-500	480-500	-
Farookhabad- Uttar Pradesh (50kg)	Fair Average Quality	420-440	Closed	-
Meerut- Uttar Pradesh	Fair Average Quality	520-540	Closed	-
Indore- Madhya Pradesh	Fair Average Quality	650-700	650-700	-
Tarkeshwar-West Bengal	Fair Average Quality	NA	630	-
Burdwan- West Bengal	Fair Average Quality	NA	620-640	-
Ludhiana-Punjab	Fair Average Quality	NA	480-520	-

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