

POTATO DAILY

APRIL 25, 2007

SPOT MARKETS:

Potato prices remained unaltered on Tuesday in U.P., Western Market and West Bengal market amidst stable demand scenario. Sluggish arrivals at the spot market are keeping pressure on prices, traders reported. They 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 positive. 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. 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 steady at Rs.600-650/quintal where it remained up in Tarkeshwar and quoted at Rs.640-675/quintal.

FUTURES MARKETS:

MCX potato futures moved down on Tuesday amidst short covering and lack of buyers at upper level. Futures market went up after weak opening but fell down thereafter. Most active Agra May contract lost Rs.7.70 at Rs.596 after weak opening at Rs.602.50 and traded in the range of Rs.596-606.80. However, Potato (Tarkeshwar) for May delivery slipped Rs.3.10 at Rs.587 after strong opening at Rs.591 and traded in the range of Rs.585-591.

PRICE DRIVERS:

1. Scanty arrivals at most of the markets; Steady demand
2. Releasing stocks by the cold storages in some pockets

WEATHER:

Harvesting is over.

TECHNICALS: MCX Potato May Contract

Candlesticks charts are hinting bearish market. Prices closed above short term EMAs, indicate firmness. MACD is steady in positive zone. Stochastic is moving down at neutral region, exhibits bearish market. The prices are likely to remain 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	591	587	596	603	607

TRADE RECOMMENDATION: (Intraday)

Sell MCX potato below Rs.599 with target towards Rs.592 and then Rs.588; put stop loss above Rs.604.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	582	575	587	593	598

TRADE RECOMMENDATION: (Intraday)

Sell MCX potato below 590 with target of Rs 583 and then 579; put stop loss above Rs 595.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	24.04.07	23.04.07	Change
Agra- Uttar Pradesh	Fair Average Quality	580-600	580-600	-
Farookhabad- Uttar Pradesh	Fair Average Quality	450-500	450-500	-
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	625-650	+15.00
Burdwan- West Bengal	Fair Average Quality	610-630	610-650	-
Ludhiana-Punjab	Fair Average Quality	470-520	470-520	-

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