

POTATO DAILY

APRIL 18, 2007

SPOT MARKETS:

Potato markets continues to remain steady in the absence of fresh inputs to the market. Most of the produce are 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 arrivals of 1000 bags today 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. However, the action and holding power of stockists might inject some temporary strength in the prices. However, once they start selling to lock the prevailing prices, the market would start easing.

FUTURES MARKETS:

MCX potato futures witnessed mixed action on MCX. Potato (Agra) futures witnessed gains on the other hand Potato (Tarkeshwar) futures couldn't sustain the higher levels and settled marginally lower. Most active Agra May contract started the day on a firm note at Rs 597 against previous close of Rs 595 and then it surged to the highs of Rs 616.5 before finally settling at Rs 612.30. Potato (Tarkeshwar) for May delivery traded volatile between Rs 594-607 before closing at Rs 596.

PRICE DRIVERS:

1. Sluggish fresh arrivals
2. Cold storages have started releasing stocks in some markets

WEATHER:

Harvesting is over.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	17.04.07	16.04.07	Change
Agra- Uttar Pradesh	Fair Average Quality	570-580	580-600	-10
Farookhabad- Uttar Pradesh (50kg)	Fair Average Quality	425-430	425-430	-
Meerut- Uttar Pradesh	Fair Average Quality	540	540	-
Indore- Madhya Pradesh	Fair Average Quality	650-700	650-700	-
Tarkeshwar-West Bengal	Fair Average Quality	620	620-630	-
Burdwan- West Bengal	Fair Average Quality	600	600-620	-
Ludhiana-Punjab	Fair Average Quality	450-500	NA	-

TECHNICALS: MCX Potato May Contract

Potato futures are looking positive as depicted by indicators. Candlesticks pattern are showing strength in the bull camp. The close above short term EMAs indicate firmness. MACD is rising in negative zone. Stochastic is also supporting bulls. The prices are likely to see some more firmness.



SUPPORT / RESISTANCES: MCX May Potato

Month	S1	S2	PCP	R1	R2
May	596	588	612.3	627	634

TRADE RECOMMENDATION: (Intraday)

Risk lovers can **Buy** MCX potato above 614 with target of Rs 620 and then 623; put stop loss at Rs 610.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	585	578	597	617	623

TRADE RECOMMENDATION: (Intraday)

Risk lovers can **Buy** MCX potato above 600 with target of Rs 606 and then 609; put stop loss at Rs 596.

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