

## POTATO DAILY

7<sup>th</sup> APRIL, 2007

### SPOT MARKETS:

Potato prices strengthened at the domestic trade centre on Friday amidst weak supplies and increased demand. The peak season of harvesting is almost completed and most of cold storages are fulfilled with new produce; therefore supplies are now in declining mood and farmers are holding onto their remaining stocks in expectation of increase in prices in future. Traders said, out of the total output, around 5-10% of potato is being stored in the markets and harvesting is almost completed in U.P. In West Bengal, market prices have been remaining on firm side on the back of lethargic arrivals and stockists demand as 75% of the cold storages are fulfilled with potato. In this State, around 70-75 lakh Mt of potato is produced during this year as against of 75 lakh Mt in last year. Therefore the demand is expected to remain strong in near future also, traders said. In Punjab, around 75% of the cold storages are fulfilled in the State and harvesting is already over. Besides, over 90% of the cold storages have occupied in U.P. and about 100% in M.P., Gujarat and Rajasthan. In addition to, Government estimated the potato output will be at 25-27 MMt over 22-23 MMt of last year and consumption is estimated at around 24 MMt, therefore there will be no shortage of the produce. In Agra mandis, potato quoted up at Rs.370-410/qlt while in Tarkeshwar, it traded up at Rs.620-650/quintal for Cold Storage delivery and around 180 tonnes of potato have arrived in West Midnapore district in Bengal.

### FUTURES MARKETS:

MCX potato futures settled slight up on Friday on modest trading activity and strong spot prices. Futures market hovered up after steady opening but profit taking at day's higher level pulled down the prices later. Most active Agra May contract gained Rs.1.70 at Rs.571.90 after steady opening at Rs.570 and hovered at Rs.565.20-575 while Potato Tarkeshwar May contract lost Rs.4.70 at Rs.570.40 after weak opening at Rs.574.70 and moved between Rs.565.20-574.70.

### PRICE DRIVERS:

1. Bearish trend of arrivals; Increasing demand
2. Strong stockists demand against weak arrivals in West Bengal

### WEATHER:

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

### TECHNICALS: MCX Potato May Contract

Candlestick hints indecisive market for the next trading day. Stochastic favours the bears. MA is hinting slight bearish market as medium term but MACD favours the bulls. Open interest increased but volume of trade decreased. Potato is likely to trade slight up after weak opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES: MCX May Potato

Month	S1	S2	PCP	R1	R2
May	562	555	571.90	578	584

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX-May Potato below 577 with target towards 565, second target near 560. Put stop loss above 585.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	560	555	570.40	576	585

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX-May Potato Tarkeshwar below 572 with target towards 562, second target near 557. Put stop loss above 578.

### SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	06.04.07	05.04.07	Change
Agra- Uttar Pradesh	Fair Average Quality	370-410	360-400	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	350-400	335-380	+15.00
Meerut- Uttar Pradesh	Fair Average Quality	430-450	420-440	+10.00
Indore- Madhya Pradesh	Fair Average Quality	650-700	650-700	-
Tarkeshwar-West Bengal	Fair Average Quality	620-650	610-650	+10.00
Burdwan- West Bengal	Fair Average Quality	610-630	600-620	+10.00
Ludhiana-Punjab	Fair Average Quality	450-470	450-470	-

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