

POTATO DAILY

APRIL 20, 2007

SPOT MARKETS:

Market sentiments for potato prices are remaining almost steady on Thursday in the absence of fresh inputs to the market. However prices slightly declined in Agra on fresh arrivals from the Cold Storages stocks. However, 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 expectation of higher prices, it might create a temporary shortage in the market, 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. 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 it remained strong in Tarkeshwar and quoted at Rs.620-650/quintal with highest arrivals of 160 tonnes in Bankura Sadar.

FUTURES MARKETS:

MCX potato futures extended previous losses on Thursday amidst short covering and increased selling. Agra contract went slight up after weak opening but tumbled thereafter on strong selling pressure due to short covering. Most active Agra May contract lost Rs.2.70 at Rs.596.30 after weak opening at Rs.598.40 and traded in the range of Rs.593.10-602. Potato (Tarkeshwar) for May delivery lost Rs.4.50 at Rs.584.20 after weak opening at Rs.585.50 with traded in the range of Rs.581.10-587.50.

PRICE DRIVERS:

1. Tight supplies at most of the markets; 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	19.04.07	18.04.07	Change
Agra- Uttar Pradesh	Fair Average Quality	560-570	570-580	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	415-425	420-430	-5.00
Meerut- Uttar Pradesh	Fair Average Quality	530-540	530-540	-
Indore- Madhya Pradesh	Fair Average Quality	650-700	650-700	-
Tarkeswar-West Bengal	Fair Average Quality	620-650	615-625	+5.00
Burdwan- West Bengal	Fair Average Quality	600-630	600-610	-
Ludhiana-Punjab	Fair Average Quality	450-500	450-500	-

TECHNICALS: MCX Potato May Contract

Potato futures are looking slight bearish as depicted by indicators. Candlesticks pattern are exhibiting slight weak market. But prices closed above short term EMAs indicate firmness. MACD is steady in positive zone. Stochastic is supporting the bears. The prices are likely to remain weak after firm opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX Agra May Potato

Month	S1	S2	PCP	R1	R2
May	588	580	596.30	602	611

TRADE RECOMMENDATION: (Intraday)

Sell MCX potato below 602 with target towards Rs 590 and then 585; put stop loss above Rs 610.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	580	575	584.20	596	605

TRADE RECOMMENDATION: (Intraday)

Sell MCX potato below 590 with target of Rs 580 and then 577; put stop loss above Rs 596.

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