

## POTATO DAILY

APRIL 23, 2007

### SPOT MARKETS:

Overall sentiments for potato prices are remaining almost steady at upper level at the domestic spot markets. Sluggish arrivals are keeping the pressure on the market while the demand from the consumers and various industries are looking positive. However prices may be softened in U.P. on the back of releasing stocks by the cold storages but it is intermittently, traders said. On the other hand, 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. 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. 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.560-570/quintal where it remained up in Tarkeshwar and quoted at Rs.625-650/quintal.

### FUTURES MARKETS:

MCX potato futures moved up on Saturday amidst buying support and firm spot market sentiment. Agra contract went up after weak opening but short covering at late hour pulled down the prices from day's higher level. Most active Agra May contract gained Rs.3.10 at Rs.600.10 after weak opening at Rs.594.50 and traded in the range of Rs.593-604. Potato (Tarkeshwar) for May delivery settled Rs.0.80 up at Rs.590.60 after weak opening at Rs.586 with traded in the range of Rs.585.10-592.50.

### PRICE DRIVERS:

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

### WEATHER:

Harvesting is over.

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

Markets	Variety	21.04.07	20.04.07	Change
Agra- Uttar Pradesh	Fair Average Quality	560-570	560-570	-
Farookhabad- Uttar Pradesh	Fair Average Quality	415-425	415-425	-
Meerut- Uttar Pradesh	Fair Average Quality	530-540	530-540	-
Indore- Madhya Pradesh	Fair Average Quality	650-700	650-700	-
Tarkeshwar-West Bengal	Fair Average Quality	625-650	620-650	+5.00
Burdwan- West Bengal	Fair Average Quality	610-630	600-630	+10.00
Ludhiana-Punjab	Fair Average Quality	450-500	450-500	-

### TECHNICALS: MCX Potato May Contract

Candlesticks charts are favouring for bulls. Prices closed above short term EMAs, indicate bullishness. MACD is steady in positive zone. Stochastic is remaining down at neutral region. The prices are likely to remain firm after weak opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES: MCX Agra May Potato

Month	S1	S2	PCP	R1	R2
May	595	588	600.10	608	615

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX potato above Rs.597 with target towards Rs.607 and then Rs.612; put stop loss below Rs.590.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	582	575	590.60	598	605

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX potato above 587 with target of Rs 597 and then 602; put stop loss below Rs 580.

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