

POTATO DAILY

15th MAY, 2007

SPOT MARKETS:

Potato prices remained weak in U.P. market on Monday on account of weak demand against the moderate arrivals. In addition, inferior qualities of potato are reducing the market price, traders said. However the prices increased in Delhi on increased demand for quality potato. The prices observed steady in Punjab and Bengal. According to trade sources, around 2000-2500 packets of potato has released in Kasganj from the cold storages and about 250-300 trucks are releasing from the cold storages in Agra market. Potato exports from Bengal will suffer during this marketing year because the late blight disease has damaged the crop and reduced the production by almost 30% of last year. The acreage was around 3.6-4.0-lakh hectares in this year and the estimated production was around 90-92 lakh Mt. But the late blight disease has affected almost 85% of the area under cultivation early in the year. In the meantime, some farmers have stored inferior quality of potatoes. Some of the cold storage owners have loaded more than 2 lakh tonne of 'Pokhraj' and 'S6' varieties. Water content in these two varieties is high which makes storage difficult. On Monday, in Agra, potato was down at Rs.550-600/quintal; in Tarkeshwar it was steady at Rs.720-750/quintal. Traders are expecting that the prices may come down as releasing of stocks by the cold store likely to pick up in near future.

FUTURES MARKETS:

MCX potato futures settled slight up on thin trading activity Monday. Futures market traded rangebound with slight up after weak opening. However Tarkeshwar potato recovered from lower level on fresh buying support. Most active Agra June contract gained Rs.1.60 at Rs.597.90 after weak opening at Rs.595.10 and moved between 595.10-600.40. Potato Tarkeshwar for June contract lost Rs.1.70 at Rs.594 after weak opening at Rs.593.20 and traded at Rs.588-596.50.

PRICE DRIVERS:

1. Weak demand against the moderate arrivals
2. Releasing stocks by Cold Store continued
3. Lack of quality potato; Demand less for damage potato

WEATHER:

Harvesting is over.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	14.05.07	12.05.07	Change
Agra- Uttar Pradesh	Fair Average Quality	550-600	600-620	-50.00
Farookhabad- Uttar Pradesh	Fair Average Quality	470-520	510-540	-40.00
Meerut- Uttar Pradesh	Fair Average Quality	500-600	550-590	-50.00
Delhi	Fair Average Quality	620-625	610-615	+10.00
Tarkeshwar-West Bengal	Fair Average Quality	740-770	740-770	-
Burdwan- West Bengal	Fair Average Quality	730-750	730-750	-
Ludhiana-Punjab	Fair Average Quality	620-650	620-650	-

TECHNICALS: MCX Potato June Contract

Candlestick is hinting slight upward market for the next trading day. Prices closed just below short term EMAs, hints bearish sentiments may continue at medium term. MACD is going down in positive zone. But Stochastic is going up at neutral region, favours the bulls. Potato is expected to remain slight up following a weak opening with possibility of late downward movement.



SUPPORT / RESISTANCES: MCX Agra June Potato

Month	S1	S2	PCP	R1	R2
JUNE	590	584	597.90	600	605

TRADE RECOMMENDATION: (Intraday)

Sell MCX potato below Rs.600 with target towards Rs.591 and then Rs.587; put stop loss above Rs.606.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JUNE	588	584	594	600	605

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 590 with target towards Rs 599 and then 603; put stop loss below Rs 585.

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