

## POTATO DAILY

18<sup>th</sup> MAY, 2007

### SPOT MARKETS:

Potato prices plunged on Thursday at most of the market except U.P. on strong arrivals of potato and lack of demand for damaged potato. Traders said, late blight at the time of harvesting had damaged the potato and some traders stored affected potatoes at the time of storing, which negatively impact on the market sentiments at present. According to trade sources, about 250-300 trucks per daily are releasing from the cold storages in Agra market, which is supplied to the Western and South Indian markets. In Bengal, potato exports 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 'Pokhranj' and 'S6' varieties. Water content in these two varieties is high which makes storage difficult. On Thursday, in Agra, potato was steady at Rs.570-610/quintal; in Tarkeshwar it was down at Rs.710-750/quintal with highest arrivals of around 6000-6500 tonnes were observed in Birbhum district. Traders said, 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 plummeted on Thursday amidst selling pressure and weak fundamentals. Therefore futures market opened weak and gradually declined thereafter and settled down. Most active Agra June contract slipped Rs.6.50 at Rs.584.40 after weak opening at Rs.588.20 and moved in between 583.10-589.80. Potato Tarkeshwar for June contract slid Rs.2.40 at Rs.591.70 after mostly weak opening at Rs.591.50 and traded at Rs.589.50-593.

### PRICE DRIVERS:

1. Higher arrivals against the steady demand
2. More stocks release by the Cold Store
3. Inferior quality of potato; Demand less for damage potato

### WEATHER:

Harvesting is over.

### TECHNICALS: MCX Potato June Contract

Candlestick is favouring the bears for the next trading day. Prices closed below short term EMAs, indicating bearish market for medium term. MACD is going down in negative zone, hints weak market. Stochastic is going down at just oversold region, favours the bears. Potato is likely to trade soft following a steady to weak opening with possibility of slight late upwards movement.



### SUPPORT / RESISTANCES: MCX Agra June Potato

Month	S1	S2	PCP	R1	R2
JUNE	578	574	584.40	588	592

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX potato below Rs.587 with target towards Rs.579 and then Rs.575; put stop loss above Rs.593.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JUNE	585	580	591.70	595	600

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX (T) potato below 594 with target towards Rs 587 and then 582; put stop loss above Rs 599.

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

Markets	Variety	17.05.07	16.05.07	Change
Agra- Uttar Pradesh	Fair Average Quality	570-610	570-610	-
Farookhabad- Uttar Pradesh	Fair Average Quality	450-500	450-500	-
Meerut- Uttar Pradesh	Fair Average Quality	520-580	520-580	-
Delhi	Fair Average Quality	575-585	615-620	-40.00
Tarkeswar-West Bengal	Fair Average Quality	710-750	730-760	-20.00
Burdwan- West Bengal	Fair Average Quality	680-720	720-740	-40.00
Ludhiana-Punjab	Fair Average Quality	600-640	630-660	-30.00

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