

POTATO DAILY

2nd MAY, 2007

SPOT MARKETS:

Market sentiments for potato prices are remaining bullish due to declining arrivals against the higher demand. The prices warmed up on Tuesday in Northern parts including Gujarat and Western parts of the country. The prices remained at firm position in West Bengal on mostly poor arrivals despite stocks releasing by the cold storages in North Bengal. Traders are expecting that the stocks will release within 7-10 days in South Bengal. Although, the stockists are not worried about the weakness in prices and they also reported that it is not likely to dampen the prices as lower production in the State and around 75% of the Cold Stores have fulfilled with new produce during this marketing year. In Agra market of U.P, daily 1500-2500 tonnes of potato are releasing by the Cold Storages. In fact, the rising demand from the Western and Southern India is keeping pressure on the market pulse. Currently, the cold stores are likely to determine the price action in the potato markets as most of the stocks in the market are depleted. 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. On Tuesday, in Agra, potato traded firm at Rs.610-630/quintal, in Tarkeshwar it quoted steady at Rs.640-660/quintal with highest arrivals of 5000-5500 tonnes observed in Birbhum district.

FUTURES MARKETS:

MCX potato futures traded range bound with up on Tuesday on buying interest amidst firm spot market sentiment. Futures market traded up after firm opening. Most active Agra May contract gained Rs.4.70 at Rs.598.50 after strong opening at Rs.594.40 and moved in the range of Rs.593.10-598.90. But Potato (Tarkeshwar) for May delivery marginally increased Rs.1 at Rs.605.60 after firm opening at Rs.607.50 and traded in the range of Rs.604.90-610.

PRICE DRIVERS:

1. Declining arrivals against the strong demand
2. Cold storages are releasing stocks
3. Firm demand from Western and Southern India

WEATHER:

Harvesting is over.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	01.05.07	30.04.07	Change
Agra- Uttar Pradesh	Fair Average Quality	610-630	600-620	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-525	500-525	-
Meerut- Uttar Pradesh	Fair Average Quality	580-610	580-610	-
Indore- Madhya Pradesh	Fair Average Quality	700-750	700-750	-
Tarkeshwar-West Bengal	Fair Average Quality	640-660	640-660	-
Burdwan- West Bengal	Fair Average Quality	620-640	620-640	-
Ludhiana-Punjab	Fair Average Quality	580-620	550-600	+30.00

TECHNICALS: MCX Potato May Contract

Candlesticks charts are favouring bulls. Prices closed just above short term EMAs, hints slight upward market. MACD is remaining steady in positive zone. Stochastic is going up at neutral region, suggests bullish market. Potato is likely to trade rangebound with up after steady opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX Agra May Potato

Month	S1	S2	PCP	R1	R2
May	595	590	598.50	605	610

TRADE RECOMMENDATION: (Intraday)

Buy MCX potato above Rs.596 with target towards Rs.604 and then Rs.608; put stop loss below Rs.590.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	600	595	605.60	612	618

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 602 with target of Rs 610 and then 612; put stop loss below Rs 596.

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