

## POTATO DAILY

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

### SPOT MARKETS:

Market prices for potato have declined on Friday, triggered by weak demand coupled with higher arrivals. Potato has been releasing from the cold storages since couple of weeks, which has weakened the market pulse, traders said. In addition, late blight at the time of harvesting had damaged the potato and some traders stored affected potatoes at the time of storing in U.P. and Bengal. Therefore the demands from the consumers are decreasing. Traders reported, about 250-300 trucks per day are releasing from the Agra cold storages, which are supplied to the Western and South Indian markets. In Kasganj, around 2500-300 packets of potato has released. In Bengal, 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 Friday, in Agra, potato was down at Rs.550-600/quintal; in Tarkeshwar it was down at Rs.680-720/quintal with highest arrivals of around 6300-6700 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 settled down on Friday in tandem with the spot market amidst selling interest. Futures market got down after weak opening but profit taking at lower level pushed up the prices from day's low. Most active Agra June contract lost Rs.1.00 at Rs.583.80 after weak opening at Rs.584.40 and moved within Rs.580.40-585. Potato Tarkeshwar for June contract added Rs.0.10 at Rs.592 after weak opening at Rs.590.10 and traded at Rs.587.50-593.

### PRICE DRIVERS:

1. Increased arrivals against the weak demand
2. Stocks release by the Cold Store picking up
3. Less demand 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 remains in the negative zone, hints bearish market. Stochastic is moving down at oversold region, favours the bears. Potato is expected to remain weak following a steady to firm opening with possibility of some upwards movement in the later session.



### SUPPORT / RESISTANCES: MCX Agra June Potato

Month	S1	S2	PCP	R1	R2
JUNE	578	574	583.80	588	592

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX potato below Rs.587 with target towards Rs.580 and then Rs.575; put stop loss above Rs.592.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JUNE	588	582	592	598	605

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX (T) potato above 589 with target towards Rs 597 and then 602; put stop loss below Rs 584.

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

Markets	Variety	18.05.07	17.05.07	Change
Agra- Uttar Pradesh	Fair Average Quality	550-600	570-610	-20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	450-500	450-500	-
Meerut- Uttar Pradesh	Fair Average Quality	520-550	520-580	-
Delhi	Fair Average Quality	570-580	575-585	-5.00
Tarkeswar-West Bengal	Fair Average Quality	680-720	710-750	-30.00
Burdwan- West Bengal	Fair Average Quality	650-700	680-720	-30.00
Patiala-Punjab	Fair Average Quality	450-500	-	-

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