

## POTATO DAILY

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

### SPOT MARKETS:

Market sentiment for potato prices firmed up on Wednesday in North Indian market on strong demand for quality potato. However it remained standstill at the other major markets. According to trade sources, around 2000-2500 packets of potato has released in Kasganj from the cold storages and about 250-300 trucks per daily are releasing from the cold storages in Agra market. But it could not dampen the market pulse. The demand from the Western and South India remained positive, which kept pressure on prices. However 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 Wednesday, in Agra, potato was up at Rs.570-610/quintal; in Tarkeshwar it was steady at Rs.730-760/quintal with highest arrivals of around 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 tumbled on Wednesday amidst increased selling interest. Futures market declined after weak opening but profit taking forced the prices to get up from the day's low. Most active Agra June contract lost Rs.5.40 at Rs.590.60 after weak opening at Rs.595 and moved in between 588.10-595.80. Potato Tarkeshwar for June contract slipped Rs.3.60 at Rs.593.20 after weak opening at Rs.596 and traded at Rs.588.10-596.

### PRICE DRIVERS:

1. Increased demand against the steady arrivals
2. Releasing stocks by Cold Store continued
3. Inferior quality of potato; Demand less for damage potato

### WEATHER:

Harvesting is over.

### TECHNICALS: MCX Potato June Contract

Candlestick is indicating slight weak market for the next trading day. Prices closed just below short term EMAs, favouring bearish market for medium term. MACD is going down in negative zone, losing market strength. Stochastic is going down at neutral region, favours the bears. Potato is expected to remain slight down following a firm opening with possibility of late upward movement.



### SUPPORT / RESISTANCES: MCX Agra June Potato

Month	S1	S2	PCP	R1	R2
JUNE	586	582	590.60	595	600

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX potato above Rs.587 with target towards Rs.594 and then Rs.598; put stop loss below Rs.582.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JUNE	588	584	593.20	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.

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

Markets	Variety	16.05.07	15.05.07	Change
Agra- Uttar Pradesh	Fair Average Quality	570-610	550-600	+20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	450-500	470-520	-20.00
Meerut- Uttar Pradesh	Fair Average Quality	520-580	500-600	+20.00
Delhi	Fair Average Quality	615-620	620-625	-5.00
Tarkeshwar-West Bengal	Fair Average Quality	730-760	730-760	-
Burdwan- West Bengal	Fair Average Quality	720-740	720-740	-
Ludhiana-Punjab	Fair Average Quality	630-660	620-650	+10.00

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