

POTATO DAILY

24th MAY, 2007

SPOT MARKETS:

Sluggish trading activity was observed in the potato market on Wednesday on the back of lacklustre demand from the buyers against the steady arrivals. Potato prices remained soft in U.P., Delhi and Maharashtra market where as it were slight up in Bengal owing to good demand and good quality. Currently, the demand from the Western and South Indian markets got weakened, which depressed Northern markets, traders said. The cold storages are releasing potato on regular basis at most of the producing regions but the quality is not so good, which negatively affect on the market sentiment. 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., Punjab and West Bengal. Therefore the demands for damaged potato are decreasing. Traders reported, nearly 200-300 trucks per day are releasing from the Agra cold storages, which are supplying to the Western and South Indian markets. In Bengal, positive demand from the Orissa, Jharkhand, A.P., and Assam is keeping pressure on prices. Around 2-4 lakh bags (50 kg) of potato per day are loading from this state, traders noted. Besides, the lower production and higher storing charges of potato could not pull down the prices in the state. On Wednesday, in Agra, potato quoted somehow steady at Rs.550-600/quintal; in Tarkeshwar it was steady at Rs.680-720/quintal. Prices may cool as short term for weak demand and stockists selling.

FUTURES MARKETS:

MCX potato futures settled at the negative territory on Wednesday amidst selling interest coupled with profit taking. Futures market opened firm but tumbled thereafter in tandem with the weak spot market. Most active Agra June contract lost Rs.3.60 at Rs.587.40 after firm opening at Rs.591.50 and traded within Rs.585.60-592.80. Potato Tarkeshwar for June contract slipped Rs.3.20 at Rs.603.50 after weak opening at Rs.606.50 and moved at Rs.603.50-608.

PRICE DRIVERS:

1. Sluggish demand against the steady arrivals
2. Stocks release by the Cold Store increasing
3. Moderate demand from Western & Southern Parts

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, hinting short term weakness. MACD remains in the negative zone, hints weak market. Stochastic is going down at neutral region, favours the bears. Potato is likely to remain weak after weak opening with possibility of some upwards movement in the later session.



SUPPORT / RESISTANCES: MCX Agra June Potato

Month	S1	S2	PCP	R1	R2
JUNE	580	575	587.40	592	595

TRADE RECOMMENDATION: (Intraday)

Sell MCX potato below Rs.590 with target towards Rs.581 and then Rs.578; put stop loss above Rs.595.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JUNE	598	594	603.50	607	612

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below 605 with target towards Rs 599 and then 595; put stop loss above Rs 609.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	23.05.07	22.05.07	Change
Agra- Uttar Pradesh	Fair Average Quality	550-600	550-600	-
Farookhabad- Uttar Pradesh	Fair Average Quality	430-470	450-500	-20.00
Meerut- Uttar Pradesh	Fair Average Quality	500-550	540-560	-40.00
Delhi	Fair Average Quality	575-585	585-590	-10.00
Tarkeswar-West Bengal	Fair Average Quality	680-720	680-720	-
Burdwan- West Bengal	Fair Average Quality	660-680	650-700	+10.00
Patiala-Punjab	Fair Average Quality	450-500	450-500	-

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