

## POTATO DAILY

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

### SPOT MARKETS:

Overall sentiments for potato prices remained bullish throughout the country amidst strong demand from the potato non-producing regions. Besides, lower arrivals against the higher demand are pushing up the spot prices though the cold storages are releasing potato on regular basis. The prices remained firm at most of the regions on Friday except Delhi, where the prices slightly declined amidst lower demand. Traders are expecting that the prices may come down as releasing of stocks by the cold store likely to pick up in near future. Most of the Cold storages were fulfilled in this marketing year in U.P. and other major producing regions. In fact, strong demand from the Western and Southern Indian market is aggravating the situation. In Bengal, around 75% of the Cold storages were fulfilled this year due to lower production of around 48-52 lakh metric tonnes from the estimated 90 lakh tonnes this year. So the arrivals are not picking up, traders said. Some cold stores were opened and releasing stocks but it did not suppress the market pulse. In addition, higher loading charges of potato at the time of storing are also keeping pressure on prices in Bengal. But agriculture department officials and cold storage owners said, potato prices will not be hiked much despite drastic fall in potato production in this State. On Friday, in Agra, potato was steady at Rs.620-640/quintal; in Tarkeshwar it was stable at Rs.720-750/quintal.

### FUTURES MARKETS:

MCX potato futures turn up on Friday. Futures market open slightly weak. Increase buying interest at lower levels recovered the futures from early days plunged. Most active Agra June contract settled up by 0.95% at Rs.598 after weak opening at Rs.592 and moved in the range of Rs587.4-598.0. Potato (Tarkeshwar) for June delivery settled down by 0.40% at Rs.598 after firm opening at Rs.601.5 and traded in the range of Rs.595.0-601.5 during Friday's session.

### PRICE DRIVERS:

1. Steady arrivals against the higher demand
2. Releasing stocks by Cold Store continued
3. Bullish demand from the potato non-producing regions

### WEATHER:

Harvesting is over.

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

Markets	Variety	11.05.07	10.05.07	Change
Agra- Uttar Pradesh	Fair Average Quality	620-640	620-640	-
Farookhabad- Uttar Pradesh	Fair Average Quality	520-550	520-550	-
Meerut- Uttar Pradesh	Fair Average Quality	560-600	560-600	-
Delhi	Fair Average Quality	590-600	595-600	-5.00
Tarkeswar-West Bengal	Fair Average Quality	720-750	720-750	-
Burdwan- West Bengal	Fair Average Quality	710-730	710-730	-
Ludhiana-Punjab	Fair Average Quality	600-630	600-630	-

### TECHNICALS: MCX Potato June Contract

Candlestick is hinting somewhat firm market. Prices closed below short term EMAs, indicates bearish sentiments may continue at medium term. MACD is going slightly down in positive zone. Stochastic is at neutral region and going down, favours the bears. Potato is expected to remain upwards initially following a firm opening with possibility of late downward movement.



### SUPPORT / RESISTANCES: MCX Agra June Potato

Month	S1	S2	PCP	R1	R2
JUNE	595	580	598	614	617

### TRADE RECOMMENDATION: (Intraday)

**BUY** MCX potato above Rs.601 with target towards Rs.609 and then Rs.613; put stop loss above Rs.597.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JUNE	585	588	598	606	610

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX (T) potato below 600 with target towards Rs 592 and then 588; put stop loss above Rs 605.

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