

## POTATO DAILY

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

### SPOT MARKETS:

Potato prices continued to move up at the domestic spot market on the back of lower arrivals and strong demand from the Western and Southern Indian market. The prices strengthened in Delhi, West Bengal, Western Markets and also Southern Market in spite of stocks releases by the Cold Storages. Election in UP created a shortage of arrivals, trade sources said. Traders said, strong demand from Assam, Orissa and Andhra Pradesh propelled up the spot prices in Bengal. In addition, higher loading charge of potato did not pull down the prices in this State. According to the West Bengal State agriculture department officials and cold storage owners, potato prices will not be hiked much despite drastic fall in potato production. As per the latest estimates, the potato production had reduced to 48-52 lakh metric tonnes from the estimated 90 lakh tonnes this year due to incessant rain in February and late blight diseases. It is nearly 30% lower than last year's production of 72 lakh ton. Therefore, potato prices are relatively high in this year and none of the cold storages are fully fulfilled with new produce. In Agra market of U.P., around 150-200 trucks of potato per day are releasing by the Cold Storages. In fact, the rising demand from the Western and Southern India is keeping pressure on the U.P. market. On Friday, in Agra, potato traded steady at Rs.600-620/quintal, in Tarkeshwar it quoted up at Rs.700-750/quintal.

### FUTURES MARKETS:

MCX potato futures traded rangebound with thin trading activity on Friday. Futures market opened slight weak and recovered at early hour but slipped from day's high. Most active Agra May contract lost Rs.0.10 at Rs.600.30 after weak opening at Rs.600 and moved in the range of Rs.598.20-604.80. But Potato (Tarkeshwar) for May delivery gained Rs.3.30 at Rs.605.80 after firm opening at Rs.605 and traded in the range of Rs.600-607.70.

### PRICE DRIVERS:

1. Weak supplies against the strong demand
2. Releasing stocks by the Cold storages
3. Bullish demand from Western and Southern India

### WEATHER:

Harvesting is over.

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

Markets	Variety	04.05.07	03.05.07	Change
Agra- Uttar Pradesh	Fair Average Quality	600-620	600-620	-
Farookhabad- Uttar Pradesh	Fair Average Quality	520-550	500-550	+20.00
Meerut- Uttar Pradesh	Fair Average Quality	570-600	560-600	+10.00
Indore- Madhya Pradesh	Fair Average Quality	720-770	720-770	+20.00
Tarkeshwar-West Bengal	Fair Average Quality	700-750	670-700	+30.00
Burdwan- West Bengal	Fair Average Quality	690-710	660-700	+30.00
Ludhiana-Punjab	Fair Average Quality	600-630	600-630	-

### TECHNICALS: MCX Potato May Contract

Candlesticks charts are indicating indecisive market. Prices closed just above short term EMAs, hints upward market as medium term. MACD is moving up in positive zone. Stochastic is moving down at neutral region, suggests slight weak market. Potato is likely to remain firm after weak opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES: MCX Agra May Potato

Month	S1	S2	PCP	R1	R2
May	595	588	600.30	605	612

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX potato above Rs.597 with target towards Rs.604 and then Rs.607; put stop loss below Rs.592.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	600	595	605.80	610	615

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX (T) potato above 602 with target towards Rs 609 and then 612; put stop loss below Rs 597.

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