

## POTATO DAILY

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

### SPOT MARKETS:

Potato prices remained almost steady on Tuesday in U.P. but it was up in Delhi and West Bengal on reduced arrivals against the strong demand. In addition, the prices declined in Western Indian markets on absence of buying. Arrivals have increased due to stocks releases by the Cold Store but it could not suppress the market pulse, traders said. Strong demand from the Western and Southern Indian market is keeping pressure on prices. 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. West Bengal State agriculture department officials and cold storage owners said, 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 Tuesday, in Agra, potato was steady at Rs.610-630/quintal; in Tarkeshwar it was up at Rs.720-750/quintal.

### FUTURES MARKETS:

MCX potato futures continued to remain down on profit taking and increased selling interest on Tuesday. Futures market traded soft after weak opening. Most active Agra May contract lost Rs.5 at Rs.587.50 after weak opening at Rs.590 and moved in the range of Rs.585.20-591. But Potato (Tarkeshwar) for May delivery gained Rs.6.20 at Rs.630 after firm opening at Rs.624.50 and hovered in the range of Rs.624.50-633.

### PRICE DRIVERS:

1. Weak arrivals against the higher demand
2. Stockists selling due to releasing stocks by Cold Store
3. Increasing demand from Western and Southern India

### WEATHER:

Harvesting is over.

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

Markets	Variety	08.05.07	07.05.07	Change
Agra- Uttar Pradesh	Fair Average Quality	610-630	610-630	-
Farookhabad- Uttar Pradesh	Fair Average Quality	530-560	530-560	-
Meerut- Uttar Pradesh	Fair Average Quality	560-600	560-600	-
Indore- Madhya Pradesh	Fair Average Quality	730-780	730-780	-
Tarkeswar-West Bengal	Fair Average Quality	720-750	700-750	+20.00
Burdwan- West Bengal	Fair Average Quality	700-730	690-710	+10.00
Ludhiana-Punjab	Fair Average Quality	580-600	600-630	-20.00

### TECHNICALS: MCX Potato May Contract

Candlesticks are favouring the bears. Prices closed just below short term EMAs, hints bearish market as medium term. MACD is moving down in positive zone. Stochastic is going down at neutral region, suggests downward market. Potato is likely to remain slight weak after steady to weak opening with possibility of late upwards movement.



### SUPPORT / RESISTANCES: MCX Agra May Potato

Month	S1	S2	PCP	R1	R2
May	581	575	587.50	595	600

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX potato above Rs.582 with target towards Rs.592 and then Rs.597; put stop loss below Rs.576.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	622	615	630	635	640

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX (T) potato above 624 with target towards Rs 634 and then 639; put stop loss below Rs 618.

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