

## POTATO DAILY

1<sup>st</sup> MAY, 2007

### SPOT MARKETS:

Potato prices witnessed strong sentiment on Monday at most of the trading centre on weakness in arrivals against the bullish demand. The prices regained its strong position in West Bengal on mostly poor arrivals. But traders are expecting that the stocks will release within 7-10 days. Although, the stockists are not worried about the weakness in prices and they also reported that it is not likely to dampen the prices as lower production in the State and around 75% of the Cold Stores have fulfilled with new produce during this marketing year. Conversely, in Agra market of U.P, daily 1800-3000 tonnes of potato are releasing by the Cold Storages, which softened the bullish sentiment. In fact, the rising demand from the Western and Southern India is keeping pressure on the market pulse. Currently, the cold stores are likely to determine the price action in the potato markets as most of the stocks in the market are depleted. If the stockists hold their produce in cold storages in anticipation of higher prices, it might create a temporary shortage in the market, supporting the prices to get up. As the cold storages charge fixed amount for storing for a definite time span, the stockists would use the tenure judiciously to get better price. However, they will have a keen eye on the financing cost too, which will keep rising with time. On Monday, in Agra, potato traded firm at Rs.600-620/quintal, in Tarkeshwar it quoted up at Rs.640-660/quintal with highest arrivals of 5000-5500 tonnes observed in Birbhum district.

### FUTURES MARKETS:

MCX potato futures traded bullish on Monday amidst firm spot market and short covering. Futures market opened weak and hovered up on buying support. Most active Agra May contract gained Rs.3.10 at Rs.593.90 after weak opening at Rs.588.90 and moved in the range of Rs.588.90-596.50. But Potato (Tarkeshwar) for May delivery surged Rs.14.80 at Rs.605.10 after firm opening at Rs.594 and traded in the range of Rs.594-606.

### PRICE DRIVERS:

1. Sluggish arrivals against the strong demand
2. Cold storages are releasing stocks in some pockets

### WEATHER:

Harvesting is over.

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

Markets	Variety	30.04.07	28.04.07	Change
Agra- Uttar Pradesh	Fair Average Quality	600-620	590-610	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-525	475-525	+25.00
Meerut- Uttar Pradesh	Fair Average Quality	580-610	570-600	+10.00
Indore- Madhya Pradesh	Fair Average Quality	700-750	700-750	-
Tarkeswar-West Bengal	Fair Average Quality	640-660	630-650	+10.00
Burdwan- West Bengal	Fair Average Quality	620-640	600-620	+20.00
Ludhiana-Punjab	Fair Average Quality	550-600	550-600	-

### TECHNICALS: MCX Potato May Contract

Candlesticks charts are hinting positive market. Prices closed just above short term EMAs, indicate slight bullish market. MACD is moving up in positive zone. Stochastic is going up after made bullish cut at neutral region, indicates firm market. Market is expected to trade up after slight weak opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES: MCX Agra May Potato

Month	S1	S2	PCP	R1	R2
May	585	580	593.90	600	605

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX potato above Rs.591 with target towards Rs.599 and then Rs.604; put stop loss below Rs.585.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	600	590	605.10	615	620

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX (T) potato below 602 with target of Rs 612 and then 616; put stop loss below Rs 596.

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