

## POTATO DAILY

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

### SPOT MARKETS:

Potato prices remained steady at upper level on Saturday amidst stable demand supply scenario. However the 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. Election in UP created a shortage of arrivals at some pockets, trade sources 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 Saturday, in Agra, potato was steady at Rs.600-620/quintal; in Tarkeshwar it was steady at Rs.700-750/quintal.

### FUTURES MARKETS:

MCX potato futures traded rangebound with slight up on Saturday. Futures market opened steady to slight weak and recovered at early hour but slipped from day's high. Most active Agra May contract gained Rs.1.70 at Rs.602 after slight weak opening at Rs.600 and moved in the range of Rs.598.10-604. But Potato (Tarkeshwar) for May delivery climbed Rs.14.60 at Rs.620 after firm opening at Rs.606.50 and hovered in the range of Rs.606.50-623.90.

### PRICE DRIVERS:

1. Sluggish arrivals in opposition to the strong demand
2. Stockists selling on 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	05.05.07	04.05.07	Change
Agra- Uttar Pradesh	Fair Average Quality	600-620	600-620	-
Farookhabad- Uttar Pradesh	Fair Average Quality	520-550	520-550	-
Meerut- Uttar Pradesh	Fair Average Quality	570-600	570-600	-
Indore- Madhya Pradesh	Fair Average Quality	720-770	720-770	-
Tarkeshwar-West Bengal	Fair Average Quality	700-750	700-750	-
Burdwan- West Bengal	Fair Average Quality	690-710	690-710	-
Ludhiana-Punjab	Fair Average Quality	600-630	600-630	-

### TECHNICALS: MCX Potato May Contract

Candlesticks charts are showing indecisive market. Prices closed just above short term EMAs, indicates strong market as medium term. MACD is moving up in positive zone. Stochastic is going down at neutral region, suggests slight weak market. Potato is likely to trade bullish after steady to weak opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES: MCX Agra May Potato

Month	S1	S2	PCP	R1	R2
May	595	588	602	610	615

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX potato above Rs.600 with target towards Rs.609 and then Rs.612; put stop loss below Rs.594.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	615	607	620	630	640

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX (T) potato above 618 with target towards Rs 628 and then 634; put stop loss below Rs 612.

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