

POTATO DAILY

4th MAY, 2007

SPOT MARKETS:

Potato prices continued to remain hot at the domestic spot market on squeezed arrivals and strong demand from the Western and Southern Indian market. The prices firmed up in Delhi, West Bengal, Western Markets and Punjab also despite 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. Lower production in the State and around 75% of the Cold Stores have fulfilled with new produce during this marketing year has kept pressure on prices, they said. In addition, higher loading charge of potato did not pull down the prices in West Bengal. 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. 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. 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 Thursday, in Agra, potato traded weak at Rs.600-620/quintal, in Tarkeshwar it quoted up at Rs.670-700/quintal with highest arrivals of 150 tonnes observed in Bankura Sadar district.

FUTURES MARKETS:

MCX potato futures backpedaled on profit booking due to selling pressure at upper level. Futures market hovered up after firm opening but tumbled at late hour. Most active Agra May contract lost Rs.2.70 at Rs.601.40 after firm opening at Rs.606 and moved in the range of Rs.599.10-611.30. Potato (Tarkeshwar) for May delivery slipped Rs.1.10 at Rs.602.10 after firm opening at Rs.604.90 and traded in the range of Rs.602-609.90.

PRICE DRIVERS:

1. Lower arrivals against the strong demand
2. Releasing stocks by the Cold storages
3. Firm demand from Western and Southern India

WEATHER:

Harvesting is over.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	03.05.07	02.05.07	Change
Agra- Uttar Pradesh	Fair Average Quality	600-620	610-630	-
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	500-550	-
Meerut- Uttar Pradesh	Fair Average Quality	560-600	560-600	-
Indore- Madhya Pradesh	Fair Average Quality	720-770	700-750	+20.00
Tarkeswar-West Bengal	Fair Average Quality	670-700	650-700	+20.00
Burdwan- West Bengal	Fair Average Quality	660-700	630-670	+30.00
Ludhiana-Punjab	Fair Average Quality	600-630	580-620	+20.00

TECHNICALS: MCX Potato May Contract

Candlesticks charts are favouring the bears. Prices closed above short term EMAs, hints upward market as medium term. MACD is moving up in positive zone. Stochastic is going up at neutral region, suggests bullish market. Potato is expected to remain weak after bearish opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX Agra May Potato

Month	S1	S2	PCP	R1	R2
May	594	588	601.40	605	612

TRADE RECOMMENDATION: (Intraday)

Sell MCX potato below Rs.603 with target towards Rs.595 and then Rs.591; put stop loss above Rs.608.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	595	590	602.10	606	610

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below 604 with target towards Rs 596 and then 592; put stop loss above Rs 610.

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