

POTATO DAILY

3rd MAY, 2007

SPOT MARKETS:

Market sentiments for potato prices are remaining bullish due to declining arrivals against the higher demand. The prices increased on Wednesday in Northern parts including Gujarat and Western parts of the country. It has also increased in West Bengal on mostly poor arrivals despite stocks releasing by the cold storages. 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 Wednesday, in Agra, potato traded steady at Rs.610-630/quintal, in Tarkeshwar it quoted up at Rs.650-700/quintal with highest arrivals of 4500-5000 tonnes observed in Birbhum district.

FUTURES MARKETS:

MCX potato futures traded strong on Wednesday amidst buying interest on firm spot market sentiment. Futures market hovered up after weak opening. Most active Agra May contract surged Rs.7.80 at Rs.605.50 after weak opening at Rs.596.30 and moved in the range of Rs.596.30-606. But Potato (Tarkeshwar) for May delivery lost Rs.3.30 at Rs.602.60 after weak opening at Rs.605.60 and traded in the range of Rs.599.60-610.50.

PRICE DRIVERS:

1. Declining arrivals against the strong demand
2. Cold storages are releasing stocks
3. Firm demand from Western and Southern India

WEATHER:

Harvesting is over.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	02.05.07	01.05.07	Change
Agra- Uttar Pradesh	Fair Average Quality	610-630	610-630	-
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	500-525	-
Meerut- Uttar Pradesh	Fair Average Quality	560-600	580-610	-20.00
Indore- Madhya Pradesh	Fair Average Quality	700-750	700-750	-
Tarkeshwar-West Bengal	Fair Average Quality	650-700	640-660	+10.00
Burdwan- West Bengal	Fair Average Quality	630-670	620-640	+10.00
Ludhiana-Punjab	Fair Average Quality	580-620	580-620	-

TECHNICALS: MCX Potato May Contract

Candlesticks charts are favouring bulls. Prices closed above short term EMAs, hints upward market. MACD is remaining steady in positive zone. Stochastic is going up at neutral region, suggests bullish market. Potato is likely to trade rangebound with up after steady opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX Agra May Potato

Month	S1	S2	PCP	R1	R2
May	600	595	605.50	612	617

TRADE RECOMMENDATION: (Intraday)

Buy MCX potato above Rs.601 with target towards Rs.611 and then Rs.615; put stop loss below Rs.595.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	597	590	602.60	610	615

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 598 with target of Rs 608 and then 612; put stop loss below Rs 592.

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