

POTATO DAILY

10th MAY, 2007

SPOT MARKETS:

Market sentiments for potato prices observed almost steady to slight up on Wednesday in U.P., Delhi, Maharashtra, Gujarat, Punjab and West Bengal market amidst stable demand supply scenario. However, traders are expecting that the prices may come down amidst releasing of stocks by the cold store. Most of the Cold storages were fulfilled in this marketing year in U.P. and other major producing regions. Therefore the arrivals are likely to pick up in the near future. In fact, strong demand from the Western and Southern Indian market is keeping pressure on prices. However the sentiments are strong in Bengal as around 75% of the Cold store was fulfilled this year due to lower production. So the arrivals are not picking up, traders said. Some cold stores were opened and releasing stocks but it did not suppress the market pulse. In addition, higher loading charges of potato at the time of storing is also keeping pressure on prices in Bengal. But 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. In Agra market of U.P., around 200-250 trucks of potato per day are releasing by the Cold Storages. On Wednesday, in Agra, potato was steady at Rs.610-630/quintal; in Tarkeshwar it was stable at Rs.720-750/quintal.

FUTURES MARKETS:

MCX potato futures slipped on Wednesday on weak fundamentals. Therefore futures market went slight up after firm opening but stumbled thereafter on strong selling pressure. Most active Agra June contract slipped Rs.4.40 at Rs.598.40 after firm opening at Rs.604 and moved in the range of Rs.597.10-606.30. Potato (Tarkeshwar) for June delivery lost Rs.5.50 at Rs.602 after steady opening at Rs.607.50 and traded in the range of Rs.601-607.50.

PRICE DRIVERS:

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

WEATHER:

Harvesting is over.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	09.05.07	08.05.07	Change
Agra- Uttar Pradesh	Fair Average Quality	610-630	610-630	-
Farookhabad- Uttar Pradesh	Fair Average Quality	520-550	530-560	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	560-600	560-600	-
Delhi	Fair Average Quality	610-615	605-610	+5.00
Tarkeshwar-West Bengal	Fair Average Quality	720-750	720-750	-
Burdwan- West Bengal	Fair Average Quality	700-730	700-730	-
Ludhiana-Punjab	Fair Average Quality	600-630	580-600	+20.00

TECHNICALS: MCX Potato June Contract

Candlestick is indicating weak market. Prices closed below short term EMAs, suggests bearish futures market as medium term. MACD is moving down in positive zone. Stochastic is moving down at neutral region, favours the bulls. Potato is likely to remain soft after steady to weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX Agra June Potato

Month	S1	S2	PCP	R1	R2
JUNE	592	587	598.40	603	609

TRADE RECOMMENDATION: (Intraday)

Sell MCX potato below Rs.600 with target towards Rs.593 and then Rs.590; put stop loss above Rs.605.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JUNE	596	591	602	605	608

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below 604 with target towards Rs 597 and then 593; put stop loss above Rs 609.

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