

## POTATO DAILY

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

### SPOT MARKETS:

Potato prices strengthened Monday amidst strong buying demand against the sluggish arrivals. The prices remained strong in North Indian market where as it was slight weak in Western markets on higher arrivals. 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. 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. West Bengal State 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 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 Monday, in Agra, potato was up at Rs.610-630/quintal; in Tarkeshwar it was steady at Rs.700-750/quintal.

### FUTURES MARKETS:

MCX potato futures tumbled on Monday amidst profit taking and strong selling pressure. Futures market went slight up after steady opening but turned down thereafter on short-covering. Most active Agra May contract lost Rs.10.10 at Rs.591.90 after steady opening at Rs.602 and moved in the range of Rs.590.70-605.90. But Potato (Tarkeshwar) for May delivery gained Rs.3 at Rs.623.10 after firm opening at Rs.625 and hovered in the range of Rs.620-630.

### 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	07.05.07	05.05.07	Change
Agra- Uttar Pradesh	Fair Average Quality	610-630	600-620	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	530-560	520-550	+10.00
Meerut- Uttar Pradesh	Fair Average Quality	560-600	570-600	-10.00
Indore- Madhya Pradesh	Fair Average Quality	730-780	720-770	+10.00
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 bearish market. Prices closed just below short term EMAs, indicates weak market as medium term. MACD is moving down in positive zone. Stochastic is turning down at neutral region, suggests weak market. Potato is likely to trade soft after steady to weak opening with possibility of late upwards movement.



### SUPPORT / RESISTANCES: MCX Agra May Potato

Month	S1	S2	PCP	R1	R2
May	584	580	591.90	597	605

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX potato below Rs.595 with target towards Rs.585 and then Rs.581; put stop loss above Rs.601.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	615	607	623.10	630	635

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX (T) potato below 627 with target towards Rs 617 and then 612; put stop loss above Rs 633.

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