

POTATO DAILY

11th MAY, 2007

SPOT MARKETS:

Overall sentiments for potato prices remained bullish throughout the country amidst strong demand from the potato non-producing regions. Besides, lower arrivals against the higher demand are pushing up the spot prices though the cold storages are releasing potato on regular basis. The prices remained firm at most of the regions on Thursday except Delhi, where the prices tumbled on higher arrivals. Traders are expecting that the prices may come down as releasing of stocks by the cold store likely to pick up in near future. Most of the Cold storages were fulfilled in this marketing year in U.P. and other major producing regions. In fact, strong demand from the Western and Southern Indian market is aggravating the situation. In Bengal, around 75% of the Cold storages were fulfilled this year due to lower production of around 48-52 lakh metric tonnes from the estimated 90 lakh tonnes this year. 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 are 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 in this State. On Thursday, in Agra, potato was up at Rs.620-640/quintal; in Tarkeshwar it was stable at Rs.720-750/quintal.

FUTURES MARKETS:

MCX potato futures continued to remain weak on Thursday amidst weak fundamentals. Futures market tumbled after weak opening but some buying pressure at the lows forced the prices to slight up. Most active Agra June contract lost Rs.6.80 at Rs.592.10 after weak opening at Rs.597 and moved in the range of Rs.589.30-597. Potato (Tarkeshwar) for June delivery slid Rs.2.90 at Rs.600 after weak opening at Rs.602 and traded in the range of Rs.597.20-604.50.

PRICE DRIVERS:

1. Lower arrivals against the higher demand
2. Releasing stocks by Cold Store continued
3. Strong demand from the potato non-producing regions

WEATHER:

Harvesting is over.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	10.05.07	09.05.07	Change
Agra- Uttar Pradesh	Fair Average Quality	620-640	610-630	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	520-550	520-550	-
Meerut- Uttar Pradesh	Fair Average Quality	560-600	560-600	-
Delhi	Fair Average Quality	595-600	610-615	-15.00
Tarkeshwar-West Bengal	Fair Average Quality	720-750	720-750	-
Burdwan- West Bengal	Fair Average Quality	710-730	700-730	+10.00
Ludhiana-Punjab	Fair Average Quality	600-630	600-630	-

TECHNICALS: MCX Potato June Contract

Candlestick is hinting bearish market. Prices closed below short term EMAs, indicates bearish futures market as medium term. MACD is going down in positive zone. Stochastic is going down at neutral region, favours the bears. Potato is expected to remain weak after steady to firm opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX Agra June Potato

Month	S1	S2	PCP	R1	R2
JUNE	586	580	592.10	596	602

TRADE RECOMMENDATION: (Intraday)

Sell MCX potato below Rs.595 with target towards Rs.587 and then Rs.581; put stop loss above Rs.601.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JUNE	595	590	600	604	608

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below 603 with target towards Rs 596 and then 591; put stop loss above Rs 608.

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