

## POTATO DAILY

14<sup>th</sup> 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 strong in Punjab, Bengal, and Delhi on lower arrivals of quality potato. However, it remained down in UP on lower demand. 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 Saturday, in Agra, potato was down at Rs.620-640/quintal; in Tarkeshwar it was up at Rs.720-750/quintal.

### FUTURES MARKETS:

MCX potato futures turned down Saturday on selling pressure and weak fundamentals. Futures market declined after slight firm opening but profit taking at lows pushed up the prices at closing bell. Most active Agra June contract lost Rs.1.10 at Rs.596.30 after firm opening at Rs.598 and moved in the range of 594.20-598. Potato (Tarkeshwar) for June contract slid Rs.1.80 at Rs.595.70 after firm opening at Rs.598 and traded between Rs.594-598.

### PRICE DRIVERS:

1. Higher arrivals at some parts against the lower demand
2. Releasing stocks by Cold Store continued
3. Expectation of higher stock release in near future

### WEATHER:

Harvesting is over.

### SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	12.05.07	11.05.07	Change
Agra- Uttar Pradesh	Fair Average Quality	600-620	620-640	-20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	510-540	520-550	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	550-590	560-600	-10.00
Delhi	Fair Average Quality	610-615	590-600	+20.00
Tarkeshwar-West Bengal	Fair Average Quality	740-770	720-750	+20.00
Burdwan- West Bengal	Fair Average Quality	730-750	710-730	+20.00
Ludhiana-Punjab	Fair Average Quality	620-650	600-630	+20.00

### TECHNICALS: MCX Potato June Contract

Candlestick is hinting slight downward market for the next trading day. Prices closed below short term EMAs, indicates weak sentiments may continue at medium term. MACD is going slightly down in positive zone. Stochastic is going up at neutral region, favours the bulls. Potato is expected to remain down following a firm opening with possibility of late upward movement.



### SUPPORT / RESISTANCES: MCX Agra June Potato

Month	S1	S2	PCP	R1	R2
JUNE	590	584	596.30	600	605

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX potato below Rs.600 with target towards Rs.591 and then Rs.587; put stop loss above Rs.606.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JUNE	590	585	595.70	598	605

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX (T) potato below 598 with target towards Rs 591 and then 588; put stop loss above Rs 603.

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