

## POTATO DAILY

21<sup>st</sup> JUNE, 2007

### SPOT MARKETS:

Potato prices are witnessing a sharp rally in the commodity markets as well as mandis at present on the back of strong demand against the weak arrivals. The prices remained strong on Wednesday in North Indian as well as West Bengal market and other non producing centres. Domestic demand is growing due to increased use in fried and extruded products, soup powders, ready-to-eat meals and fast food. Besides, the stockists and farmers are holding back the stocks in expectation of further rise in prices along with monsoon rains hindered on the market arrivals. Arrivals around the country to be remain weak until August end on expectation of heavy rains. Warehouses had ample stock of potatoes, but traders and farmers will bring this stock to market only after price rise. Presently, releasing of stocks from the cold storages has reduced to 150-200 trucks/day in Agra, traders said. Around 10-12% of the potato has been released so far from the Agra cold storages. Conversely, the quality of potato is not good as late blight at the time of harvesting had damaged the potato and some traders stored affected potatoes at the time of storing. In Bengal, around 10-15% of potato has been released from the cold store in Burdwan and Hoogly district. Some weak demand from the neighbouring states like Orissa, Jharkhand, A.P., and Assam restricted the upward movement. On Wednesday, in Agra, potato was up at Rs.600-650/quintal; in Tarkeshwar it was up at Rs.730-750/quintal.

### FUTURES MARKETS:

MCX potato futures settled slight up on Wednesday amidst some buying support. Agra & Tarkeshwar futures remained bullish. Most active Agra July contract settled up by 0.48% at Rs.631.60 after firm opening at Rs.630.00 and hovered at Rs.627.80-632.80. Potato Tarkeshwar July contract finished up by 0.46% at Rs.671.00 after slightly weak opening at Rs.667 and moved at Rs.666-672.

### PRICE DRIVERS:

1. Strong monsoon demand against the weak arrivals
2. Holding back stocks; Monsoon rains hindered arrivals
3. Improved demand from potato non-producing centres

### WEATHER:

Harvesting is over.

### TECHNICALS: MCX Potato JULY Contract

Candlestick is indicating firmness in the market for the next trading day. Prices closed far above short term EMAs, suggesting short term bullish market. MACD is going up in the positive zone, hints strong market as medium term. Stochastic is going up at neutral region, favours bulls. Potato is to be trade higher after steady to firm opening.



### SUPPORT / RESISTANCES: MCX Agra July Potato

Month	S1	S2	PCP	R1	R2
JULY	628	625	631.60	639	642

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX Agra potato above 630 with target towards Rs.636 and then Rs.639, put stop loss below Rs.627.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JULY	668	664	671.00	683	685

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX (T) potato above 673 with target towards Rs 683; put stop loss strictly below Rs 668.

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

Markets	Variety	20.06.07	19.06.07	Change
Agra- Uttar Pradesh	Fair Average Quality	600-650	590-630	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	540-560	535-560	+5.00
Meerut- Uttar Pradesh	Fair Average Quality	630-670	610-650	+20.00
Delhi	Fair Average Quality	635-645	630-640	+5.00
Tarkeswar-West Bengal	Fair Average Quality	730-760	720-750	+10.00
Burdwan- West Bengal	Fair Average Quality	700-730	700-730	-
Patiala-Punjab	Fair Average Quality	450-500	450-500	-

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