

POTATO DAILY

20th JUNE, 2007

SPOT MARKETS:

Potato prices are seeing a sharp rally in the commodity markets as well as mandis recently due to strong demand against the weak arrivals. In North Indian markets, potato prices climbed on fresh demand but prices were stable at the other major producing centres on Tuesday. Traders said the demand for potato remains good in the monsoon season as other raw vegetables get damage in this season. Besides, the stockists and farmers are holding back the stocks in expectation of further rise in prices. Monsoon rains hindered on the market arrivals. Arrivals around the country likely to remain weak until August end because of heavy rains could be as much a problem as heat. 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 Tuesday, in Agra, potato was up at Rs.590-630/quintal; in Tarkeshwar it was flat at Rs.720-750/quintal.

FUTURES MARKETS:

MCX potato futures settled slight down on Tuesday amidst mild profit taking. Agra & Tarkeshwar futures slipped following hitting a fresh contract high early in the session. Most active Agra July contract slid Rs.0.80 at Rs.628.40 after firm opening at Rs.631.30 and hovered at Rs.625-633.80. Potato Tarkeshwar July contract lost Rs.1.80 at Rs.666.80 after weak opening at Rs.666 and moved at Rs.665-673.50.

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 slight weakness 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 slight weak after steady to firm opening with possibility of some upwards movement in the later session.



SUPPORT / RESISTANCES: MCX Agra July Potato

Month	S1	S2	PCP	R1	R2
JULY	623	618	628.40	635	640

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 625 with target towards Rs.635 and then Rs.639, put stop loss below Rs.619.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JULY	660	650	666.80	675	680

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 661 with target towards Rs 671 and then 679; put stop loss strictly below Rs 655.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	19.06.07	18.06.07	Change
Agra- Uttar Pradesh	Fair Average Quality	590-630	570-620	+20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	535-560	525-550	+10.00
Meerut- Uttar Pradesh	Fair Average Quality	610-650	610-650	-
Delhi	Fair Average Quality	630-640	625-635	+5.00
Tarkeswar-West Bengal	Fair Average Quality	720-750	720-750	-
Burdwan- West Bengal	Fair Average Quality	700-730	700-730	-
Patiala-Punjab	Fair Average Quality	450-500	450-500	-

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