

POTATO DAILY

22nd JUNE, 2007

SPOT MARKETS:

Amidst robust demand for the monsoon season against the lower arrivals are propelling up the spot prices at present. The market prices were escalated in UP, Maharashtra, Gujarat, West Bengal and other major spot market on Thursday. 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. Demand from the neighbouring states like Orissa, Jharkhand, A.P., and Assam has improved for Bengal potato. On Thursday, in Agra, potato was up at Rs.620-670/quintal; in Tarkeshwar it was up at Rs.740-760/quintal.

FUTURES MARKETS:

MCX potato futures settled up Thursday on mild profit taking with fresh buying. Agra & Tarkeshwar futures slid following hitting a fresh contract high early in the session. Most active Agra July contract added Rs.1 at Rs.633 after weak opening at Rs.628.60 and hovered at Rs.628.60-634.90. Potato Tarkeshwar July contract gained Rs.3.80 at Rs.675 after firm opening at Rs.672 and moved at Rs.670-677.80.

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. But monsoon rains hindered on the market arrivals.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	21.06.07	20.06.07	Change
Agra- Uttar Pradesh	Fair Average Quality	620-670	600-650	+20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	550-570	540-560	+10.00
Meerut- Uttar Pradesh	Fair Average Quality	650-680	630-670	+20.00
Delhi	Fair Average Quality	635-645	635-645	-
Tarkeshwar-West Bengal	Fair Average Quality	740-770	730-760	+10.00
Burdwan- West Bengal	Fair Average Quality	710-740	700-730	+10.00
Patiala-Punjab	Fair Average Quality	450-500	450-500	-

TECHNICALS: MCX Potato JULY Contract

Candlestick is indicating bullish 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 overbought region, favours bulls. Potato is to be trade strong after steady to firm opening with possibility of some downwards movement in the later session.



SUPPORT / RESISTANCES: MCX Agra July Potato

Month	S1	S2	PCP	R1	R2
JULY	629	625	633	639	643

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 630 with target towards Rs.638 and then Rs.642, put stop loss below Rs.624.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JULY	670	665	675	680	685

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 671 with target towards Rs.679 and then 684; put stop loss strictly below Rs.665.

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