

POTATO DAILY

25th JUNE, 2007

SPOT MARKETS:

Potato prices were almost steady at upper level on Saturday at most of the trading point on strong demand coupled with higher rates of other vegetables. In addition, Monsoon rains are hindering on the market arrivals. Strong prices of other vegetables are underpinning the potato prices. 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 due to lower production than previous year. 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. Releasing of stocks from the cold storages improved to 200-300 trucks/day in Agra but it could not pull down the prices, traders said. Around 15-20% 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 15-18% 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 Saturday, in Agra, potato was up at Rs.660-700/quintal; in Tarkeshwar it was flat at Rs.750-770/quintal.

FUTURES MARKETS:

MCX potato futures tumbled on Saturday. Agra & Tarkeshwar futures soared and hitting a fresh contract high but fell thereafter on increased selling activity due to short covering. Most active Agra July contract lost Rs.6.10 at Rs.628.70 after firm opening at Rs.635.80 and traded at Rs.627-639. Potato Tarkeshwar July contract added Rs.0.10 at Rs.682.80 after steady opening at Rs.682.30 and hovered at Rs.681-694.

PRICE DRIVERS:

1. Robust demand against the lower arrivals
2. Holding back stocks; Monsoon rains hindered arrivals
3. Higher rates of other vegetables

WEATHER:

Monsoon rains is hindering on the market arrivals.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	23.06.07	22.06.07	Change
Agra- Uttar Pradesh	Fair Average Quality	660-700	650-700	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	575-600	575-600	-
Meerut- Uttar Pradesh	Fair Average Quality	650-700	650-700	-
Delhi	Fair Average Quality	630-635	630-640	-
Tarkeswar-West Bengal	Fair Average Quality	750-770	750-770	-
Burdwan- West Bengal	Fair Average Quality	725-750	725-750	-
Patiala-Punjab	Fair Average Quality	460-500	460-500	-

TECHNICALS: MCX Potato JULY Contract

Candlestick is indicating weak market for the next trading day. Prices closed just above short term EMAs, favouring short term bullish market. MACD is going down in the positive zone, hints slight weak market as medium term. Stochastic is going down at overbought region, indicates technical weakness. Potato is to be trade soft after steady to weak 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	628.70	634	640

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 624 with target towards Rs.633 and then Rs.639, put stop loss below Rs.618.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JULY	674	668	682.80	687	694

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 677 with target towards Rs 686 and then 692: put stop loss strictly below Rs 671.

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