

POTATO DAILY

18th JUNE, 2007

SPOT MARKETS:

Market sentiment for potato prices improved on Saturday in North India amidst fresh demand from the buyers against the weak arrivals on monsoon rains. But the prices fell in Bengal on lack of demand at higher rates. Besides, some weak demand from the neighbouring states like Orissa, Jharkhand, A.P., and Assam also added to the bearish tone. However, traders are expecting that the prices will improve again in anticipation of higher demand in the monsoon season. On the other hand, monsoon rains hindered on the market arrivals at some pockets. Arrivals around the country likely to remain weak until August end because of heavy rains could be as much a problem as heat. Besides, 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. On Saturday, in Agra, potato was up at Rs.550-600/quintal; in Tarkeshwar it was down at Rs.710-760/quintal.

FUTURES MARKETS:

MCX potato futures recovered on Saturday on buying support and firm spot market. Market improved after mostly weak opening. Tarkeshwar futures increased after steady opening on mild profit taking. Most active Agra July contract gained Rs.3.30 at Rs.621.80 after weak opening at Rs.616.20 and traded within Rs.616.20-623. Potato Tarkeshwar for July contract added Rs.3.40 at Rs.654.70 after steady opening at Rs.610.20 and moved within at Rs.651.20-655.10.

PRICE DRIVERS:

1. Improved demand against the weak arrivals
2. Weak demand at higher price in Bengal; Monsoon rains
3. Improved demand from potato non-producing centres

WEATHER:

Harvesting is over.

TECHNICALS: MCX Potato JULY Contract

Candlestick is indicating bullish market for the next trading day. Prices closed above short term EMAs, hinting short term strong market. But MACD is going down in the positive zone, hints some weakness in the market. Stochastic is going down at neutral region, favours bears. Potato is to be trade firm after steady to weak opening with possibility of some downwards movement in the later session.



SUPPORT / RESISTANCES: MCX Agra July Potato

Month	S1	S2	PCP	R1	R2
JULY	618	612	621.80	627	631

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 620 with target towards Rs.626 and then Rs.630, put stop loss below Rs.616.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JULY	650	642	654.70	660	665

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 651 with target towards Rs 657 and then 660; put stop loss strictly below Rs 647.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	16.06.07	15.06.07	Change
Agra- Uttar Pradesh	Fair Average Quality	550-600	535-575	+15.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-525	480-520	+20.00
Meerut- Uttar Pradesh	Fair Average Quality	600-650	550-600	+50.00
Delhi	Fair Average Quality	615-620	605-610	+10.00
Tarkeshwar-West Bengal	Fair Average Quality	710-760	730-780	-20.00
Burdwan- West Bengal	Fair Average Quality	690-710	700-720	-10.00
Patiala-Punjab	Fair Average Quality	410-450	430-460	-20.00

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