

POTATO DAILY

28th JUNE, 2007

SPOT MARKETS:

Market sentiment for potato prices improved on Wednesday in North Indian markets on aggressive demand despite higher stock release by the cold store, traders quoted. But the prices remained static at higher level in the other parts. Strong prices of other vegetables are underpinning the potato prices. Domestic demand is remaining strong due to increased use in fried and extruded products, soup powders, ready-to-eat meals and fast food. In addition, the stockists and farmers are holding back the stocks in expectation of further rise in prices due to lower production than previous year. Traders said, 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 4-5 trucks/day/cold stores in Agra. Around 18-22% 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 18-20% 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 improved for Bengal potato. On Wednesday, in Agra, potato was up at Rs.690-720/quintal; in Tarkeshwar it was steady at Rs.770-800/quintal.

FUTURES MARKETS:

MCX potato futures plunged on Wednesday amidst profit taking and increased selling activity. Agra & Tarkeshwar futures tumbled after opening and traded down most of the session. Most active Agra July contract lost Rs.4.90 at Rs.632 after firm opening at Rs.637.70 and traded at Rs.632-637.70. Potato Tarkeshwar July contract slipped Rs.10.60 at Rs.689.90 after weak opening at Rs.700 and traded at Rs.685.60-700.

PRICE DRIVERS:

1. Robust demand against the steady arrivals
2. Holding back stocks; Monsoon rains hindered on 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	27.06.07	26.06.07	Change
Agra- Uttar Pradesh	Fair Average Quality	690-720	670-720	+20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	600-620	590-620	+10.00
Meerut- Uttar Pradesh	Fair Average Quality	700-720	670-700	+30.00
Delhi	Fair Average Quality	635-640	630-635	-
Tarkeswar-West Bengal	Fair Average Quality	770-800	770-800	-
Burdwan- West Bengal	Fair Average Quality	750-775	750-775	-
Patiala-Punjab	Fair Average Quality	470-510	470-510	-

TECHNICALS: MCX Potato JULY Contract

Candlestick is indicating bearish market for the next trading day. Prices closed just above short term EMAs, hinting short term bullish market. MACD remains in the positive zone, hints bullish market as medium term. Stochastic is going up at neutral region, indicates strong market. Potato is to be trade down 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	627	622	632	640	645

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 628 with target towards Rs.635 and then Rs.642, put stop loss below Rs.623.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JULY	682	675	689.90	696	705

TRADE RECOMMENDATION: (Intraday)

Risk lovers can Buy MCX (T) potato above 685 with target towards Rs 695 and then 700; put stop loss strictly below Rs 678.

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