

## POTATO DAILY

2<sup>nd</sup> July, 2007

### SPOT MARKETS:

Potato spot market witnessed steady sentiment during the Saturday's trade. Amidst subdued trading activity against normal supply potato prices stood steady at markets of Bengal, Meerut and Delhi. The prices at Agra and Farookhabad slashed down against faded demand against normal arrival. Sources reported that the quality deterioration in retails and up to some extent in warehouses and cold storage may result into low demand of such potato into the market thereby weakening its market sentiments. However, domestic demand for fried and extruded products, soup powders, ready-to-eat meals and fast food supporting the market sentiment. Further, warehouses and cold storages have ample stock of potatoes, but the stockists and farmers holding back the stock in expectation of price rise. Meanwhile, the monsoon rains may further disrupt arrival of potatoes whereby leading the rise of prices. In Agra, supplies from the cold storages reported at around to 3-4 trucks/day/cold stores. Around 18-22% of the potato has been released so far from the Agra cold storages. In Bengal, around 18-20% of potato has been released from the cold store of Burdwan and Hoogly district. On Saturday, Meerut, Delhi, Burdwan and Tarkeshwar potato prices stood steady at Rs.600-625, 635-640, 730-735 and 740-750 per quintal respectively.

### FUTURES MARKETS:

MCX potato futures witnessed firm sentiment with bullish tone. Agra July contract opened firm at Rs 636.0 and traded down initially testing a low of Rs 631.6. However, prices recovered thereafter on increased buying interest and settled in the positive side. Agra July contract traded in the range of Rs 631.60-639.00. Tarkeshwar futures traded firm following a weak opening at Rs 687.4. July contract traded in the range of Rs 687.40-693.70.

### PRICE DRIVERS:

1. Subdued demand against normal arrivals
2. Holding back stocks; Monsoon rains hindered on arrivals
3. Concerns of quality over potato
4. Higher rates of other vegetables

### WEATHER:

Monsoon rains is hindering on the market arrivals.

### TECHNICALS: MCX Potato JULY Contract

Candlestick chart pattern indicate for further firmness in market. Prices closed above short term EMAs, hinting short-term bullish market. MACD remains in the positive zone, hints bullish market as medium term. Stochastic is moving slightly down in neutral region while RSI is rising in the neutral region. Market is expected to trade up following a steady to slightly firm opening.



### SUPPORT / RESISTANCES: MCX Agra July Potato

Month	S1	S2	PCP	R1	R2
JULY	635	632	638.4	652	655

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX Agra potato above 639 with target towards Rs.645 and then Rs.647, put stop loss below Rs.636.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JULY	690	688	692.3	705	710

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX (T) potato above 693 with target towards Rs 699 and then Rs 701; put stop loss strictly below Rs 690.

### SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	30.06.07	29.06.07	Change
Agra- Uttar Pradesh	Fair Average Quality	600-625	600-650	-25.00
Farookhabad- Uttar Pradesh	Fair Average Quality	600-625	650-700	-75.00
Meerut- Uttar Pradesh	Fair Average Quality	600-625	NA	-
Delhi	Fair Average Quality	635-640	640	-
Tarkeswar-West Bengal	Fair Average Quality	740-750	740-750	-
Burdwan- West Bengal	Fair Average Quality	730-735	730-735	-

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