

POTATO DAILY

23rd JUNE, 2007

SPOT MARKETS:

Potato prices hovered up on Friday at most of the trading point on robust demand coupled with higher rates of other vegetables. In addition, Monsoon rains are hindering on the market arrivals. Strong prices of other vegetables have underpinned the potato market. 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. 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 Friday, in Agra, potato was up at Rs.650-700/quintal; in Tarkeshwar it was up at Rs.750-770/quintal.

FUTURES MARKETS:

MCX potato futures closed up Friday on profit taking with fresh early buying. Agra & Tarkeshwar futures hovered up and hitting a fresh contract high. Most active Agra July contract added Rs.1.10 at Rs.634.20 after weak opening at Rs.632.20 and traded at Rs.631.90-636. Potato Tarkeshwar July contract climbed Rs.9.70 at Rs.683.50 after firm opening at Rs.675.80 and hovered at Rs.675.60-683.50.

PRICE DRIVERS:

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

WEATHER:

Harvesting is over. But monsoon rains hindered on the market arrivals.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	22.06.07	21.06.07	Change
Agra- Uttar Pradesh	Fair Average Quality	650-700	620-670	+30.00
Farookhabad- Uttar Pradesh	Fair Average Quality	575-600	550-570	+25.00
Meerut- Uttar Pradesh	Fair Average Quality	650-700	650-680	-
Delhi	Fair Average Quality	630-640	635-645	-5.00
Tarkeswar-West Bengal	Fair Average Quality	750-770	740-770	+10.00
Burdwan- West Bengal	Fair Average Quality	725-750	710-740	+15.00
Patiala-Punjab	Fair Average Quality	460-500	450-500	+10.00

TECHNICALS: MCX Potato JULY Contract

Candlestick is indicating slight strong market for the next trading day. Prices closed far above short term EMAs, favouring short term bullish market. MACD is going up in the positive zone, hints strong market as medium term. Stochastic is going up at mostly overbought region, indicates technical reversal. Potato is to be trade bullish 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	627	623	634.20	638	642

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 629 with target towards Rs.637 and then Rs.641, put stop loss below Rs.623.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JULY	678	672	683.50	688	692

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 679 with target towards Rs 687 and then 691; put stop loss strictly below Rs 673.

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