

POTATO DAILY

19th JUNE, 2007

SPOT MARKETS:

Potato prices are seeing a sharp rally in the commodity markets as well as mandis recently due to strong demand against the weak arrivals. Prices increased on Monday at most of the mandis on lower arrivals. Traders said the demand for potato remains good in the monsoon season as other raw vegetables get damage in this season. Besides, the stockists and farmers are holding back the stocks in expectation of further rise in prices. On the other hand, monsoon rains hindered on the market arrivals. Arrivals around the country likely to remain weak until August end because of heavy rains could be as much a problem as heat. 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. Some weak demand from the neighbouring states like Orissa, Jharkhand, A.P., and Assam restricted the upward movement. On Monday, in Agra, potato was up at Rs.570-620/quintal; in Tarkeshwar it was up at Rs.720-750/quintal.

FUTURES MARKETS:

MCX potato futures skyrocketed Monday on strong buying support and firm spot market. Conversely, Tarkeshwar futures soared after mostly strong opening and hit fresh contract high. Most active Agra July contract climbed Rs.8.10 at Rs.629.90 after weak opening at Rs.618.30 and hovered within Rs.618.30-630. Potato Tarkeshwar for July contract surged Rs.13.80 at Rs.668.50 after bullish opening at Rs.660 and moved within Rs.656-671.

PRICE DRIVERS:

1. Strong monsoon demand against the weak arrivals
2. Holding back stocks; Monsoon rains hindered arrivals
3. Improved demand from potato non-producing centres

WEATHER:

Harvesting is over.

TECHNICALS: MCX Potato JULY Contract

Candlestick is hinting strongly bullish market for the next trading day. Prices closed far above short term EMAs, hinting short term bullish market. MACD is going up in the positive zone, hints strong market as medium term. Stochastic is going up at neutral region, favours bulls. Potato is to be trade strong after steady to firm opening with possibility of some downwards movement in the later session.



SUPPORT / RESISTANCES: MCX Agra July Potato

Month	S1	S2	PCP	R1	R2
JULY	625	618	629.90	635	640

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 626 with target towards Rs.634 and then Rs.639, put stop loss below Rs.621.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JULY	660	650	668.50	675	680

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 661 with target towards Rs 671 and then 679; put stop loss strictly below Rs 655.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	18.06.07	16.06.07	Change
Agra- Uttar Pradesh	Fair Average Quality	570-620	550-600	+20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	525-550	500-525	+25.00
Meerut- Uttar Pradesh	Fair Average Quality	610-650	600-650	+10.00
Delhi	Fair Average Quality	625-635	615-620	+10.00
Tarkeshwar-West Bengal	Fair Average Quality	720-750	710-760	+10.00
Burdwan- West Bengal	Fair Average Quality	700-730	690-710	+10.00
Patiala-Punjab	Fair Average Quality	450-500	410-450	+40.00

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