

POTATO DAILY

12th JUNE, 2007

SPOT MARKETS:

Potato prices surged on Monday in West Bengal and Punjab market on moderate arrivals against the firm demand. But it remained steady in U.P. on lacklustre demand. In West Bengal, strong demand from neighbouring states kept pressure on prices. However, arrivals could remain low until August end as heavy rains could be as much a problem as heat, traders said. Another trader said warehouses had ample stock of potatoes, but traders and farmers will bring this stock to market only after price rise. In addition, continued demand from South and Maharashtra market are providing underline support to the market. Around 7-10% of the potato has been released so far from the Agra cold storages. Nearly 10000-12000 packets of potato have been released so far from the Kasganj of U.P. On the other hand, late blight at the time of harvesting had damaged the potato and some traders stored affected potatoes at the time of storing, which negatively affecting on the market sentiments. In Bengal, good demand from the Orissa, Jharkhand, A.P., and Assam is continued and it has kept pressure on prices. Around 2-4 lakh bags (50 kg/bag) of potato/day are heading to these states. Besides, unofficial export from Coochbehar in Bengal to Bangladesh is also underpinning the market. On Monday, in Agra, potato was steady at Rs.550-600/quintal; in Tarkeshwar it was up at Rs.760-800/quintal. Prices may remain steady to up as short term for strong demand.

FUTURES MARKETS:

MCX potato futures settled up Monday. Market went up after firm opening on early buying support but fell thereafter on profit taking and selling interest. Tarkeshwar futures continued to down on selling pressure. Most active Agra July contract added Rs.2.90 at Rs.621.20 after firm opening at Rs.619.30 and traded within Rs.619.10-624. Potato Tarkeshwar for July contract lost Rs.10.50 at Rs.643.10 after weak opening at Rs.650 and traded at Rs.643-653.50.

PRICE DRIVERS:

1. Sluggish demand against the steady demand
2. Moderate arrivals in Bengal
3. Steady demand from potato non-producing centres

WEATHER:

Harvesting is over.

TECHNICALS: MCX Potato JULY Contract

Candlestick is hinting slight weak market for the next trading day. Prices closed above short term EMAs, suggesting short term bullish market. MACD is going up in the positive zone, hints strong market. Stochastic is moving up at neutral region, favours bulls. Potato is to be trade slight up initially 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	615	610	621.20	625	630

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 624 with target towards Rs.616 and then Rs.612; put stop loss above Rs.629.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JULY	635	630	643.10	650	655

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below 647 with target towards Rs 637 and then 632; put stop loss strictly above Rs 653.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	11.06.07	09.06.07	Change
Agra- Uttar Pradesh	Fair Average Quality	550-600	550-600	-
Farookhabad- Uttar Pradesh	Fair Average Quality	450-500	450-500	-
Meerut- Uttar Pradesh	Fair Average Quality	550-600	550-600	-
Delhi	Fair Average Quality	610-620	595-605	+15.00
Tarkeswar-West Bengal	Fair Average Quality	760-800	750-800	+10.00
Burdwan- West Bengal	Fair Average Quality	730-770	720-750	+10.00
Patiala-Punjab	Fair Average Quality	470-500	460-500	+10.00

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