

POTATO DAILY

19th July, 2007

SPOT MARKETS:

Potato prices, which have shot up in the domestic market due to poor supply in the wake of monsoon, show no sign of cooling off with retail rates. The arrival have been less than what it was during the corresponding period last year mainly because of lower production as well as bad weather conditions. Traders said, potato supply would improve after August when there would be no rains in growing belts of Uttar Pradesh, Punjab, Rajasthan and Himachal Pradesh from where the supplies come to Delhi. But, the concern of quality over potatoes is affecting the demand in most of the potato markets. Meanwhile, the sowing of potato in Karnataka is progressive well and the Hasan crop is likely to hit the market only by August end. In Agra, supplies from the cold storages reported at around 200-250 trucks/day. In Agra cold storages, around 25-27% has been released whereas 27-30% has been released in Bengal. Demands from the non-producing centres are reported to be good. Around 1000-1500 packets of potato/day are arriving from the Agra to Meerut. On Wednesday, potato prices in North Indian markets offered up while in Bengal's Burdwan and Tarkeswar, prices quoted mostly up at Rs. 730-750 and Rs. 760-780/qrtl respectively on improved demand and bad weather, which restricting transport.

FUTURES MARKETS:

MCX potato futures hit lower circuit Wednesday amidst strong selling pressure on expectation of price decrease in the next month when new crop from South India will hit the market. Market fell after weak opening. Agra August futures opened down at Rs.658.30 over the last close of Rs.660.50. It lost Rs.26.40 at Rs.634.10 and traded within Rs.634.10-658.90. Tarkeshwar August futures opened weak at Rs.691.50. Prices then settled at Rs.661, down by Rs.33.90 and traded within Rs.658.20-692.

PRICE DRIVERS:

1. Improved demand on slight weak arrivals
2. Moderate weather; Concerns of quality over potato
3. Expectation of new crop arrival from South by August

WEATHER:

Monsoon rains is hindering on the market arrivals as well as sowing.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	18.07.07	17.07.07	Change
Agra- Uttar Pradesh	Fair Average Quality	680-750	670-750	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-580	490-580	+10.00
Meerut- Uttar Pradesh	Fair Average Quality	630-700	620-700	+10.00
Delhi	Fair Average Quality	650-660	650-660	-
Tarkeswar-West Bengal	Fair Average Quality	760-780	740-780	+20.00
Burdwan- West Bengal	Fair Average Quality	730-750	700-730	+30.00

TECHNICALS: MCX Potato Agra AUGUST Contract

Candlestick chart indicates strongly bearish market for the next trading day also. Prices closed far below short terms EMAs, hinting short-term bearish market. MACD remains in the negative zone, hints bearish market as medium term. Stochastic and RSI are hinting technical correction. Potato is expected to trade soft after a weak opening with possibility of some upwards movement at the later session.



SUPPORT / RESISTANCES: MCX Agra August Potato

Month	S1	S2	PCP	R1	R2
August	624	615	634.10	640	650

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 637 with target towards Rs.627 and then Rs.620 put stop loss above Rs.644.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
August	651	645	661	668	680

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below 664 with target towards Rs 654 and then Rs 648; put stop loss strictly above Rs 671.

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