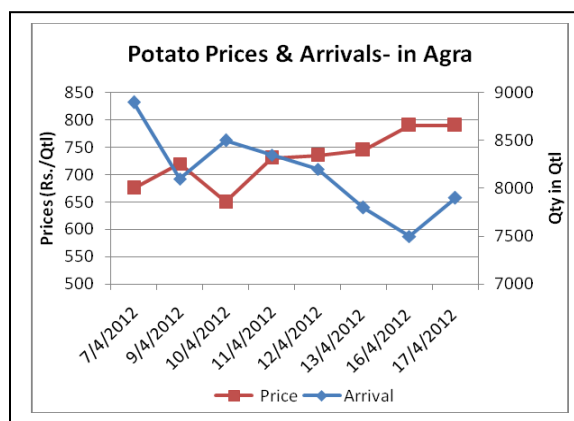
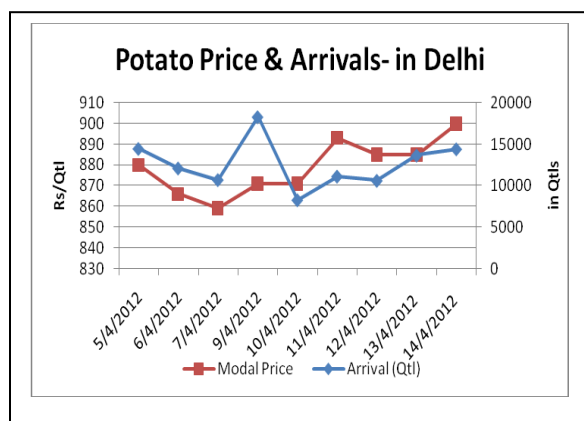


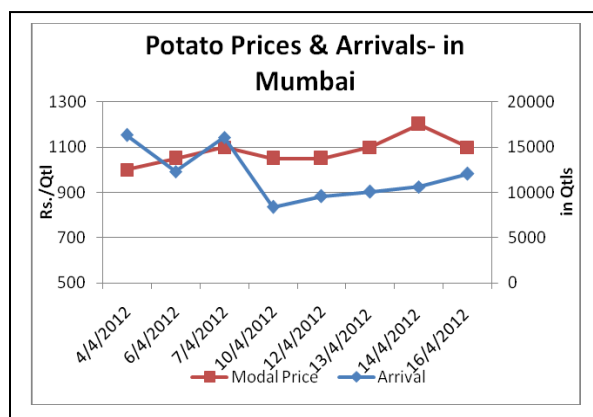
Executive Summary:

- Prices in metro cities like Delhi and Kolkata have increased 80-90% on a yearly basis. At present, in Delhi & Kolkata, potatoes are sold in the range of Rs 900-1000/Qtl which was available in the range of Rs 500-600/Qtl at the same time last year. This is an alarming situation looking at lower production estimates and less potato in cold storages this season.
- In Agra division, cold storages were not able to fill up 100% of their capacities which is further creating bullish sentiment in the market. As per Horticulture Department estimates, cold storages in Agra division are filled up to 80-85% of their capacities till date. In Agra division, there are 440 potato cold stores with storage capacity of 38.5 Lakh tonnes.
- As per trade estimates, potato production this year is expected to be around 36-38 million tonnes against previous year's production figure of 42.35 million tonnes. This is likely to keep prices on the higher side this year compared to last year.

Potato Prices & Arrivals in Consumption and Producing Regions



(Source: APMC)



Outlook

Prices are likely to increase further due to lower supply from producing regions. As per technical price chart, prices in Agra Mandi could touch 900-1000/Qtl in the near future. At the MCX, potato futures prices for May delivery is already trading around 1100/Qtl



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Weekly Potato Arrivals (in MT) comparison in major growing regions of Uttar Pradesh

Market	Per Day Average Arrivals 09-15 Apr 2012 (Days Reported)	Per Day Average Arrivals 01-08 Apr 2012 (Days Reported)	Average Arrivals 09-15 Apr 2011 (Days Reported)	% Change (Over Previous Week)	% Change (Over Previous Month)	% Change (Over Previous Year)
Agra	792.5 (4)	934.17 (6)	1102 (6)	-15.17	-1.86	-28.09
Aligarh	303.33 (6)	323.33 (6)	226.67 (6)	-6.19	47.97	33.82
Etawah	461.25 (6)	846.67 (6)	683.33 (6)	-45.52	-68.57	-32.5
Faizabad	28.29 (7)	29.69 (8)	22.5 (6)	-4.72	35.36	25.73
Farukhabad	421.25 (4)	516.67 (6)	700 (3)	-18.47	8.01	-39.82
Kanpur	912 (5)	933.33 (6)	2683.33 (6)	-2.29	-34.86	-66.01
Muradabad	115 (7)	198.75 (8)	241.43 (7)	-42.14	-59.55	-52.37

(Source: AGMARKNET)

As seen in above table, arrivals have fallen as compared to previous week in all major mandis of Uttar Pradesh which is pushing prices up further across consumption centres.

Weekly Potato Prices comparison in metro cities:

Market	10/04/2012-16/04/2012	One week ago	Fortnight ago	Three weeks ago	One month ago	One year ago	% variation over previous year
Delhi							
Azadpur	893	809.01	669.51	647.67	582.2	495.69	80.15
Keshopur	987.38	902.53	731.02	728.44	795.45	533.08	85.22
Kolkata (R)							
Baro Bazar (Posta Bazar)	1033.33	1083.33	908.33	751.67	681.67	538.33	91.95
Kolkata (U)							
Baruipur(Canning)	1026.65	1065.97	848.27	766.17	656.01	552.27	85.9
Mumbai							
Vashi New Mumbai	1102.63	1045.09	931.66	825.31	842.4	708.72	55.58

(Source: AGMARKNET)

As visible in the table above, potato prices have increased Rs 50-100/Qtl on a week-on-week basis except in Kolkata. On a yearly basis, prices have increased 55-90% in major consuming cities which is an alarming situation looking at lower production estimates and less potato in cold storages this season.

Technical Analysis of Candlestick Price Chart - Potato- Agra Centre (Weekly Chart)



(Note: Each bar or “candle” in the chart shows the price movement in a particular week. The green candle signifies prices increased and red candle signifies prices decreased in that week. The length of the “candle” shows the upper and lower end of the price range for the week.)

The above weekly candlestick chart shows that potato prices in Agra Mandi has surpassed the highs it reached in the previous two years. The Rs 600-640 level has acted as resistance in the last 2 years and this has been decisively breached. Now the 650 level would act as a strong support if there is any fall in prices. Since stockists and speculators are very active in this season, price could rise even further after a short-term correction or decline up to Rs. 650/Qtl. Based on technical signals, a price level of Rs 800-900 is not ruled out in the upcoming few months.

Potato Futures Weekly Analysis:

Exchange	Delivery Center	Expiry	Current Week Closing	Prev. Week Close	Change		Open Interest (in MT)
			Rs/Qtl	Rs/Qtl	Rs/Qtl	in %	
MCX	Agra	15-May	1117.2	1110.7	6.5	0.59	34830
MCX	Agra	15-Jun	1221.7	1223.9	-2.2	-0.18	23700
MCX	Tarkeshwar	15-May	944.1	991.7	-47.6	-4.80	11250
MCX	Tarkeshwar	15-Jun	1006	1077.1	-71.1	-6.60	12420
NCDEX	Agra	18-May	1022.4	1034.8	-12.4	-1.20	5265
NCDEX	Agra	20-Jun	1081.2	1112.7	-31.5	-2.83	4215

Prices in futures market have decreased due to unwinding of buy positions as demand has slowed down in the spot market at such high prices. Since market is trading in over-bought zone, short term decline in prices could be possible anytime on the futures exchanges.

Disclaimer

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