

15 October, 2012

Executive Summary:

- Potato prices in the producing regions of UP, West Bengal and Punjab have fallen in the range of 10-15% as compared to previous week. This is primarily due to active release from cold stores and beginning of sowing activity in UP and Punjab.
- In U.P, Early Rabi crop sowing has started and Rabi sowing will be done after a couple of weeks. According to trade sources, early Rabi crop is harvested in the month of December and January in Farrukhabad and Agra districts respectively.
- In Bangalore, approximately 95% of potatoes are coming from the local region of Hassan and the remaining 5% is arriving from UP region. According to trade sources, locally produced potato will be available in the market till October end.
- In Delhi's Azadpur market potatoes are arriving from U.P, Karnataka, Haryana and Punjab.
- According to trade sources, approximately 45-50% of total stored potatoes have been released in Kanpur and Farrukhabad regions of U.P.
- In Gujarat, approximately 60% potato has been released this year. Prices are hovering in the range of Rs 1200 to Rs 1400/quintal and are expected to remain in this range throughout the week.

Weekly Wholesale Potato Prices Analysis for 8th Oct – 13th Oct 2012

Market	State	Avg. Prices 8 th Oct- 13 th Oct 2012	Avg. Prices 1st Oct- 6th Oct 2012	Avg. Prices 24th Sep- 29th Sep 2012	% Change over Prev. Week	% Change over Prev. to Prev. Week
Delhi	Delhi	800	910	1066	-12.09	-24.95
Agra	UP	816	890	1050	-8.31	-22.29
Kanpur	UP	1016	890	1135	14.16	-10.48
Farrukhabad	UP	1020	1188	1158	-14.14	-11.92
Hathras	UP	730	990	950	-26.26	-23.16
Burdwan	W. Bengal	1072	1090	1110	-1.65	-3.42
Tarkeshwar	W. Bengal	1087	1118	1136	-2.77	-4.31
Ludhiana	Punjab	616	700	730	-12.00	-15.62
Indore	MP	700	690	692	1.45	1.16
Mumbai	Maharashtra	1170	1194	1260	-2.01	-7.14
Bangalore	Karnataka	1308	1319	1110	-0.83	17.84
Ahmedabad	Gujarat	1060	1082	1190	-2.03	-10.92
Bhubaneswar	Orissa	1084	1110	1063	-2.34	1.98

(Source: AGRIWATCH)

The above table shows a decline in prices on a week-on-week basis in almost all the markets. Prices have fallen because of the availability of adequate stocks in cold stores till arrival of next potato crop and active release from cold storages have increased supply in consuming centers across India. Sowing of early Rabi potato is also weighing on market sentiments and with a continuous decline in prices, traders are offloading stocks which they had conserved earlier in hopes of better prices.

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Technical Analysis – Weekly Price Chart of Agra-October Contract at MCX



The above chart shows the weekly price movement of Potato futures contract for October delivery at the MCX exchange. Prices are still in a downtrend though it recovered last week due to short covering as futures prices had fallen below its spot price at Agra. October contract is expiring on 15th October and thereafter only March and April contracts for Agra delivery will be available for trading.

Potato Futures Weekly Analysis: (8th Oct – 13th Oct 2012)

Exchange	Delivery Center	Expiry Date	Today's Close Price (Rs./Qtl)	Prev Week Close Price	Net Change	Today's Open Interest (OI) (in MT)	Previous Day Open Interest (MT)	Change
MCX	Agra	15-Oct-12	807.8	845.3	-37.5	3060	11670	-8610
MCX	Agra	15-Mar-13	734.6	722.5	12.1	14070	12690	1380
MCX	Agra	15-Apr-13	698.5	690	8.5	7710	5310	2400
MCX	Tarkeshwar	16-Oct-12	873	883.5	-10.5	2610	7110	-4500
				Total	-27.4			-9330

(Source: NCDEX, MCX)

In the futures market, some buying is seen in March & April contract with increase in price and open interest. In October contract, market participants are winding up their buy positions created earlier in anticipation of price rise. In this contract, both price and open interest have fallen as contract is going to expire on 15th Oct.

Disclaimer

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