

29 October, 2012

Executive Summary:

- Fresh potato arrivals from Karnataka region is coming to end which can be marked by falling arrivals in Bangalore region.
- Sowing activity is gathering pace in UP region. As per pre-sowing intention, acreage of Potato could increase in Mathura region where as it might fall in Agra region as farmers are considering mustard and wheat in place of Potato.
- In West Bengal Potato sowing season usually begins by October end or early November but this year sowing is expected to begin in the middle of November as the harvesting of kharif crop has been delayed by a month due to late rains. But, farmers in UP usually take only one crop of Potato throughout the year.
- Potato prices during week increased due to seed demand from farmers and festival season. In last week, some of markets were also closed on account of Bakri-ID and Dussehara. Trucks were also off the road which also impacted the supply in consuming centers.
- Potato futures on MCX are trading in the range of Rs. 700-740 from last week with very lack-lustre volume. At present, March, April and May contracts of Agra delivery are open for trading.

Weekly Wholesale Potato Prices Analysis for 22th Oct – 27th Oct 2012

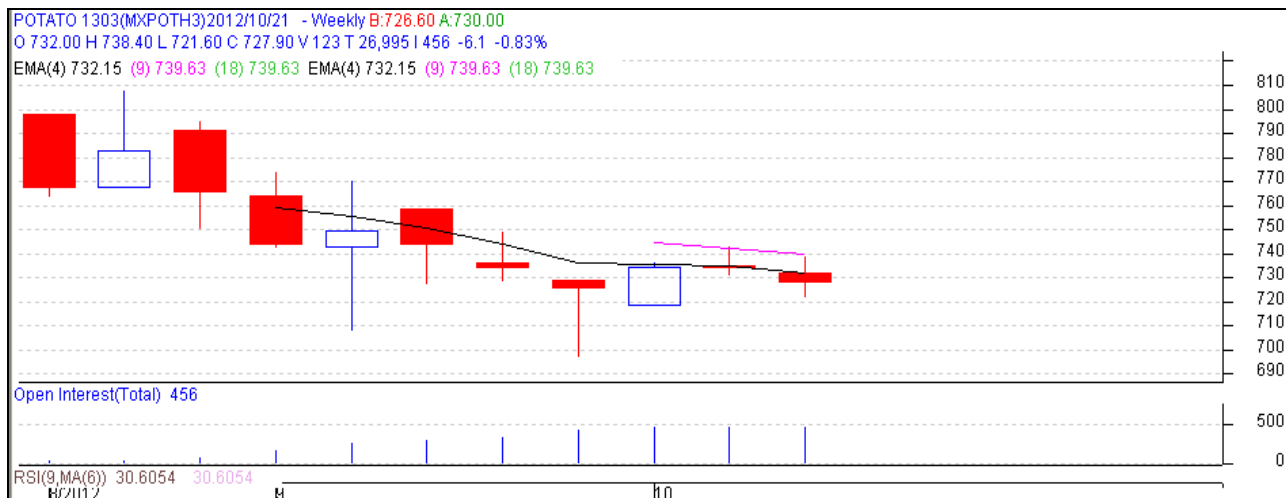
Market	State	Avg. Prices 22th Oct- 27th Oct 2012	Avg. Prices 15th Oct- 20th Oct 2012	Avg. Prices 8 th Oct- 13 th Oct 2012	% Change over Prev. Week	% Change over Prev. to Prev. Week
Delhi	Delhi	900	960	800	-6.3%	12.5%
Agra	UP	975	815	816	19.6%	19.5%
Kanpur	UP	920	913	1016	0.8%	-9.4%
Farrukhabad	UP	930	850	1020	9.4%	-8.8%
Hathras	UP	875	860	730	1.7%	19.9%
Burdwan	W. Bengal	1075	1075	1072	0.0%	0.3%
Tarkeshwar	W. Bengal	1090	1090	1087	0.0%	0.3%
Ludhiana	Punjab	612.5	640	616	-4.3%	-0.6%
Indore	MP	750	730	700	2.7%	7.1%
Mumbai	Maharashtra	1230	1088	1170	13.1%	5.1%
Bangalore	Karnataka	1345	1270	1308	5.9%	2.8%
Ahmedabad	Gujarat	1040	1065	1060	-2.3%	-1.9%
Hyderabad	AP	1292	1327	1429	-2.6%	-9.6%
Bhubaneswar	Orissa	1111	1060	1115	4.8%	-0.4%

(Source: AGRIWATCH)

The above table shows price movement during last two weeks. Prices have increased in almost all cities due to additional demand during festive season and again sowing activity gathering pace. Release of potatoes from cold stores was mostly for seed purpose. Tarkeshwar and Bardwan markets of West Bengal remained same due to holidays for Durga Puja.

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



The above chart shows the weekly price movement of Potato futures contract for March 2013 delivery at the MCX exchange. Prices are in downtrend and closed below its short-term moving averages. From last four weeks prices are trading in the range of 720-740. On higher side resistance could be seen at 745-50 levels. Immediate support for the contract is near 720 levels. Closing below Rs. 720 level would lead prices up to 700 level.

Potato Futures Weekly Analysis: (22 Oct – 27th Oct 2012)

Symbol	Exchange	Expiry Date	Weekly Close Price	Previous Week Close Price	Net Change	Today's Open Interest	Previous Week Open Interest	Change
POTATO	MCX	15-Mar-13	727.9	734	-6.10	13680	13710	-30
POTATO	MCX	15-Apr-13	700.10	706.9	-6.80	9210	8580	630
POTATO	MCX	15-May-12	729	733.1	-4.10	1380	1200	180
				Total				780

(Source: MCX)

In the futures market, range bound movement is witnessed over the week. Market participants are going short in April and May contract but volumes are very low. This indicates they expect prices to be lower in coming months as sowing gathering pace in UP and new crop arrivals from Punjab from Nov end.

Disclaimer

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