

12 November, 2012

Executive Summary:

- Sowing activity is in full swing in UP and Bihar. Sowing in W.Bengal is expected to gather pace after Diwali holidays. Sowing in W.Bengal is delayed due to late harvest of Kharif Crop.
- As per pre-sowing intentions and market sources, area in Bihar is expected to be lower by 5-10% where as in UP, it is expected to be lower by 10-15% in Agra region. Farmers are more inclined towards Mustard seed and Wheat due to stable prices of wheat and high prices of mustard.
- In Uttar Pradesh, approximately 15-20% potatoes are left in cold storages whereas in West Bengal approximately 20% of potatoes are left as compared to previous year's 15% at the same time. Delay in sowing in West Bengal could impact prices in the state.
- Fresh potato arrivals has started coming from Punjab and Himachal Pradesh region. Fresh potato are fetching higher price than cold store price from UP.
- In Futures market, March contract for Agra delivery is trading in the range of Rs. 725-740 from last few weeks. Trading volumes are very less as market participants are waiting for clear picture of sowing which will guide further price directions

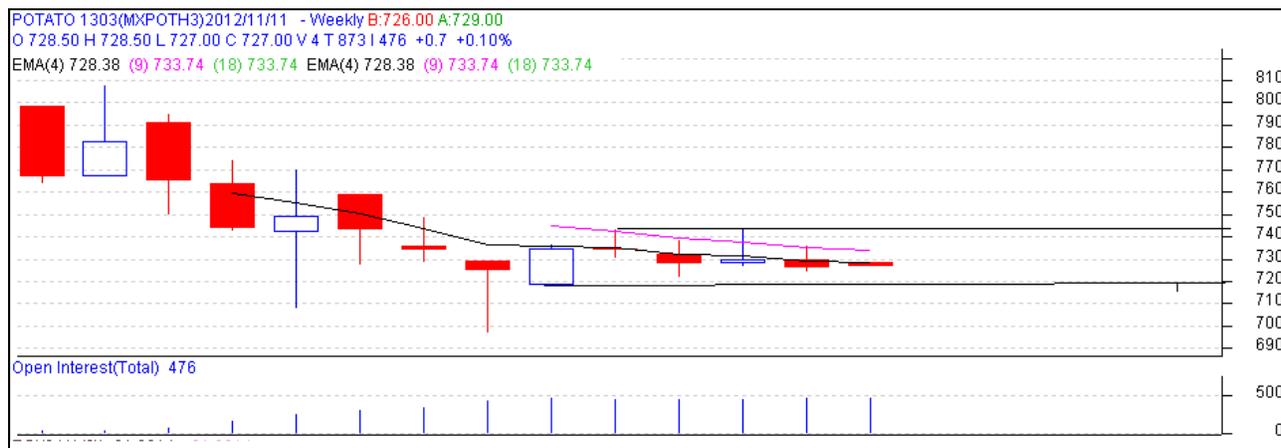
Weekly Wholesale Potato Prices Analysis for 5th Nov– 10th Nov 2012

Market	State	Avg. Prices 5 Nov-10 Nov 2012	Avg. Prices 29th Oct-2nd Nov 2012	Avg. Prices 22th Oct-27th Oct 2012	% Change over Prev. Week	% Change over Prev. to Prev. Week
Delhi	Delhi	1220	942	900	29.51	4.67
Agra	UP	967	984	975	-1.73	0.92
Kanpur	UP	900	946	920	-4.86	2.83
Farrukhabad	UP	975	1034	930	-5.71	11.18
Hathras	UP	917	1000	875	-8.30	14.29
Burdwan	W. Bengal	1153	1138	1075	1.32	5.86
Tarkeshwar	W. Bengal	1166	1154	1090	1.04	5.87
Ludhiana	Punjab	681	635	612.5	7.24	3.67
Indore	MP	684	815	750	-16.07	8.67
Mumbai	Maharashtra	1154	1150	1230	0.35	-6.50
Bangalore	Karnataka	1525	1440	1345	5.90	7.06
Ahmedabad	Gujarat	1070	1104	1040	-3.08	6.15
Hyderabad	AP	1375	1570	1292	-12.42	21.52
Bhubaneswar	Orissa	1160	1135	1111	2.20	2.16

(Source: AGRIWATCH)

The above table shows price movement during last two weeks. Modal Prices have increased in Delhi because fresh potato has started coming in market which is fetching higher price than cold store prices. The reason for decrease in potato prices in other markets is availability of fresh potato in metro cities which has reduced the demand of cold store potato and thus increased the availability in other cities. The market will remain subdued as there are enough stock of cold store potato in UP and West Bengal.

Technical Analysis – Weekly Price Chart of MCX- March Contract



The above chart depicts the weekly price movement of MCX-March contract for Agra Delivery. Prices are trading in the range of Rs. 720 to 740 from last 5-6 weeks. Either side of break-out will decide further directions. There is more likely that it will breach the lower level as sowing season has started. As sowing figures start coming in the market, it will move the futures market as well.

Potato Futures Weekly Analysis: (5th Nov- 10th Nov 2012)

Symbol	Exchange	Expiry Date	Weekly Close Price	Previous Week Close Price	Net Change	This Week Open Interest	Previous Week Open Interest	Change
POTATO	MCX	15-Mar-13	726.3	730	-3.7	14280	13620	660
POTATO	MCX	15-Apr-13	693.9	698.6	-4.7	10110	9900	210
POTATO	MCX	15-May-12	719.3	730.8	-11.5	2610	2010	600
				Total				1470

(Source: MCX)

During the week ended, net short positions are built up in all running futures contracts. Prices are down in the range of Rs. 4-12/Qtl and open interest is increased. But markets are trading in very narrow range of Rs. 10-15/Qtl from last few weeks. On technical chart, there is strong support near 720-725 level for March 2013 contract. If this level is broken, price could move down up to Rs. 705-700 level. Broadly, markets are range bound and will remain range bound for some more weeks until sowing reports start coming in the market.

Disclaimer

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