

### Executive Summary:

- In August contract of **MCX and NCDEX**, market participants are short covering their positions as they are expecting that market may remain sluggish ahead as of higher stock in cold storages of major producing regions.
- In **U.P.**, release from cold storages is approximately 35-40% compared to previous year's total release of 50-55% during same time. The reason of weak market this year is due to higher production and less release from cold storages.
- In **West Bengal**, approximately 49% of cold storage potatoes have been released by August end as compared to previous year's total release of 44% during same time.
- In **Karnataka and other Southern States**, potato crop is arriving in market from Hassan only. Traders are expecting that the pace of arrival from Hassan may slow down in couple of weeks which may increase demand of potato from U.P region
- According to trade sources, sowing in Hoshiyarpur (Punjab) and Ranchi (Jharkhand) has started and crop may start arriving in market from November end.
- In **Bihar**, release from cold storage is approximately 30-35% compared to previous year's release of 50% during same time. Potato market ahead seems to be sluggish due to higher stock.

### Monthly Wholesale Price Trend in different Producing & Consuming Centers:

Market	August 2013 Avg. Wholesale Price (Rs/Qtl)	July 2013 Avg. Wholesale Price (Rs/Qtl)	August 2012 Avg. Wholesale Price (Rs/Qtl)	Absolute Change over Prev. Month (Rs./Qtl)	% Change over Prev. Month	% Change over Prev. Year
Delhi	809	809	1168	0	0.00	-30.74
Khandauli (Agra)	798	792	1287	6	0.76	-38.00
Farrukhabad	730	777	1167	-47	-6.05	-37.45
Ludhiana	648	825	898	-177	-21.45	-27.84
Kolkata	816	824	1172	-8	-0.97	-30.38
Hyderabad	1125	1204	1624	-79	-6.56	-30.73
Jaipur	769	849	1225	-80	-9.42	-37.22
Mumbai	1144	1075	1514	69	6.42	-24.44
Bangalore	940	1271	1593	-331	-26.04	-40.99
Tarkeshwar	786	774	1140	12	1.55	-31.05

(Source: AGRIWATCH, NHB)

September, 2013

The above table shows the monthly prices change in major markets. Prices have fallen in most of the markets except Mumbai and Tarkeshwar. Prices are less when compared to last year during the same time. But, It is expected that prices may be stable in U.P region as of lower release from cold storages whereas traders from West Bengal are expecting that prices may increase or remain range bounded.

In wholesale market, maximum prices have fallen in Bangalore as local produced crop is arriving in market with full pace.

## Monthly Retail Price (Rs/Qtl) and arrivals (Tons) trend in different Consuming Centers:

Market	Average Retail Price- August 2013	Average Retail Price- July 2013	Previous year Avg. Retail Price- August 2012	% Change in Price Over Prev. Month	% Change in Price Over Prev. year	Total Arrivals in August-2013 (in Tons)	Total Arrivals in July-2013 (in Tons)	Total Arrivals in August-2012 (in Tons)
Bangalore	1534	1805	2175	-15.01	-29.47	37716	26441	13874
Chennai	2234	2341	2774	-4.57	-19.47	5950	6410	4570
Delhi	1675	1626	1727	3.01	-3.01	27648	49024	23029
Guwahati	1630	1625	1978	0.31	-17.59	3610	4031	2860
Hyderabad	1525	1800	1918	-15.28	-20.49	5581	1932	3525
Mumbai	2000	1900	2309	5.26	-13.38	16282	31143	34784
Ranchi	1000	1007	1590	-0.70	-37.11	4370	6710	5265

(Source: NHB)

Retail prices have decreased in almost all the markets except Delhi and Mumbai. Fresh vegetables have also started to arrive in market which has decreased demand for potato to some extent.

Maximum arrivals were seen in Bangalore, as local crop from Hassan is arriving in market. This crop from Hassan also supplies to other parts of South India.

## Technical Analysis Potato Spot Market (Khandauli, Agra):



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

The above chart shows the monthly price movement of potato for Agra (Khandauli) market. Prices are trading in the range of Rs. 750-800/qtl. Relative Strength Indicator is also stable which suggest prices may remain range bounded for next month. On the higher side, prices are expected to find resistance at a level of Rs 900. On the lower side prices may found support at a level of Rs 700 and then Rs. 600.

### Monthly Potato Futures (Agra Delivery) Analysis:

Exchange	Expiry Date	Closing price on 31st August 2013	Previous month Closing Price-July 30th 2013	% Change in Price over previous month	Open Interest as on August 2013	Open Interest as on July 2013	Change in Open Interest
MCX	14-Sep-13	776.9	697.1	79.8	15330	23400	-8070
MCX	31-Mar-14	834	817.6	16.4	1860	6630	-4770
NCDEX	20-Sep-13	752	694	58	470	3120	-2650

(Source: MCX, NCDEX)

In MCX and NCDEX contracts, prices are increasing and open interest is falling which suggest that market participants are short covering their positions after price have fallen. With supply from Hassan is expected to decrease in coming weeks, demand from south will increase for UP side potato.

#### Disclaimer

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