

10 June, 2013

Executive Summary:

- In **West Bengal**, as on 31st May approximately 12% of potatoes has released from cold storages as compared to previous year release of 7% at this time. According to trade sources, prices may increase ahead as release from cold storages is high.
- In **Khandauli (Agra)**, prices have dropped down Rs 850/ quintal whereas last week it was Rs 950/ quintal. Prices have decreased due to sluggish demand in market as fresh potato is arriving in market from few parts of North India.
- In MCX, June contract which is getting expired on 16th June, prices and open interest have fallen as market participants are long liquidating their positions due to weak spot market and demand.
- In **Bihar**, almost all the cold storages have opened with an opening price of Rs 850/ quintal and prices are expected to increase ahead.
- In **Delhi**, approximately 10% of fresh potatoes are arriving in market from , Haldwani, Pune and Shimla which are able to fetch highest price of Rs 1300 to Rs 1400/ quintal.
- In **(Begusarai) Bihar** release of potato crop from cold storages is less by approximately 30% as compared to previous year due lower demand in market.
- Across the country, demand of potatoes is less because green vegetable are available at a competitive prices. According to trade sources, demand of potato crop is expected to increase after the arrival of monsoon.

Weekly Wholesale Potato Prices Analysis for 2nd June- 8th June 2013

Market	State	Avg. Price 2 June-8 June	Avg. Price 27 May 1 June	Avg. Prices 2 June- 8 June 2012 *	% Change over Prev. Week	% Change over prev. Year
Delhi	Delhi	909	842	1183	7.96	-23.16
Agra	UP	930	950	800	-2.11	16.25
Kanpur	UP	940	895	900	5.03	4.44
Kolkata	W. Bengal	841	834	1050	0.84	-19.90
Ludhiana	Punjab	825	742	1300	11.19	-36.54
Indore	MP	917	925	1000	-0.86	-8.30
Mumbai	Maharashtra	1205	1195	1230	0.84	-2.03
Bangalore	Karnataka	1492	1365	1470	9.30	1.50
Ahmedabad	Gujarat	992	980	1100	1.22	-9.82
Hyderabad	AP	1200	1250	1072	-4.00	11.94
Chennai	Tamil Nadu	1634	1516	1600	7.78	2.13

(Source: #AGRIWATCH, * AGMARKNET)

The above table shows the weekly wholesale price variation across different markets in the country. Prices have increased in most of the markets as most of the cold storages have opened and stored potatoes are coming in the markets. Prices have declined in Agra, Indore and Hyderabad.

According to trade sources, potato prices are expected to increase in coming months as potatoes are releasing at a higher pace compared to previous year and other reason is higher prices of green vegetables after arrival of monsoon which may leave consumer with limited choice.

Weekly Retail Potato Prices Analysis for 2nd June-8th June 2013

Market	State	Price as on 08/06/2013	Price as on 01/06/2013	Price one year ago- 01/06/2012	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	2237	2040	1900	9.66	17.74
Bhubaneswar	Odisha	1100	1100	1300	0.00	-15.38
Chennai	Tamilnadu	2250	2400	1700	-6.25	32.35
Delhi	Delhi	1563	1575	1600	-0.76	-2.31
Guwahati	Assam	1400	1300	1600	7.23	-12.5
Hyderabad	AP	1538	2000	1920	-23.10	-19.90
Kolkata	W. Bengal	1300	1200	1300	8.33	0.00
Mumbai	Maharashtra	2000	2000	1800	0	11.11
Patna	Bihar	1100	1160	1300	-5.17	-15.38

(Source NHB)

In Retail market, mixed variation of prices was seen. Maximum prices were increased in Kolkata, Bangalore and Guwahati by 9%, 8% and 7% respectively. Prices have fallen in Chennai, Delhi, Hyderabad and Patna due to lower demand in the market. According to trade sources, prices are expected to increase after the arrival of monsoon.

Technical Analysis – Weekly Spot Price Chart of Potato- Khandauli, Agra:



(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.)

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The above chart shows the weekly price movement of Potato prices in spot market of Agra. In Agra, prices are trading between Rs 850-Rs 950/ quintal. On the lower side prices may find a strong support at a level of Rs 800 whereas on higher side resistance is in the range of Rs 1100-1150/ quintal. Relative Strength Indicator (RSI) indicates prices to move further downward but it is expected that prices may be range bound for next couple of days.

MCX- Potato Futures Weekly Analysis: (2nd June- 8th June 2013)

Exchange	Expiry Date	Today's Close Price	Previous Week Close Price	Net Change	This week Open Interest	Previous Week Open Interest	Change
MCX	16-Jun-13	912.5	924.9	-12.4	4980	6990	-2010
MCX	15-Jul-13	859.6	876.6	-17	6960	6180	780
NCDEX	20-Jun-13	829	837	-8	3600	4500	-900
NCDEX	19-Jul-13	777	804	-27	7100	7200	-100
NCDEX	20-Aug-13	757	773	-16	11400	11600	-200

(Source: MCX, NCDEX)

In MCX and NCDEX contracts prices have decreased in all the contracts and open interest has also decreased except MCX July contracts. This decreasing of both open interest and price suggest that market participants are long liquidating their long positions in expectation of low prices ahead.

Disclaimer

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