

**Executive Summary:**

- In **MCX and NCDEX**, future prices have increased in the range of 2-5 % in last one week. Market participants are expecting firm market ahead as of higher cold storage stock in U.P and West Bengal, compared to previous year. So, traders are short covering their positions.
- In **U.P (Khandauli)**, approximately 25%-30% of cold storage potato has been released compared to previous year total release of 35% during same time. According to trade sources, market may be bearish ahead as production is more and release is less compared to last year.
- In **Begusarai (Bihar)**, release from cold storage is approximately 35% compared to previous year release of 25% during same time
- In **Karnataka** region potato new crop from Hassan has started arriving in market. Sources revealed that, arrivals will expect to increase till last week of Aug. It is estimated that 20-25% of total crop is damaged because of heavy rains.
- In **West Bengal**, approximately 40% of potatoes have been released from the cold storages as compared to previous year release of 36% during same time. It is expected that prices may remain stable for next couple of week and may increase after that as release from cold storages is at higher pace.

**Weekly Wholesale Potato Prices Analysis for 5 August-10 August 2013**

Market	State	Avg. Price 5 August -10 August	Avg. Price 5 August -3 August	Avg. Price 5 August- 10 August 2012 *	% Change over Prev. Week	% Change over prev. Year
Delhi	Delhi	834	750	1225	11.20	-31.92
Agra (Khandauli)	UP	792	741	1307	6.88	-39.40
Kanpur	UP	634	658	1150	-3.65	-44.87
Kolkata	W. Bengal	798	798	1190	0.00	-32.94
Ludhiana	Punjab	613	787	900	-22.11	-31.89
Indore	MP	759	758	988	0.13	-23.18
Mumbai	Maharashtra	1225	1165	1599	5.15	-23.39
Bangalore	Karnataka	1092	1217	1763	-10.27	-38.06
Ahmedabad	Gujarat	977	936	1254	4.38	-22.09
Hyderabad	AP	1150	1225	1625	-6.12	-29.23
Chennai	Tamil Nadu	1550	1641	2050	-5.55	-24.39

(Source: AGRIWATCH,\* AGMARKNET)

The above table shows the weekly wholesale price movement of different markets across the country. The above table shows a mixed variation of prices. Prices have increased from 1% to 12% because of higher rains which have led the prices of green vegetables high, so consumers are shifting towards potato.

## Weekly Retail Potato Prices Analysis for 5 August-10 August 2013

Market	State	Price as on 10/08/2013	Price as on 03/08/2013	Price one year ago- 10/08/2012	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	1740	1800	2250	-3.33	-22.67
Bhubaneswar	Orissa	1088	1150	1467	-5.39	-25.84
Chennai	Tamilnadu	2400	2400	2734	0.00	-12.22
Delhi	Delhi	1600	1600	1800	0.00	-11.11
Guwahati	Assam	1800	1800	2000	0.00	-10.00
Kolkata	W. Bengal	1088	1025	1450	6.15	-24.97
Mumbai	Maharashtra	2000	2000	2200	0.00	-9.10
Patna	Bihar	1300	1366	1800	-4.83	-27.78

(Source: NHB)

In Retail market, prices are flat in most of the markets. If we compare on a year on year basis, prices are down in most of the markets. Potato stored in cold storages is higher compared to previous years in producing regions because of higher production and cold storage capacities has increased in most of the regions.

## 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.)

The above chart shows the weekly price movement of Potato prices in spot market of Agra. In Agra, prices are trading between Rs 700- Rs 900/ quintal. On the lower side prices may find a strong support at a level of Rs 700 whereas on higher side resistance is in the range of Rs 900/ quintal. Relative Strength Indicator (RSI)

indicates prices may move further downward. However overall, it is likely that prices may remain range bound for next couple of weeks.

## Potato Futures Weekly Analysis: (5<sup>th</sup> August-10<sup>th</sup> August 2013)

Exchange	Expiry Date	Today's Close Price	Previous Week Close Price	Net Change	This week Open Interest	Previous Week Open Interest	Change in Open Interest
MCX	14-Aug-13	791.7	768.7	23	3270	6510	-3240
MCX	14-Sep-13	778.2	759.9	18.3	21540	24300	-2760
NCDEX	20-Aug-13	747	717	30	1380	500	880
NCDEX	20-Sep-13	764	742	22	1560	1920	-360

(Source: MCX, NCDEX)

In NCDEX, August contract long build up was seen with increase in prices and increase in open interest whereas in other contracts of MCX and NCDEX prices are increasing and open interest is falling which suggest that market participants are covering their short positions to book profit from their sell positions created earlier. They might be expecting that prices have fallen much and there could be increase in prices.

### Disclaimer

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