

31 December, 2013

Executive Summary:

- In MCX future market, prices are range bounded and moving in a narrow difference of Rs 15 to Rs 20/ quintal.
- In West Bengal, approximately 1% of potatoes are left in cold storages whose prices are ruling in the range of Rs 1300 to Rs 1400/ quintal which is comparatively higher than potatoes from Punjab trading between Rs 1000-Rs 1200/ quintal.
- In West Bengal, Rabi sowing is almost completed. Targeted area for this year is approximately 4 lakh hectares compared to previous year 3.9 lakh hectares.
- In Bihar and U.P Rabi sowing is completed with almost similar area compared to previous Year. This year sowing was delayed due to heavy rains at later stage.
- In U.P, prices have fallen in most of the markets with increase in arrivals from producing regions and expected that prices may fall further in coming days.
- Across the country prices have fallen in most of the markets as fresh crop has started arriving in market from producing regions like U.P, Punjab, Haryana and Karnataka.
- In Karnataka, Rabi sowing is almost completed in 3964 hectares of the total targeted area of 10205 hectares. In Kolar which is major producing region, approximately 70% of sowing is completed.

Weekly Wholesale Potato Prices Analysis (23 December– 28 December 2013)

Market	State	Avg. Price (23 December- 28 December)	Avg. Price (16 December- 21 December)	Avg. Price (23 December- 28 December) 2012	% Change over Prev. Week	% Change over prev. Year
Delhi	Delhi	932	1004	569	-7.17	63.80
Agra (Khandauli)	UP	820	1517	1025	-45.95	-20.00
Kanpur	UP	780	983	622	-20.65	25.40
Kolkata	W. Bengal	1493	1480	890	0.88	67.75
Ludhiana	Punjab	830	850	440	-2.35	88.64
Indore	MP	1090	1208	838	-9.77	30.07
Mumbai	Maharashtra	1490	1683	1113	-11.47	33.87
Bangalore	Karnataka	900	996	1525	-9.64	-40.98
Ahmedabad	Gujarat	1551	1568	913	-1.08	69.88
Hyderabad	AP	1624	1290	1350	25.89	20.30
Chennai	Tamil Nadu	1230	2083	1867	-40.95	-34.12

(Source: AGRIWATCH,* AGMARKNET)

The above table shows the weekly wholesale price movement of different markets across the country. Prices have decreased because of increase in fresh crop arrivals from producing regions like Punjab and U.P. Maximum prices have fallen in U.P by 45% as arrivals are continuously arriving in market.

If we compare prices on a yearly basis, it is observed that prices are higher than last year because crop was sown late this year which resulted into late harvesting of crop thus resulted into increase in prices.

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Weekly Retail Potato Prices Analysis for 23 December–28 December 2013

Market	State	Retail Avg. Price (23 December-28 December)	Retail Avg. Price (16 December-21 December)	Retail Avg. Price (23 December-28 December) 2012	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	2550	2817	2200	-9.48	15.91
Bhubaneswar	Orissa	2167	1780	1500	21.74	44.47
Chennai	Tamilnadu	3200	3233	2600	-1.02	23.08
Delhi	Delhi	1900	2000	1250	-5.00	52.00
Guwahati	Assam	1720	2033	1250	-15.40	37.60
Kolkata	W. Bengal	1900	1940	1238	-2.06	53.47
Mumbai	Maharashtra	2000	2500	1575	-20.00	26.98
Patna	Bihar	1800	2017	1275	-10.76	41.18

(Source: NHB)

In Retail market, prices have fallen in almost all the markets except Bhubaneswar. Maximum prices have fallen in Mumbai by approximately 20% followed by Guwahati and Patna by 15% and 10% respectively. Prices have fallen because of continuous supply of potatoes from producing regions. But in Bhubaneswar, prices have increased by 21% because lower supply from West Bengal earlier which was continuously supplying potato.

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 Khandauli (Agra). In Agra, modal prices are trading around Rs 800/ quintal. On the lower side prices may find a strong support at a level of Rs 600/ quintal whereas on the higher side prices may find resistance at a level of Rs900/ quintal. Relative Strength Indicator (RSI) is moving downward in neutral zone which indicates that prices may remain range bound from this point for next couple of weeks.

Potato Futures Weekly Analysis: (23rd December – 28th December 2013)

Symbol	Exchange	Expiry Date	This week Close Price	Previous week Close Price	Net Change	This week Open Interest	Previous week Open Interest	Change
POTATO	MCX	31-Mar-14	981	996	-15	21705	20820	885
POTATO	MCX	30-Apr-14	969.2	986.4	-17.2	11340	12285	-945
POTATO	MCX	30-May-14	981.1	1000.7	-19.6	7440	5250	2190
POTATO	MCX	30-Jun-14	1002	1012	-10	315	345	-30

(Source: MCX)

In MCX, March and May contract market participants is short covering their positions whereas in April and June contract market participants are liquidating their long positions with decrease in price and open interest.

Disclaimer

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