

1 April, 2014

Executive Summary:

- Mostly firm sentiment witnessed in Potato domestic market during the week period.
- Higher demand reported in the West Bengal, UP market during the period. Lower production expected current year likely to support Potato prices in coming days.
- As per trade sources, Potato prices may steady during the month period, in May month prices may go up.
- In Kanpur domestic market demand coming from Bihar region. Market participants were expecting 15 – 20% production may decrease in current year.
- In Agra region, potato farmers were doing stocks, till now around 65-70% stored.
- Increasing demand reported from Assam and West Bengal in Agra Khandauli market.

Weekly Wholesale Potato Price Analysis (17 March – 22 March 2014)

(Source: AGRIWATCH,* AGMARKNET)

Market	State	Avg. Price (24 March- 29 March) 2014	Avg. Price (17 March – 22 March) 2014	Avg. Price (24 March- 29 March) 2013	% Change over Prev. Week	% Change over prev. Year
Delhi	Delhi	996	960	750	3.75	28.00
Agra (Khandauli)	UP	1092	1069	768	2.15	39.19
Kanpur	UP	917	963	721	-4.78	33.56
Kolkata	W. Bengal	1020	977	478	4.40	104.39
Ludhiana	Punjab	713	687	508	3.78	35.24
Indore	MP	808	800	825	1.00	-3.03
Mumbai	Maharashtra	1217	1240	983	-1.85	26.14
Bangalore	Karnataka	1375	1330	1200	3.38	10.83
Ahmedabad	Gujarat	842	845	808	-0.36	4.58
Chennai	Tamil Nadu	1500	1520	1360	-1.32	11.76

The above table depicts the weekly wholesale price movement of different markets across the country. Prices have increasing in almost all the markets except Kanpur, Mumbai, Ahmadabad and Chennai where prices have fallen by 4.78%, 1.85%, 0.36% and 1.32% respectively.

If we compare on a year on year basis, prices of potatoes have increased this year due to crop loss in West Bengal and U.P. All India production has also estimated to be lower which has also led to rise in prices this year.

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Weekly Retail Potato Prices Analysis for 24 March – 29 March 2014

Market	State	Retail Avg. Price (24 March – 29 March 2014)	Retail Avg. Price (17 March – 22 March 2014)	Retail Avg. Price (24 March- 29 March 2013)	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	1950	1840	1740	5.98	5.75
Bhubaneswar	Orissa	1350	1170	775	15.38	50.97
Chennai	Tamilnadu	2200	2200	2000	Unch	10.00
Delhi	Delhi	1600	1560	1200	2.56	30.00
Guwahati	Assam	1500	1260	840	19.05	50.00
Kolkata	W. Bengal	1330	1262	825	5.39	52.97
Mumbai	Maharashtra	1500	1500	1500	0.00	0.00
Patna	Bihar	1917	1650	800	16.18	106.25

(Source: NHB)

In Retail market, prices have reported firm sentiment during the period. Maximum prices have increased in Guwahati and Patna by approximately 19.05 % and 16.18% respectively. Retail prices are also higher than last year because last year production was higher and harvesting was on time.

Technical Analysis Potato weekly Price Chart (Spot Market Khandauli)



(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 Khandauli (Agra). In Agra, modal prices are trading around Rs 1075/ quintal which are continuously increasing from last four weeks. On the lower side prices may find a strong support at a level of Rs 960/ quintal whereas on the higher side prices may find a resistance at a level of Rs 1250/ quintal. Relative Strength Indicator (RSI) oscillator is moving up in neutral region and indicates prices may remain firm for next couple of weeks.

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Potato Futures Weekly Analysis: (24 March – 29 March 2014)

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	1195.1	1220.7	-25.6	225	6225	-6000
POTATO	MCX	30-Apr-14	1240	1248.5	-8.5	9795	12735	-2940
POTATO	MCX	30-May-14	1292.9	1313	-20.1	29550	31560	-2010
POTATO	MCX	30-Jun-14	1342	1366	-24	23820	19785	4035

(Source: MCX)

In March, April and May month contract of MCX, prices are decreasing and open interest is also decreasing which suggest market participants are build up their long liquidation. In June month contract, market participants are building up their short positions.

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