

19 May, 2014

Executive Summary:

- Mixed sentiment witnessed in Potato domestic market during the period.
- As per trade sources, on an average 400-500 MT of potato is exported to Pakistan daily. It is mainly started after 6th May from 6th May after Pakistan made duty free import of potato till 31st July.
- In Khandauli (Agra), modal prices are hovering in the range of Rs 1350/ quintal.
- Sources revealed that, 75% stocks reported in Agra Khandauli region. Normal demand reported in the benchmark market.
- In West Bengal, cold storages are filled with approximately 52.32 lakh compared to last year storage of approximately 58 lakh tons. Total cold storage capacity is approximately 60.84 lakh ton.
- All India potato production could be in the range of 40-42 million ton against last year's estimate of 45 million tons. This is mainly due to crop damage in UP because of unseasonal rains and blight disease in west Bengal.

Weekly Wholesale Potato Price Analysis (12 May – 19 May 2014)

Market	State	Avg. Price (12 May - 17 May) 2014	Avg. Price (05 May - 10 May) 2014	Avg. Price (12 May - 17 May) 2013	% Change over Prev. Week	% Change over prev. Year
Delhi	Delhi	1320	1321	1000	-0.08	32.10
Agra (Khandauli)	UP	1335	1471	1025	-9.25	43.51
Kanpur	UP	1350	1296	921	4.17	40.72
Kolkata	W. Bengal	1340	1290	942	3.88	36.94
Ludhiana	Punjab	990	995	700	-0.50	42.14
Indore	MP	870	892	870	-2.47	2.53
Mumbai	Maharashtra	1650	1613	1217	2.29	32.54
Bangalore	Karnataka	1705	1808	1417	-5.70	27.59
Ahmadabad	Gujarat	1300	1346	994	-3.42	35.41
Chennai	Tamil Nadu	2100	2233	1633	-5.96	36.74

(Source: AGRIWATCH,* AGMARKNET)

The above table depicts the weekly wholesale price movement of different markets across the country. Weak sentiment witnessed during the week period. Maximum prices have decreased producing regions Agra by 9.25%.

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 due to Blight disease and rains. This year potato crop was harvested early in U.P due to higher prices in starting of harvesting season.

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Weekly Retail Potato Prices Analysis for (12 May – 19 May 2014)

Market	State	Retail Avg. Price (12 May - 17 May) 2014)	Retail Avg. Price (05 May - 10 May) 2014)	Retail Avg. Price (12 May - 17 May) 2013	% Change in Price Over Prev. Week	% Change in Price Over Prev. year
Bangalore	Karnataka	2660	2617	2040	1.64	28.28
Bhubaneswar	Orissa	1450	1500	1240	-3.33	20.97
Chennai	Tamilnadu	2960	2920	2400	1.37	21.67
Delhi	Delhi	2040	1840	1550	10.87	18.71
Kolkata	W. Bengal	1833	1800	1250	1.85	44.00
Mumbai	Maharashtra	2400	2400	1500	Unch	60.00
Patna	Bihar	2100	2100	1100	Unch	90.91

(Source: NHB)

In Retail market, prices have reported steady to firm sentiment during the period because of less stored crop in both West Bengal and U.P. Maximum prices have increased in Delhi market. Retail prices are also higher than last year because of less production and less storage of potato crop in cold storages.

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 1350/ quintal which have decreased from previous week by Rs 100/ quintal. Normal demand reported in the benchmark market. On the lower side prices may find a strong support at a level of Rs 1254/ quintal whereas on the higher side prices may find a resistance at a level of Rs 1550/ quintal. Relative Strength Indicator (RSI) oscillator is moving up in neutral region and indicates prices may remain firm ahead.

Potato Futures Weekly Analysis: (12 May - 20 May 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	30-May-14	1304	1323.4	-19.4	5070	6210	-1140
POTATO	MCX	30-Jun-14	1344	1349.1	-5.1	24450	25140	-690
POTATO	MCX	31-Jul-14	1381.5	1376.2	5.3	17655	13890	3765
POTATO	MCX	28-Aug-14	1431	1414.9	16.1	2295	1605	690

(Source: MCX)

In MCX, May, June month contract, market participants are liquidating their long position with decrease in price and open interest. In July and August month contract, market participants are long buildup their positions with increase in prices and open interest. Further, prices are expected to be firm ahead.

Disclaimer

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