

POTATO DAILY

23rd JANUARY 2007

SPOT MARKETS:

Potato traded rangebound with slight up on Monday at most of the domestic spot market due to reduced arrivals and slowed down harvesting. Farmers are not interested to sell their products at much lower price level therefore arrivals are decreasing at the mandis, traders said. Consumer demands for vegetable purposes are providing underlying support to the market. Regular demand from South India and Rajasthan kept pressure in the market. Daily 5-10 trucks are being loaded from Agra and other markets for Rajasthan, according to trade sources. In addition to, Reliance has started to buy potato from the farmers in U.P., which is also adding to bullish tone, traders said. Industries, stockists and exporters are expected to enter the market by February. Meanwhile, potato growers in Punjab, specially the Doaba belt, have been hit by late blight coupled with ground frost condition, which has damaged 40% of the crop. The Punjab Government expects yield to be 15 lakh tonnes. However, production elsewhere is estimated to increase by 4-5 MMt to 26-28 MMt amidst higher acreage of 16 lakh hectares. The crop is closing its harvesting period in U.P., West Bengal and Bihar. In Agra, potato offered slight up at Rs 300-320/quintal and in Tarkeshwar; it traded steady at Rs 290-300/quintal. Spot prices to remain steady to weak in the near future.

FUTURES MARKETS:

MCX Potato futures traded bullish on profit booking amidst buying support at lower level. Steady to upward price levels at the spot market provided underlying support. Most active Potato March contract surged Rs.7.80 at Rs.477.50 after firm opening at Rs.471.60 and traded between Rs.469.50-479.40. Potato Tarkeshwar gained Rs.3.70 at Rs.363.50 after firm opening at Rs.361 and traded between Rs.361-363.50.

PRICE DRIVERS:

1. Consumer's demands; Lack of sellers at lower price levels
2. Reduced arrivals
3. Potato output estimated to 26-28 MMt in this year

WEATHER:

Decreasing night temperature and mostly dry weather at most of the producing region, favoring development and harvesting of potato.

TECHNICALS: MCX Potato March Contract

Candlesticks hint upward market. Stochastic, RSI, and MACD favour the bulls. MA hints steady to upward market. Open interest as well as volume of trade increased. Potato is expected to remain bullish after strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	470	465	477.50	485	492

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March potato above 474 with target towards 485, second target near 490. Put stop loss below 468.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	360	357	363.50	368	372

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 361 with target towards 367, second target near 370. Put stop loss below 358.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	22.01.07	20.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	300-330	290-320	+10.00
Farukhabad- Uttar Pradesh	Fair Average Quality	200-225	210-235	+10.00
Meerut- Uttar Pradesh	Fair Average Quality	320-340	300-320	+20.00
Indore- Madhya Pradesh	Fair Average Quality	460-510	450-500	+10.00
Tarkeshwar-West Bengal	Fair Average Quality	290-300	290-300	-
Burdwan- West Bengal	Fair Average Quality	260-270	270-280	-10.00
Ludhiana-Punjab	Fair Average Quality	240-280	240-280	-

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