

POTATO DAILY

10th JANUARY 2007

SPOT MARKETS:

Potato continued to trade steady to slight weak at most of the domestic spot market Tuesday due to reduced arrivals and slowed down harvesting owing to mostly lower price levels. But the prices tumbled in M.P. due to strong arrivals and reduced demands from south India. The market driven factor is only consumer's demands for vegetable purposes. Industries, stockists and exporters are expected to come in the market at the end of January to February, traders said. The acreage under potato cultivation has surged to 16 lakh hectares as compared to 15.5 lakh hectare of last year, according to the government's estimation. In U.P., the area has increased to 4.7 lakh hectares, exceeded the targeted area. In West Bengal, around 3.6 lakh hectares has been covered and in other major state Bihar, it was 3.2 lakh hectares. The crop is closing its harvesting period in U.P., West Bengal and Bihar. Therefore India's potato production is estimated to go up by 4-5 million tonnes to 26-28 million tonnes this year. Current weather status is also favourable for potato crop at most of the region but fog in some producing regions may hamper the crop. Potato quoted slight down at Rs.280-300/qlt in Agra mandis. The other major market Tarkeshwar, potato traded steady at Rs.300-310/qlt.

FUTURES MARKETS:

MCX Potato futures tumbled Tuesday on fresh selling pressure at higher level. Market failed to hold previous gains. Weak spot market prices and expectation of higher production continued added to bearish tone. Most active Potato March contract lost Rs.3 at Rs.479 after firm opening at Rs.483 and traded between Rs.473.90-483. Potato Tarkeshwar slipped Rs.7.30 at Rs.368 after mostly weak opening at Rs.367.60 and moved between Rs.365.50-375.

PRICE DRIVERS:

1. Consumer's demands
2. Farmers hoarding amidst lower price levels
3. Slowed down harvesting amidst lower price
4. Expectation of higher production amidst higher acreage

WEATHER:

Dip in night temperature and almost shiny weather in morning at most of the producing region, favoring development of potato. But fog in some parts may hamper the crop.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	9.01.07	8.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	280-300	290-330	-10.00
Farukhabad- Uttar Pradesh	Fair Average Quality	180-200	190-200	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	260-300	300-320	-40.00
Indore- Madhya Pradesh	Fair Average Quality	400-450	-	-
Tarkeshwar-West Bengal	Fair Average Quality	300-310	Closed	-
Burdwan- West Bengal	Fair Average Quality	280-300	Closed	-
Ludhiana-Punjab	Fair Average Quality	230-290	230-290	-

TECHNICALS: MCX Potato March Contract

Candlesticks hints bearish market. RSI, stochastic favours for the bulls but MA hints bearish market for medium term. MACD hints downward market for medium term. Open interest remained steady but volume of trade decreased. Potato is likely to trade rangebound with weak after steady to weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	473	468	479	483	488

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 482 with target towards 474, second target near 470. Put stop loss above 487.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	363	359	368	373	379

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 372 with target towards 364, second target near 360. Put stop loss above 377.

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