

POTATO DAILY

13th JANUARY 2007

SPOT MARKETS:

Potato traded steady to slight weak at most of the trading centre amidst reduced arrivals and lack of sellers as mostly lower prices levels. Consumer's demands for vegetable potato is providing underlying support to the market. Farmers are hoarding their products as the prices remains low therefore supplies are declining, traders said. They also reported that various industries, stockists and exporters are likely to become appear 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. The area has increased also in West Bengal and Bihar. On the other hand, Potato growers in Punjab have been hit by late blight coupled with ground frost condition which has damaged 40% crop in the region. With 75,000-hectare under potato cultivation, the government is expecting 15 lakh tonnes yield this year. The late crop has been considerably damaged in the Doaba belt (Jalandhar, Kapurthala and Hoshiarpur) by blight. Potato quoted steady at Rs.275-300/qlt in Agra mandis. The other major market Tarkeshwar, potato traded slight down at Rs.280-300/qlt.

FUTURES MARKETS:

MCX Potato futures tumbled mostly Friday on strong selling pressure and expectation of higher production. Futures market opened mostly strong but declined gradually thereafter. Most active Potato March contract lost Rs.9.70 at Rs.463.70 after strong opening at Rs.477.60 and made new contract low at Rs.462 and traded between Rs.462-477.60. Potato Tarkeshwar slid Rs.6.10 at Rs.358.70 after made new contract low at Rs.358.20 and hovered between Rs.358.20-363.50.

PRICE DRIVERS:

1. Consumer's demands
2. Farmers hoarding amidst lower price levels
3. 40% potato crop damaged due to late blight in Punjab
4. Expectation of higher production amidst higher acreage

WEATHER:

Dip in night temperature and almost dry weather 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	12.01.07	11.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	275-300	270-290	+5.00
Farukhabad- Uttar Pradesh	Fair Average Quality	160-180	170-190	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	250-280	250-290	-
Indore- Madhya Pradesh	Fair Average Quality	390-440	400-450	-
Tarkeswar-West Bengal	Fair Average Quality	280-300	300-310	-20.00
Burdwan- West Bengal	Fair Average Quality	260-280	270-300	-10.00
Ludhiana-Punjab	Fair Average Quality	230-290	230-290	-

TECHNICALS: MCX Potato March Contract

Candlesticks hints bearish market. RSI, stochastic and MACD favours for the bears. MA hints downward market for medium term. Open interest decreased but volume of trade significantly increased. Potato is expected to trade down after steady to strong opening with possibility of late upwards movement amidst technical correction.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	458	452	463.70	473	482

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 472 with target towards 462, second target near 455. Put stop loss above 477.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	354	350	358.70	362	367

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 361 with target towards 355, second target near 352. Put stop loss above 365.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.