

POTATO DAILY

6th JANUARY 2007

SPOT MARKETS:

The overall market sentiment was almost steady at most of the domestic spot market amidst reduced arrivals and slowed down harvesting due to mostly lower price levels. Fresh demand for raw potato from South Indian market continued to provide underlying support to the market. Consumer's demands for vegetable purposes are providing underlying support. The demand from industries and exporters are likely to be appeared at the end of January to February, traders said. The acreage under potato has increased to 16 lakh hectares, higher than the last year's area of 15.5 lakh hectare. The sowing of potato completes in the month of November, and takes about 90-100 days to mature. 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. In U.P., the crop closing its harvesting period has progressed normally without any significant occurrences of pest (blight). Traders said, stockists buying are expected to start at end of January to February. On Thursday, potato quoted slight down at Rs.320-350/qrtl in Agra mandis. The other major market Tarkeshwar, potato remained slight down at Rs.310-330/qrtl amidst higher arrival.

FUTURES MARKETS:

MCX Potato futures continued to trade bearish on Friday due to strong speculative selling and expectation of higher production. Most active Potato March contract slipped Rs.3.30 at Rs.488.90 after weak opening at Rs.491.50 and made new contract low at Rs.487.30 and traded between Rs.487.30-492. Potato Tarkeshwar lost Rs.3.80 at Rs.372.90 after weak opening at Rs.375.10 and moved between Rs.371.20-376.90.

PRICE DRIVERS:

1. Demands from consumers as vegetable
2. Reduced arrivals; Fresh demand from South India
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.

TECHNICALS: MCX Potato March Contract

Candlesticks hints bearish market. Stochastic, RSI, MA indicates bearish market but Stochastic and RSI is in oversold region, indicating technical reversal. MACD hints weak market for medium term. Open interest steady but volume of trade slightly increased. Potato is likely to remain rangebound with weak after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	485	482	488.90	492	495

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 490 with target towards 486, second target near 483. Put stop loss above 492.5.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	368	365	372.90	376	379

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 374.5 with target towards 370, second target near 367. Put stop loss above 377.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	5.01.07	4.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	320-350	340-360	-20.00
Farukhabad- Uttar Pradesh	Fair Average Quality	175-200	175-200	-
Meerut- Uttar Pradesh	Fair Average Quality	300-320	300-320	-
Indore- Madhya Pradesh	Fair Average Quality	450-500	450-500	-
Tarkeshwar-West Bengal	Fair Average Quality	310-330	320-350	-10.00
Burdwan- West Bengal	Fair Average Quality	270-280	270-290	-
Ludhiana-Punjab	Fair Average Quality	240-300	240-300	-

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