

## POTATO DAILY

22<sup>th</sup> JANUARY 2007

### SPOT MARKETS:

Potato prices remained almost steady at most of the producing region amidst stable demand supply scenario however the market tumbled slightly in U.P. mandis on increased arrivals. Reduced arrivals and reduced pace of harvesting coupled with hoarding by farmers are restricted the bearish momentum, 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. 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, with the acreage being 75,000-hectares. However, production elsewhere is estimated to increase by 4-5 million tonnes to 26-28 million tonnes amidst higher acreage of 16 lakh hectares over 15.5 lakh hectare of last year. The crop is closing its harvesting period in U.P., West Bengal and Bihar. In Agra, potato quoted slight down at Rs 290-320/quintal and in Tarkeshwar; it traded steady at Rs 290-300/quintal. Spot prices to be remain steady to weak in the near future.

### FUTURES MARKETS:

MCX Potato futures geared up Saturday on profit booking and increased buying activity. Market opened steady but hovered up thereafter. Steady spot market prices also provided underlying support to the market. Most active Potato March contract gained Rs.3.20 at Rs.469.70 after steady opening at Rs.466.70 and traded between Rs.464.20-470.90. Potato Tarkeshwar settled Rs.0.10 up at Rs.359.80 after weak opening at Rs.358.20 and prevailed between Rs.358.10-361.

### PRICE DRIVERS:

1. Consumer's demands; Lack of sellers at lower price levels
2. Farmers hoarding; Reduced arrivals
3. Expectation of higher production amidst higher acreage

### WEATHER:

Lowest 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 bullish market. However Stochastic, RSI, and MACD favour the bulls. MA hints bearish market. Open interest as well as volume of trade increased. Potato is likely to trade slight up after strong opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	465	460	469.70	477	482

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX-March potato below 476 with target towards 470, second target near 467. Put stop loss above 480.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	357	355	359.80	363	367

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX-March Potato Tarkeshwar below 363 with target towards 358, second target near 356. Put stop loss above 366.

### SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	20.01.07	19.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	290-320	300-330	-10.00
Farukhabad- Uttar Pradesh	Fair Average Quality	140-170	150-180	-10.00
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	290-300	290-300	-
Burdwan- West Bengal	Fair Average Quality	270-280	270-280	-
Ludhiana-Punjab	Fair Average Quality	240-280	240-280	-

## 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.