

POTATO DAILY

17th JANUARY 2007

SPOT MARKETS:

Potato prices recovered Tuesday at the spot market in tandem with the futures market amidst reduced arrivals and favourable demand from South India and Rajasthan. Consumer's demands for vegetable potato are providing underlying support to the market. Farmers are hoarding their products as the prices went to mostly low therefore supplies declined, traders said. Some stockists have started to buy potato from the farmers in U.P., which is added to bullish tone, 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. The potato production is expected to go up by 4-5 MMt this year amidst higher acreage of 16 lakh hectares over 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. Meanwhile, 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 Jalandhar, Kapurthala and Hoshiarpur by blight. Potato quoted up at Rs.280-320/qlt in Agra mandis. The other major market Tarkeshwar, potato traded steady at Rs.280-300/qlt.

FUTURES MARKETS:

MCX Potato futures traded firm Tuesday amidst profit booking and buying support at lower level. Higher spot prices also supported to the futures market. Technical buying pushed up the prices after mostly strong opening. Most active Potato March contract gained Rs.3.60 at Rs.470 after firm opening at Rs.471 and traded between Rs.463.90-471. Potato Tarkeshwar increased Rs.2.20 at Rs.362.10 after firm opening at Rs.361 and traded between Rs.359.50-368.

PRICE DRIVERS:

1. Consumer's demands; Farmers hoarding; Reduced arrivals
2. Crop loss fear in Punjab due to late blight
3. 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.

TECHNICALS: MCX Potato March Contract

Candlesticks hint indecisive market. RSI, stochastic and MACD favours for the bulls. MA hints slight bearish market. Open interest increased but volume of trade decreased. Potato is likely to remain up after steady to strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	465	460	470	481	485

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 480 with target towards 470, second target near 466. Put stop loss above 485.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	358	354	362.10	368	372

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 367 with target towards 361, second target near 359. Put stop loss above 371.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	15.01.07	13.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	280-320	260-300	+20.00
Farukhabad- Uttar Pradesh	Fair Average Quality	170-200	160-180	+10.00
Meerut- Uttar Pradesh	Fair Average Quality	300-320	250-270	+50.00
Indore- Madhya Pradesh	Fair Average Quality	450-500	400-450	+50.00
Tarkeswar-West Bengal	Fair Average Quality	280-300	280-300	-
Burdwan- West Bengal	Fair Average Quality	260-280	260-300	-
Ludhiana-Punjab	Fair Average Quality	260-300	230-300	+30.00

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.