

POTATO DAILY

19th JANUARY 2007

SPOT MARKETS:

Potato continued to trade almost rangebound at most of the spot market Thursday amidst stable demand supply scenario. Traders said, bearish trend of arrivals as of low prices are attributed to steadiness at the spot market. Favourable demand from South India and Rajasthan also provided underlying support to the market. Consumer's demands for vegetable potato are also adding support. 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. 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. The crop is marginally affected due to blights in Punjab. Furthermore, foggy weather and deficient sunlight in the Indo-Gangetic plain may impact the productivity. Potato quoted slight up at Rs.290-320/qrtl in Agra mandis. The other major market Tarkeshwar, potato traded steady at Rs.275-300/qrtl.

FUTURES MARKETS:

MCX Potato futures traded bearish Thursday amidst selling pressure at higher level and expectation of higher output. Futures market opened weak and went to up at early hour but fell down thereafter. Most active Potato March contract lost Rs.2.50 at Rs.465.90 after weak opening at Rs.465.60 and traded between Rs.463.10-470. Potato Tarkeshwar lost Rs.1.70 at Rs.359 after steady opening at Rs.360.90 and hovered between Rs.358.70-361.70.

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 indicate indecisive market. However RSI, stochastic and MACD favour the bulls. MA hints downward market. Open interest remains steady but volume of trade decreased. Potato is expected to remain up after weak opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|-------|-----|-----|-----|-----|-----|
| March | 458 | 455 | 463 | 471 | 475 |

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 470 with target towards 464, second target near 457. Put stop loss above 474.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|-------|-----|-----|-----|-----|-----|
| March | 356 | 353 | 359 | 365 | 368 |

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 362 with target towards 358, second target near 355. Put stop loss above 365.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

| Markets | Variety | 18.01.07 | 17.01.07 | Change |
|---------------------------|----------------------|----------|----------|--------|
| Agra- Uttar Pradesh | Fair Average Quality | 290-320 | 280-310 | +10.00 |
| Farukhabad- Uttar Pradesh | Fair Average Quality | 170-190 | 170-190 | - |
| Meerut- Uttar Pradesh | Fair Average Quality | 300-325 | 300-325 | - |
| Indore- Madhya Pradesh | Fair Average Quality | 450-490 | 450-490 | - |
| Tarkeshwar-West Bengal | Fair Average Quality | 275-300 | 275-300 | - |
| Burdwan- West Bengal | Fair Average Quality | 260-280 | 260-280 | - |
| Ludhiana-Punjab | Fair Average Quality | 270-300 | 270-300 | - |

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