

POTATO DAILY

4th JANUARY 2007

SPOT MARKETS:

Bearish sentiment observed in the domestic potato market on Wednesday. Arrivals increased at most of the spot market. However, fresh demand for raw potato from South Indian market provided underlying support to the market. Traders said, around 100-115 trucks are being loaded for Maharashtra, Karnataka, Andhra Pradesh and other parts of South India from Indore. On the other hand, 30-40 trucks are being loaded for Rajasthan from Agra region. 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. However, expectation of higher production due to higher acreage in 2006-07 continued added to bearish tone. Current weather status is also favourable for potato crop at most of the region but fog in some producing regions may hamper the crop. Traders said, stockists buying are expected to start at end of January to February. On Tuesday, potato quoted at Rs.340-360/qrtl with average arrivals of 1000-1500 packets in Agra mandis. The other major market Tarkeshwar, potato remained down at Rs.330-360/qrtl amidst higher arrival. New potato is expected to arrive full-fledged in West Bengal at end of January-February, traders said.

FUTURES MARKETS:

MCX Potato futures continued to trade bearish on Wednesday amidst selling pressure and weak spot market. Most active Potato March contract slipped Rs.3.40 at Rs.494.50 after weak opening at Rs.497 and made contract low at Rs.492.80 and traded between Rs.492.80-498.60. Potato Tarkeshwar slid Rs.5.80 at Rs.377.60 after weak opening at Rs.383 and moved between Rs.375.40-384.

PRICE DRIVERS:

1. Demands from consumers as vegetable
2. Steady arrivals; Fresh demand from South India
3. 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 indicate bearish market. Stochastic, RSI, MA favours for the bears. Stochastic is in oversold region. MACD hints steady market for medium term. Open interest as well as volume of trade decreased. Potato is likely to remain rangebound with down following steady to weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	492	489	494.50	498	502

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 497 with target towards 493, second target near 490. Put stop loss above 499.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	374	370	377.60	383	387

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 381 with target towards 375, second target near 371. Put stop loss above 384.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	3.1.07	2.1.07	Change
Agra- Uttar Pradesh	Fair Average Quality	340-360	350-375	-10.00
Farukhabad- Uttar Pradesh	Fair Average Quality	340-360	350-375	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	350-370	360-380	-10.00
Indore- Madhya Pradesh	Fair Average Quality	450-500	450-500	-
Tarkeshwar-West Bengal	Fair Average Quality	330-360	350-375	-20.00
Burdwan- West Bengal	Fair Average Quality	270-290	280-300	-10.00
Ludhiana-Punjab	Fair Average Quality	240-300	240-300	-

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