

## POTATO DAILY

3<sup>rd</sup> JANUARY 2007

**SPOT MARKETS:**

Mixed sentiment for potato prices observed in the domestic market on Tuesday. Arrivals reduced in U.P. and M.P. Therefore potato traded almost steady to slight up in these states. Furthermore, 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. However the demand from industries and exporters witnessed negligible due to raw potato. 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.350-375/qtl with average arrivals of 1000-1500 packets in Agra mandis. The other major market Tarkeshwar, potato remained down at Rs.350-375/qtl 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 traded bearish on thin trading activity Tuesday amidst selling pressure but profit booking at contract lower side pushed up the prices at late hour. Most active Potato March contract lost Rs.1.50 at Rs.498.20 after weak opening at Rs.499 and made contract low at Rs.495.10 and traded between Rs.495.10-500. Potato Tarkeshwar unchanged at Rs.383.50 after weak opening at Rs.383.10 and moved between Rs.382.10-384.

### 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.

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

Markets	Variety	2.1.07	1.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	350-375	Closed	-
Farukhabad- Uttar Pradesh	Fair Average Quality	350-375	Closed	-
Meerut- Uttar Pradesh	Fair Average Quality	360-380	350-370	+10.00
Indore- Madhya Pradesh	Fair Average Quality	450-500	450-500	-
Tarkeswar-West Bengal	Fair Average Quality	350-375	390-400	-40.00
Burdwan- West Bengal	Fair Average Quality	280-300	320-340	-40.00
Ludhiana-Punjab	Fair Average Quality	240-300	240-300	-

**TECHNICALS:** MCX Potato March Contract

Candlesticks indicates strong opening with bearish market. Stochastic, RSI, MA favours for the bears. MACD hints steady market for medium term. Open interest decreased but volume of trade significantly increased. Potato is likely to remain rangebound with up following steady to strong opening with possibility of late downwards movement



**SUPPORT / RESISTANCES:** March Potato

Month	S1	S2	PCP	R1	R2
March	495	492	498.20	503	507

**SUPPORT / RESISTANCES:** Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	379	375	383.50	390	394

**TRADE RECOMMENDATION:**

**Intraday** traders might take position to **Sell MCX-March potato** below 503 with target towards 497, second target near 494. Put stop loss above 507.

**Intraday** traders might take position to **Sell MCX-March Potato Tarkeshwar** below 386 with target towards 380, second target near 377. Put stop loss above 390.

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