

POTATO DAILY

30th JANUARY 2007

SPOT MARKETS:

Potato prices edged up Monday at most of the producing regions on improved demand on account of reduced arrivals. Arrivals are remaining down as because of slowdown harvesting of the crop. In addition to, farmers are holding their stocks as the stockists will enter the market in February, traders said. Besides, cold storages are purchasing potato from the farmers in M.P., which is providing underlying support to the market. Consumer demands for vegetable purposes are providing underlying support to the market. Traders said, transportation problem from last two to three days has kept pressure in the market. Positive demand from South India, Maharashtra, Karnataka and Rajasthan added to the bullish tone. Daily 5-7 trucks are being loaded from Agra and other markets for Rajasthan, according to trade sources. Around 100-150 trucks per day are loaded for Karnataka and Maharashtra from Indore, said Indore based trader. In West Bengal, traders are expecting that the potato production will go up by 10-15% this year over last year. But the Punjab Government expects yield to be 15 lakh tonnes due to crop loss fear on attack of late blight. However, production elsewhere is estimated to increase by 4-5 MMt to 26-28 MMt amidst higher acreage of 16 lakh hectares. In Agra, potato offered up at Rs.310-340/quintal but in Tarkeshwar; it traded slight up at Rs.275-295/quintal. Spot prices are expected to be remained steady to weak in the near future.

FUTURES MARKETS:

MCX Potato futures recovered Monday on late speculative buying and profit booking at lower level. Market opened weak and traded down till mid half but hovered up thereafter on buying support. Most active Potato March contract gained Rs.5.40 at Rs.503.50 after weak opening at Rs.496.10 and traded at Rs.493-505. Potato Tarkeshwar climbed Rs.2.60 at Rs.377.10 after steady opening at Rs.374.60 and traded at Rs.371-377.90.

PRICE DRIVERS:

1. Consumer's demands; Lack of sellers at lower price levels
2. Bearish arrivals; Slowdown harvesting
3. Potato production estimated to 26-28 MMt in this year

WEATHER:

Almost dry weather at most of the producing region will be beneficial for development and harvesting of potato.

TECHNICALS: MCX Potato March Contract

Candlesticks indicate bullish market. MA, MACD and RSI favours the bulls while Stochastic favours the bears. Open interest as well as volume of trade increased. Potato is likely to remain up after strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	498	492	503.50	512	520

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March potato above 500 with target towards 510, second target near 515. Put stop loss below 495.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	375	370	377.10	382	385

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 376 with target towards 381, second target near 384. Put stop loss below 373.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	29.01.07	27.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	310-340	300-330	+10.00
Farukhabad- Uttar Pradesh	Fair Average Quality	210-235	200-225	+10.00
Meerut- Uttar Pradesh	Fair Average Quality	325-340	320-335	+5.00
Indore- Madhya Pradesh	Fair Average Quality	515-530	500-525	+15.00
Tarkeshwar-West Bengal	Fair Average Quality	275-295	270-290	+5.00
Burdwan- West Bengal	Fair Average Quality	260-280	250-270	+5.00
Ludhiana-Punjab	Fair Average Quality	245-265	240-260	+5.00

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.