

POTATO DAILY

9th JANUARY 2007

SPOT MARKETS:

Potato traded steady to slight weak at most of the domestic spot market Monday due to reduced arrivals and slowed down harvesting owing to mostly lower price levels. Fresh demand for raw potato from South Indian market continued to provide underlying support to the market. 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. The acreage under potato cultivation has surged to 16 lakh hectares as compared to 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. Therefore India's potato production is estimated to go up by 4-5 million tonnes to 26-28 million tonnes this year. Current weather status is also favourable for potato crop at most of the region but fog in some producing regions may hamper the crop. Potato quoted slight down at Rs.290-330/qrtl in Agra mandis. The other major market Tarkeshwar, potato did not trade due to Bangla Bandh.

FUTURES MARKETS:

MCX Potato futures rebounded to up on profit booking and buying support at lower level amidst technical correction. Most active Potato March contract gained Rs.2.60 at Rs.479.50 after weak opening at Rs.474 and made new contract low at Rs.468 and traded between Rs.468-486. Potato Tarkeshwar surged Rs.8.30 at Rs.373.20 after weak opening at Rs.362.60 and moved between Rs.358.60-376.60.

PRICE DRIVERS:

1. Demands from consumers as vegetable
2. Reduced arrivals; Fresh demand from South India
3. Slowed down harvesting amidst lower price
4. 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 hints upward market. RSI, stochastic favours for the bulls but MA hints bearish market for medium term. MACD hints bearish market for medium term. Open interest as well as volume of trade increased. Potato is likely to remain up after steady to weak opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	468	460	479.50	487	495

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 486 with target towards 476, second target near 470. Put stop loss above 492.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	363	355	373.20	380	387

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 379 with target towards 369, second target near 362. Put stop loss above 385.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	7.01.07	6.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	290-330	300-340	-10.00
Farukhabad- Uttar Pradesh	Fair Average Quality	150-200	160-190	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	300-320	300-320	-
Indore- Madhya Pradesh	Fair Average Quality	-	450-500	-
Tarkeswar-West Bengal	Fair Average Quality	Closed	300-320	-
Burdwan- West Bengal	Fair Average Quality	Closed	270-280	-
Ludhiana-Punjab	Fair Average Quality	230-290	240-300	-10.00

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