

POTATO DAILY

31st JANUARY 2007

SPOT MARKETS:

Potato maintained rangebound to slight bullish undertone Tuesday at most of the trading centre amidst improved demand on account of reduced arrivals. Arrivals are showing bearish trend owing to 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 slight up at Rs.315-340/quintal but in Tarkeshwar; it traded slight up at Rs.280-300/quintal. Spot prices are expected to be remained steady to up in the near future.

FUTURES MARKETS:

MCX Potato futures soared Tuesday amidst strong speculative buying and steady to upward spot market prices. Market opened strong and hovered up thereafter on buying support. Most active Potato March contract surged Rs.14 at Rs.517.20 after firm opening at Rs.505 and traded between Rs.504-518.70. Potato Tarkeshwar climbed Rs.12.60 at Rs.388.40 after strong opening at Rs.379 and hovered between Rs.379-390.

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.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	30.01.07	29.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	315-340	310-340	+5.00
Farukhabad- Uttar Pradesh	Fair Average Quality	210-235	210-235	-
Meerut- Uttar Pradesh	Fair Average Quality	330-340	325-340	+5.00
Indore- Madhya Pradesh	Fair Average Quality	515-530	515-530	-
Tarkeshwar-West Bengal	Fair Average Quality	280-300	275-295	+5.00
Burdwan- West Bengal	Fair Average Quality	270-300	260-280	+10.00
Ludhiana-Punjab	Fair Average Quality	245-265	245-265	-

TECHNICALS: MCX Potato March Contract

Candlesticks show strong market. Stochastic and RSI favours the bulls. MA and MACD favors for the bulls for medium term. Open interest steady but volume of trade increased. Potato is likely to trade firm following strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	507	500	517.20	530	535

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March potato above 519 with target towards 528, second target near 533. Put stop loss below 514.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	385	380	388.40	395	400

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 385 with target towards 395, second target near 398. Put stop loss below 380.

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