

POTATO DAILY

25th JANUARY 2007

SPOT MARKETS:

Potato continued to trade rangebound to steady on Wednesday at most of the spot market on almost stable demand supply scenario. Arrivals are remaining down due to slowed down harvesting, which is restricting the bearish trend of potato prices, traders said. Farmers are not interested to sell their products at much lower price level therefore arrivals are declining at the mandis, traders said. Consumer demands for vegetable purposes are providing underlying support to the market. Regular demand from South India, Maharashtra, Karnataka and Rajasthan kept pressure in the market. Daily 5-10 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 addition to, Reliance is buying potato from the farmers in U.P., which is also providing support to the market. On the other hand, cold storage has started to buy potato in M.P. Meanwhile, industries, stockists and exporters are anticipated to enter the market by February. The Punjab Government expects yield to be 15 lakh tonnes. 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 Rs 300-320/quintal and in Tarkeshwar; it traded slight up at Rs 300-310/quintal. Spot prices are expected to be remained steady to weak in the near future.

FUTURES MARKETS:

MCX Potato futures skyrocketed on Wednesday amidst speculative buying and almost steady to up spot market prices. Most active Potato March contract surged Rs.14.30 at Rs.514.90 after steady opening at Rs.502.60 and hovered between Rs.502-521. Potato Tarkeshwar climbed Rs.9.80 at Rs.385 after weak opening at Rs.372.60 and traded between Rs.372.60-385.50.

PRICE DRIVERS:

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

WEATHER:

Increasing night temperature and almost dry weather at most of the producing region will be beneficial for development and harvesting of potato.

TECHNICALS: MCX Potato March Contract

Candlesticks hints upward market. Stochastic, RSI, and MACD favour the bulls. But indicating technical weakness. MA hints bullish market. Open interest as well as volume of trade significantly increased. Potato is expected to maintain bullish trend after strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	507	497	514.90	530	538

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March potato above 512 with target towards 525, second target near 532. Put stop loss below 504.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	380	370	385	395	405

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 382 with target towards 392, second target near 397. Put stop loss below 376.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	24.01.07	23.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	300-330	300-330	-
Farukhabad- Uttar Pradesh	Fair Average Quality	190-220	190-220	-
Meerut- Uttar Pradesh	Fair Average Quality	310-330	320-340	-10.00
Indore- Madhya Pradesh	Fair Average Quality	450-500	450-500	-
Tarkeshwar-West Bengal	Fair Average Quality	300-310	290-300	+10.00
Burdwan- West Bengal	Fair Average Quality	270-280	260-270	+10.00
Ludhiana-Punjab	Fair Average Quality	240-280	240-280	-

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