

POTATO DAILY

20th JANUARY 2007

SPOT MARKETS:

Market sentiment for potato prices witnessed rangebound at most of the spot market Friday amidst stable demand supply scenario. The market influencing factors are reduced arrivals and reduced pace of harvesting coupled with hoarding by farmers. Consumer demand for vegetable purposes are providing underlying support to the market. Demand from South India and Rajasthan remained modest, which added to bullish tone. Reliance have started to buy potato from the farmers in U.P., which is also adding to bullish tone, traders said. Industries, stockists and exporters are expected to enter the market by February. Meanwhile, potato growers in Punjab, specially the Doaba belt, have been hit by late blight coupled with ground frost condition, which has damaged 40% of the crop. The Punjab Government expects yield to be 15 lakh tonnes, with the acreage being 75,000-hectares. However, production elsewhere is estimated to increase by 4-5 million tonnes to 26-28 million tonnes amidst higher acreage of 16 lakh hectares over 15.5 lakh hectare of last year. The crop is closing its harvesting period in U.P., West Bengal and Bihar. In Agra, potato quoted slight up at Rs 300-330/quintal and in Tarkeshwar, it traded slight up at Rs 290-300/quintal. Arrivals are reported to be around 15,000 packets in Indore and 7,000-8,000 packets in Ludhiana mandis. Spot prices to be remain steady to weak in the near future.

FUTURES MARKETS:

MCX Potato futures remained rangebound Friday on thin trading activity amidst steady spot market and lack of sellers at lower price levels. Market opened strong and recovered from day's lower level. Most active Potato March contract gained Rs.0.70 at Rs.466.20 after firm opening at Rs.467.50 and traded between Rs.463-467.50. Potato Tarkeshwar slipped Rs.1.10 at Rs.359.90 after weak opening at Rs.360.30 and prevailed between Rs.356.10-360.30.

PRICE DRIVERS:

1. Consumer's demands; Farmers hoarding; Reduced arrivals
2. Expectation of higher production amidst higher acreage

WEATHER:

Lowest night temperature and mostly dry weather at most of the producing region, favoring development and harvesting of potato.

TECHNICALS: MCX Potato March Contract

Candlesticks shows slight weak market. However RSI, and MACD favours the bulls but Stochastic favours the bears. MA hints bearish market. Open interest as well as volume of trade decreased. Potato to be trade slight weak after strong opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	460	455	466.20	470	475

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 469 with target towards 463, second target near 460. Put stop loss above 473.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	356	353	359.90	362	366

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 362 with target towards 358, second target near 356. Put stop loss above 365.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	19.01.07	18.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	300-330	290-320	+10.00
Farukhabad- Uttar Pradesh	Fair Average Quality	150-180	170-190	-20.00
Meerut- Uttar Pradesh	Fair Average Quality	300-320	300-325	-
Indore- Madhya Pradesh	Fair Average Quality	450-500	450-490	-
Tarkeshwar-West Bengal	Fair Average Quality	290-300	280-300	+10.00
Burdwan- West Bengal	Fair Average Quality	270-280	260-280	+10.00
Ludhiana-Punjab	Fair Average Quality	240-280	260-290	-20.00

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