

POTATO DAILY

1st FEBRUARY, 2007

SPOT MARKETS:

Potato spot prices continued its sideways roll through another day at the domestic market barely moved. Arrivals are continued to show bearish trend amidst slowdown harvest of the crop. Along with, farmers are keeping their inventory as the stockists will enter the market in February, traders said. Regular demand from South India, Maharashtra, Karnataka and Rajasthan is keeping pressure on the prices. Traders said, 5-7 trucks per day are loading from Agra and other markets for Rajasthan. Around 100-150 trucks per day are loaded for Karnataka and Maharashtra from Indore, said Indore based trader. 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 also added to support. However transportation problem from last two to three days has hindered the market arrivals. 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 steady at Rs.315-340/quintal but in Tarkeshwar; it traded stable at Rs.280-300/quintal. Spot prices are expected to be remained steady to up in the near future.

FUTURES MARKETS:

MCX Potato futures traded rangebound Wednesday on lack of buying support at upper level and profit booking. Market opened strong but tumbled thereafter on selling pressure. Most active Potato March contract lost Rs.0.20 at Rs.517.50 after firm opening at Rs.519.90 and traded between Rs.513.80-520. But Potato Tarkeshwar climbed Rs.3.40 at Rs.392.30 after strong opening at Rs.393 and hovered between Rs.388.10-394.40.

PRICE DRIVERS:

1. Buying support from Cold Storages
2. Consumer's demand as vegetable
3. Decrease in arrivals; Slowdown harvesting
4. 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 hints bearish market. However Stochastic and RSI favours the bulls. MA and MACD favours the bulls for medium term. Open interest steady but volume of trade significantly decreased. Potato is likely to trade weak following weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	510	505	517.50	520	525

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 520 with target towards 510, second target near 507. Put stop loss above 525.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	385	382	392.30	395	398

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 394 with target towards 389, second target near 386. Put stop loss above 397.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	31.01.07	30.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	315-340	315-340	-
Farukhabad- Uttar Pradesh	Fair Average Quality	210-235	210-235	-
Meerut- Uttar Pradesh	Fair Average Quality	335-340	330-345	+5.00
Indore- Madhya Pradesh	Fair Average Quality	515-530	515-530	-
Tarkeshwar-West Bengal	Fair Average Quality	280-300	280-300	-
Burdwan- West Bengal	Fair Average Quality	275-300	270-300	+5.00
Ludhiana-Punjab	Fair Average Quality	245-265	245-265	-

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.