

POTATO DAILY

18th JANUARY 2007

SPOT MARKETS:

Potato traded almost steady at most of the spot market Wednesday amidst stable demand supply scenario. Traders said, bearish trend of arrivals as of low prices are attributed to steadiness at the spot market. Favourable demand from South India and Rajasthan also provided underlying support to the market. Consumer's demands for vegetable potato are also adding support. Some stockists have started to buy potato from the farmers in U.P., which is added to bullish tone, traders said. They also reported that various industries, stockists and exporters are likely to become appear in the market at the end of January to February. The potato production is expected to go up by 4-5 MMt this year amidst higher acreage of 16 lakh hectares over 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. The crop is marginally affected due to blights in Punjab. Furthermore, foggy weather and deficient sunlight in the Indo-Gangetic plain may impact the productivity. Potato quoted steady at Rs.280-310/qlt in Agra mandis. The other major market Tarkeshwar, potato traded slight down at Rs.275-300/qlt.

FUTURES MARKETS:

MCX Potato futures tumbled Wednesday amidst selling pressure at higher level. The market opened firm and went mostly up at early hour on buying support but fell down thereafter on selling pressure. Most active Potato March contract lost Rs.2.80 at Rs.467 after firm opening at Rs.471.30 and traded between Rs.465.40-476.50. Potato Tarkeshwar gained Rs.0.70 at Rs.362 after firm opening at Rs.363 and hovered between Rs.358-365.30.

PRICE DRIVERS:

1. Consumer's demands; Farmers hoarding; Reduced arrivals
2. Crop loss fear in Punjab due to late blight
3. Expectation of higher production amidst higher acreage

WEATHER:

Dip in night temperature and almost dry weather at most of the producing region, favoring development of potato.

TECHNICALS: MCX Potato March Contract

Candlesticks indicate bearish market. However RSI, stochastic and MACD favour the bulls. MA hints bearish market. Open interest as well as volume of trade increased. Potato is likely to trade down after steady to strong opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	463	458	467	472	477

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 471 with target towards 464, second target near 457. Put stop loss above 476.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	358	354	362	367	371

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 365 with target towards 360, second target near 357. Put stop loss above 368.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	16.01.07	15.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	280-310	280-320	-
Farukhabad- Uttar Pradesh	Fair Average Quality	170-190	170-200	-
Meerut- Uttar Pradesh	Fair Average Quality	300-325	300-320	-
Indore- Madhya Pradesh	Fair Average Quality	450-490	450-500	-
Tarkeshwar-West Bengal	Fair Average Quality	275-300	280-300	-5.00
Burdwan- West Bengal	Fair Average Quality	260-280	260-280	-
Ludhiana-Punjab	Fair Average Quality	270-300	260-300	+10.00

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