

POTATO DAILY

24th JANUARY 2007

SPOT MARKETS:

Market sentiment for potato prices witnessed steady on Tuesday on almost stable demand supply scenario. Reduced arrivals and slowed down harvesting restricted 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 Karakata 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 steady at Rs 290-300/quintal. Spot prices to be remain steady to weak in the near future.

FUTURES MARKETS:

MCX Potato futures hovered up Tuesday amidst strong buying support and profit booking coupled with steady spot market prices. Most active Potato March contract climbed Rs.26.40 at Rs.504.10 after firm opening at Rs.479.80 and traded between Rs.479.20-505.90. Potato Tarkeshwar jumped Rs.12.90 at Rs.376 after strong opening at Rs.365.30 and hovered between Rs.363.90-379.60.

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:

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

TECHNICALS: MCX Potato March Contract

Candlesticks indicating bullish market. Stochastic, RSI, and MACD favour the bulls. MA hints steady to upward market. Open interest declined but volume of trade significantly increased. Potato is likely to trade up after strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	495	485	504.10	513	523

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March potato above 500 with target towards 510, second target near 515. Put stop loss below 494.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	370	365	376	385	395

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 372 with target towards 382, second target near 387. Put stop loss below 366.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	23.01.07	22.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	300-330	300-330	-
Farukhabad- Uttar Pradesh	Fair Average Quality	190-220	200-225	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	320-340	320-340	-
Indore- Madhya Pradesh	Fair Average Quality	450-500	460-510	-10.00
Tarkeshwar-West Bengal	Fair Average Quality	290-300	290-300	-
Burdwan- West Bengal	Fair Average Quality	260-270	260-270	-
Ludhiana-Punjab	Fair Average Quality	240-280	240-280	-

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