

## POTATO DAILY

5<sup>th</sup> JANUARY 2007

### SPOT MARKETS:

Bearish sentiment observed in some pockets of the domestic potato market on Thursday. However overall market sentiment was almost steady in other parts amidst reduced arrival and slowed down harvesting due to mostly lower price levels. Fresh demand for raw potato from South Indian market provided underlying support to the market. Traders said, around 70-90 trucks are being loaded for Maharashtra, Karnataka, Andhra Pradesh and other parts of South India from Indore. On the other hand, 20-25 trucks are being loaded for Rajasthan from Agra region. Consumer's demands for vegetable purposes are providing underlying support. The demand from industries and exporters are likely to be appeared at the end of January to February, traders said. India's potato production is estimated to go up by 4-5 million tonnes to 26-28 million tonnes this year due to higher acreage, according to traders and analysts. Current weather status is also favourable for potato crop at most of the region but fog in some producing regions may hamper the crop. Traders said, stockists buying are expected to start at end of January to February. On Thursday, potato quoted at Rs.340-360/qlt in Agra mandis. The other major market Tarkeshwar, potato remained down at Rs.320-350/qlt amidst higher arrival.

### FUTURES MARKETS:

MCX Potato futures maintained bearish sentiment on Thursday amidst speculative selling and expectation of higher production. Most active Potato March contract lost Rs.2.20 at Rs.492 after weak opening at Rs.492.60 and made new contract low at Rs.491.50 and traded between Rs.491.50-495. Potato Tarkeshwar settled marginally down Rs.0.40 at Rs.376.80 after mostly weak opening at Rs.371 and moved between Rs.371-380.

### PRICE DRIVERS:

1. Demands from consumers as vegetable
2. Reduced arrivals; Fresh demand from South India
3. Slowed down harvesting amidst lower price
4. Expectation of higher production amidst higher acreage

### WEATHER:

Dip in night temperature and almost shiny weather in morning at most of the producing region, favoring development of potato. But fog in some parts may hamper the crop.

### TECHNICALS: MCX Potato March Contract

Candlesticks indicate downward market. Stochastic, RSI, MA favours for the bears. Stochastic is in oversold region, indicating technical reversal. MACD hints steady to down market for medium term. Open interest as well as volume of trade slightly decreased. Potato is likely to trade rangebound with down after weak opening with possibility of late upwards movement.



### SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	489	487	492	495	500

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX-March potato below 493.5 with target towards 490, second target near 487. Put stop loss above 495.5.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	371	366	376.80	380	385

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX-March Potato Tarkeshwar below 380 with target towards 374, second target near 368. Put stop loss above 384.

### SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	4.01.07	3.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	340-360	340-360	-
Farukhabad- Uttar Pradesh	Fair Average Quality	175-200	200-225	-25.00
Meerut- Uttar Pradesh	Fair Average Quality	300-320	350-370	-50.00
Indore- Madhya Pradesh	Fair Average Quality	450-500	450-500	-
Tarkeshwar-West Bengal	Fair Average Quality	320-350	330-360	-10.00
Burdwan- West Bengal	Fair Average Quality	270-290	270-290	-
Ludhiana-Punjab	Fair Average Quality	240-300	240-300	-

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