

POTATO DAILY

27th JANUARY 2007

SPOT MARKETS:

Potato prices moved up Thursday at most of the producing region amidst weakness in arrivals due to slowdown harvesting. In addition to, farmers are holding their stocks as the stockists will enter the market in February, traders said. Besides, cold storage has started to buy potato from the farmers in M.P., which is providing underlying support to the market. Consumer demands for vegetable purposes are providing underlying support to the market. Positive demand from South India, Maharashtra, Karnataka and Rajasthan has 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 Karnataka and Maharashtra from Indore, said Indore based trader. The other supportive factor for market is Reliance's buying in U.P. However sentiment remained slight weak in West Bengal due to higher arrivals and expectation of bumper production this season in this state. 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.300-320/quintal but in Tarkeshwar; it traded down at Rs.270-290/quintal. Spot prices are expected to be remained steady to weak in the near future.

FUTURES MARKETS:

MCX Potato futures backpedaled on Thursday due to profit taking and selling pressure. Most active Potato March contract tumbled Rs.11.20 at Rs.506 after weak opening at Rs.516 and traded between Rs.505.50-517.70. Potato Tarkeshwar slipped Rs.5 at Rs.378.50 after firm opening at Rs.384 and hovered between Rs.373.10-384.

PRICE DRIVERS:

1. Consumer's demands; Lack of sellers at lower price levels
2. Declining arrivals
3. Potato output estimated to 26-28 MMt in this year

WEATHER:

Increasing night temperature and almost dry weather at most of the producing region will be beneficial for development and harvesting of potato.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	25.01.07	24.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	300-330	300-330	-
Farukhabad- Uttar Pradesh	Fair Average Quality	210-230	190-220	+20.00
Meerut- Uttar Pradesh	Fair Average Quality	325-340	310-330	+15.00
Indore- Madhya Pradesh	Fair Average Quality	500-525	450-500	+50.00
Tarkeshwar-West Bengal	Fair Average Quality	270-290	300-310	-30.00
Burdwan- West Bengal	Fair Average Quality	250-270	270-280	-20.00
Ludhiana-Punjab	Fair Average Quality	240-260	240-280	-

TECHNICALS: MCX Potato March Contract

Candlesticks indicates bearish market. Stochastic and RSI favour the bears while MACD and MA favour the bulls for medium term. Open interest as well as volume of trade significantly decreased. Potato is expected to trade down after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	495	485	506	512	522

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 510 with target towards 500, second target near 490. Put stop loss above 515.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	370	365	378.50	383	387

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 382 with target towards 372, second target near 367. Put stop loss above 387.

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