

## POTATO DAILY

12<sup>th</sup> JANUARY 2007

### SPOT MARKETS:

Potato tumbled slightly in U.P. on higher arrival and weak demand however it traded steady at other major spot market in the country. The market driven factor is only consumer's demands for vegetable purposes. Farmers are hoarding their products as the prices remains low therefore supplies are declining, traders said. Industries, stockists and exporters are expected to come in the market at the end of January to February, traders said. The acreage under potato cultivation has surged to 16 lakh hectares as compared to 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. The area has increased also in West Bengal and Bihar. On the other hand, Potato growers in Punjab have been hit by late blight coupled with ground frost condition which has damaged 40% crop in the region. With 75,000-hectare under potato cultivation, the government is expecting 15 lakh tonnes yield this year. The late crop has been considerably damaged in the Doaba belt (Jalandhar, Kapurthala and Hoshiarpur) by blight. Potato quoted steday at Rs.280-300/qlt in Agra mandis. The other major market Tarkeshwar, potato traded steady at Rs.300-310/qlt.

### FUTURES MARKETS:

MCX Potato futures continued to trade bearish on Thursday amidst selling pressure and expectation of higher production. Futures market opened mostly strong but declined thereafter. Most active Potato March contract slipped Rs.1.60 at Rs.473.60 after mostly strong opening at Rs.484 and traded between Rs.471.60-484. Potato Tarkeshwar slid Rs.1.60 at Rs.364.50 after mostly weak opening at Rs.364.30 and hovered between Rs.362.30-366.

### PRICE DRIVERS:

1. Consumer's demands
2. Farmers hoarding amidst lower price levels
3. 40% potato crop damaged due to late blight in Punjab
4. 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. But fog in some parts may hamper the crop.

### TECHNICALS: MCX Potato March Contract

Candlesticks hints bearish market. RSI, stochastic and MACD favours for the bears. MA hints downward market for medium term. Open interest remained steady but volume of trade decreased. Potato is expected to trade bearish after steady to weak opening with possibility of late upwards movement.



### SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	470	467	473.60	480	485

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX-March potato below 478 with target towards 471, second target near 468. Put stop loss above 482.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	361	358	364.50	371	377

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX-March Potato Tarkeshwar below 370 with target towards 363, second target near 360. Put stop loss above 375.

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

Markets	Variety	11.01.07	10.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	270-290	280-300	-10.00
Farukhabad- Uttar Pradesh	Fair Average Quality	170-190	180-200	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	250-290	260-300	-10.00
Indore- Madhya Pradesh	Fair Average Quality	400-450	400-450	-
Tarkeswar-West Bengal	Fair Average Quality	300-310	300-310	-
Burdwan- West Bengal	Fair Average Quality	270-300	270-300	-
Ludhiana-Punjab	Fair Average Quality	230-290	230-290	-

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