

## POTATO DAILY

2<sup>nd</sup> JANUARY 2007

### SPOT MARKETS:

Market sentiment for potato prices witnessed mixed amidst poor arrivals due to Eid-festival and New Year celebration. Therefore arrivals remained negligible in U.P. and M.P. Furthermore, fresh demand for raw potato from South Indian market boost up the potato prices in M.P. Traders said, potato prices increased by around Rs.50/qrtl at most of the trading centre in M.P. on account of poor arrivals coupled with farmer's hoarding. Consumer's demands for vegetable purposes observed stable therefore it is providing underlying support. But the demand from industries and exporters witnessed negligible due to raw potato. However, expectation of higher production due to higher acreage in 2006-07 continued added to bearish tone. 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, the export demands from neighbouring countries like Pakistan and Bangladesh is expected to appear at end of January to February. On Monday, potato prices surged in Indore market. Potato prices increased to Rs.500-550/qrtl in Indore. The other major market Tarkeshwar, potato remained steady at Rs.390-400/qrtl amidst steady arrival and lack of trading activity. New potato is expected arrive full fledged in West Bengal at end of the coming month, traders said.

### FUTURES MARKETS:

MCX Potato futures maintained rangebound to slight bearish sentiment Monday on thin trading activity. Continues selling interest is keeping pressure at the futures market. Most active Potato March contract decreased Rs.1.10 at Rs.499.70 after strong opening at Rs.501.90 and traded between Rs.498.10-502.90. Potato Tarkeshwar lost Rs1.80 at Rs.383.50 after weak opening at Rs.384.50 and moved between Rs.382.10-385.60.

### PRICE DRIVERS:

1. Consumer demands for raw potato
2. Poor arrivals; Fresh demand from South India
3. 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 hints downward market. Stochastic, RSI, MA favours for the bears. MACD hints steady market for medium term. Open interest slight increased but volume of trade declined. Potato is expected to maintain rangebound sentiment following steady to strong opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES: March Potato

Month	S1	S2	PCP	R1	R2
March	497	493	499.70	502	505

### SUPPORT / RESISTANCES: Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	379	375	383.50	390	394

### TRADE RECOMMENDATION:

Intraday traders might take position to **Sell MCX-March potato** below 502 with target towards 498, second target near 496. Put stop loss above 504.

Intraday traders might take position to **Sell MCX-March Potato Tarkeshwar** below 386 with target towards 380, second target near 377. Put stop loss above 390.

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

Markets	Variety	1.01.07	30.12.06	Change
Agra- Uttar Pradesh	Fair Average Quality	Closed	300-310	-
Farukhabad- Uttar Pradesh	Fair Average Quality	Closed	340-350	-
Meerut- Uttar Pradesh	Fair Average Quality	290-300	260-280	+30.00
Indore- Madhya Pradesh	Fair Average Quality	500-550	450-500	+50.00
Tarkeshwar-West Bengal	Fair Average Quality	390-400	390-400	-
Burdwan- West Bengal	Fair Average Quality	320-340	350-360	-30.00
Ludhiana-Punjab	Fair Average Quality	240-300	240-270	-

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