

POTATO DAILY

8th JANUARY 2007

SPOT MARKETS:

Potato traded steady to slight weak at most of the domestic spot market Saturday amidst reduced arrivals and slowed down harvesting owing to mostly lower price levels. Fresh demand for raw potato from South Indian market continued to provide underlying support to the market. 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. 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. In West Bengal, around 3.6 lakh hectares has been covered and in other major state Bihar, it was 3.2 lakh hectares. The crop is closing its harvesting period in U.P., West Bengal and Bihar. Therefore India's potato production is estimated to go up by 4-5 million tonnes to 26-28 million tonnes this year. Current weather status is also favourable for potato crop at most of the region but fog in some producing regions may hamper the crop. Potato quoted slight down at Rs.300-340/qrtl in Agra mandis. The other major market Tarkeshwar, potato remained slight down at Rs.300-320/qrtl amidst higher arrival.

FUTURES MARKETS:

MCX Potato futures tumbled mostly Saturday on sustained selling pressure and expectation of higher production. Most active Potato March contract lost Rs.11.60 at Rs.476.90 after weak opening at Rs.486 and made new contract low at Rs.471.30 and traded between Rs.471.30-486. Potato Tarkeshwar slipped Rs.8.20 at Rs.364.90 after weak opening at Rs.371.90 and moved between Rs.361.90-372.

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 hints downward market. RSI, MA indicates favours for the bears but Stochastic and RSI is in oversold region, indicating technical reversal. MACD hints weak market for medium term. Open interest steady but volume of trade increased. Potato is likely to remain weak after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	469	462	476.90	484	492

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 480 with target towards 472, second target near 464. Put stop loss above 485.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	359	354	364.90	370	376

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 368 with target towards 360, second target near 355. Put stop loss above 373.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	6.01.07	5.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	300-340	320-350	-20.00
Farukhabad- Uttar Pradesh	Fair Average Quality	160-190	175-200	-15.00
Meerut- Uttar Pradesh	Fair Average Quality	300-320	300-320	-
Indore- Madhya Pradesh	Fair Average Quality	450-500	450-500	-
Tarkeswar-West Bengal	Fair Average Quality	300-320	310-330	-10.00
Burdwan- West Bengal	Fair Average Quality	270-280	270-280	-
Ludhiana-Punjab	Fair Average Quality	240-300	240-300	-

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.