

## POTATO DAILY

2<sup>nd</sup> FEBRUARY, 2007

### SPOT MARKETS:

Potato prices edged up on Thursday in U.P. market on account of reduced arrivals amidst slowdown harvesting. Robust demand from Rajasthan provided underlying support to the market. However the prices tumbled in West Bengal and M.P. owing to reduced demand and strong arrivals. Traders said, the demand from South India has decreased as new crop arrivals in the South Indian local market though buying support by Cold Storage has kept pressure on prices in M.P. Consumers are showing steady demand for potato as vegetable purposes. However transportation problem from last two to three days has hindered the market arrivals in U.P. According to sources, Cold Storages are likely to enter in the market to buy potato from the farmers after 10-15 days in U.P. In West Bengal and U.P., traders are expecting that the potato production will go up by 10-15% this year over last year due to higher acreage. Though late blight as recent rise in temperature has damaged some crops in W.B. and production may decrease. 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 strong at Rs.365-400/quintal but in Tarkeshwar; it traded down at Rs.270-290/quintal. Spot prices are expected to be remained steady to up in the near future.

### FUTURES MARKETS:

MCX Potato futures traded mostly strong Thursday amidst speculative buying and strong spot prices in U.P. Market opened weak but soared thereafter. Most active Potato March contract gained Rs.7.90 at Rs.526.20 after mostly weak opening at Rs.510.60 and hovered between Rs.510.60-527. Potato Tarkeshwar climbed Rs.15.70 at Rs.407.60 after strong opening at Rs.392.80 and moved between Rs.392.10-407.60.

### PRICE DRIVERS:

1. Buying support from Cold Storages in M.P.
2. Consumer's demand as vegetable
3. Decrease in arrivals in U.P.; Slowdown harvesting

### WEATHER:

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	1.02.07	31.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	365-400	315-340	+50.00
Farukhabad- Uttar Pradesh	Fair Average Quality	240-270	210-235	+30.00
Meerut- Uttar Pradesh	Fair Average Quality	375-420	335-340	+40.00
Indore- Madhya Pradesh	Fair Average Quality	500-530	515-530	-15.00
Tarkeswar-West Bengal	Fair Average Quality	270-290	280-300	-10.00
Burdwan- West Bengal	Fair Average Quality	240-260	275-300	-35.00
Ludhiana-Punjab	Fair Average Quality	250-270	245-265	+5.00

### TECHNICALS: MCX Potato March Contract

Candlesticks hints bullish market. Stochastic and RSI favours the bulls but indicating technical reversal near. MA and MACD favour the bulls for medium term. Open interest decreased but volume of trade significantly increased. Potato is likely to trade strong following weak opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	520	510	526.20	533	540

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-March potato above 522 with target towards 532, second target near 537. Put stop loss below 515.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	400	395	407.60	415	420

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-March Potato Tarkeshwar above 405 with target towards 412, second target near 417. Put stop loss below 400.

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