

## POTATO DAILY

28<sup>th</sup> FEBRUARY, 2007

### SPOT MARKETS:

Potato prices slipped on Tuesday at most of the marketing point due to feeble demand from the consumers despite restricted arrivals. However stockists buying in Punjab, M.P. and U.P. are providing some underlying support to the market. Traders said, prices have been increasing due to crop damage concerns on inclement weather and late blight in West Bengal and Punjab. However traders said, around 5% of potato crop has harvested in U.P. and it will be peaking up after Holi. Therefore they are expecting that the prices would come down on that time. In M.P., around 80% of the crop has been harvested and rest of the crop is likely to be completed after mid March. Meanwhile, around 15-20% of the potato crop had affected by the Late Blight disease in Bengal. The disease was spread at most of producing belt like Jalpaiguri, Cooch Behar, Hooghly, Burdwan, Birbhum and West Midnapore – with Burdwan being the biggest loser with 71,400 ha out of 74,000 ha, followed by Howrah (6,030 ha out of 6,500 ha). In Punjab also, around 10-20% of potato crops have been damaged by late blight in most of the producing regions. In Agra, potato prices quoted down at Rs.400-450/quintal and in Tarkeshwar; it traded down at Rs.450-470/quintal for Cold Storage delivery. However the quality is remaining poor and less shine.

### FUTURES MARKETS:

MCX Potato futures tumbled Tuesday on profit taking amidst technical selling due to overbought market. However some buying support at lower level pushed up the prices at late hour. Market opened steady to firm and slipped thereafter but settled higher from day's lower level. Most active March contract lost Rs.7.40 at Rs.625.40 after slight weak opening at Rs.632.20 and traded between Rs.615-632.20 while Potato Tarkeshwar gained Rs.3.70 at Rs.569 after mostly firm opening at Rs.572 and hovered between Rs.557.60-572.

### PRICE DRIVERS:

1. Limited buyers at higher level; Limited arrivals
2. Lower production estimation than earlier one
3. Moderate harvesting of the crop; Stockists buying

### WEATHER:

Most of the producing regions are facing clear weather, which is favourable for harvesting and maturing.

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

Markets	Variety	27.02.07	26.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	400-450	410-430	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	250-300	250-275	-
Meerut- Uttar Pradesh	Fair Average Quality	420-450	430-450	-10.00
Indore- Madhya Pradesh	Fair Average Quality	500-540	520-550	-20.00
Tarkeswar-West Bengal	Fair Average Quality	450-470	460-480	-10.00
Burdwan- West Bengal	Fair Average Quality	450-470	460-470	-10.00
Ludhiana-Punjab	Fair Average Quality	310-350	320-360	-10.00

### TECHNICALS: MCX Potato March Contract

Candlestick favours the bulls. Stochastic and RSI also favours the bulls but technical correction near due to overbought condition. MA and MACD are favouring the bulls as medium term. Open interest increased but volume of trade significantly decreased. Potato is expected to remain up after strong opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	616	607	625.40	633	641

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-March Potato above 622 with target towards 632, second target near 640. Put stop loss below 615.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	560	551	569	580	585

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-March Potato Tarkeshwar above 565 with target towards 577, second target near 582. Put stop loss below 558.

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