

## POTATO DAILY

3<sup>rd</sup> FEBRUARY, 2007

### SPOT MARKETS:

Potato prices witnessed almost steady undertone at higher level at most of the producing regions on Friday. The market governing factors were reduced arrivals due to slowdown harvesting. In addition to, modest demand from Rajasthan and South India provided underlying support to the market in U.P. and M.P. However traders said, the demand from South India is decreasing because new local crop has entered in the market. But buying support by Cold Storage has kept pressure on prices in M.P. Consumers are showing steady demand for potato as vegetable purposes. According to sources, Cold Storages are expected 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. Late blight due to ground frost condition for last 4-5 days has damaged potato crop in the West Bengal region. Southern region of this State has affected vigorously. The potato crop is near to harvesting stage. Ground frost has affected the entire Southern part of W.B. Traders are expecting that the potato production may affect due to this disease. 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 steady at Rs.365-400/quintal but in Tarkeshwar; it traded stable at Rs.270-290/quintal.

### FUTURES MARKETS:

MCX Potato futures tumbled on Friday, supported by selling pressure at higher level and profit taking. Market opened mostly up but fell from higher level. Most active Potato March contract lost Rs.8.80 at Rs.517 after firm opening at Rs.526.80 and traded at Rs.515-528.40. Potato Tarkeshwar lost Rs.6.30 at Rs.401 after strong opening at Rs.412 and moved between Rs.399-413.

### 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. But fog may hamper in crop production.

### TECHNICALS: MCX Potato March Contract

Candlesticks suggest downward market. Stochastic and RSI favours the bears. But MA and MACD favours the bulls for medium term. Open interest as well as volume of trade significantly decreased. Potato is likely to trade weak following weak opening with possibility of late upwards movement.



### SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	507	502	517	525	530

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX-March potato below 522 with target towards 512, second target near 507. Put stop loss above 528.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	392	385	401	407	413

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX-March Potato Tarkeshwar below 406 with target towards 396, second target near 392. Put stop loss above 413.

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

Markets	Variety	2.01.07	1.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	365-390	365-400	-
Farookhabad- Uttar Pradesh	Fair Average Quality	235-260	240-270	-5.00
Meerut- Uttar Pradesh	Fair Average Quality	350-370	375-420	-25.00
Indore- Madhya Pradesh	Fair Average Quality	500-525	500-530	-
Tarkeshwar-West Bengal	Fair Average Quality	270-290	270-290	-
Burdwan- West Bengal	Fair Average Quality	240-260	240-260	-
Ludhiana-Punjab	Fair Average Quality	250-270	250-270	-

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