

POTATO DAILY

14th FEBRUARY, 2007

SPOT MARKETS:

Potato prices remained firm on Tuesday at some pockets due to ongoing rainfall, which pulled down the market arrivals and hindered in harvesting. Prices witnessed slight weak in Agra and Indore mandis on account of increased arrivals due to storing problem. Arrivals are declining due to inclement weather. Recent unexpected rainfalls have caused serious damages in U.P., Punjab, West Bengal and Bihar states and destroying standing crops. Potato crops were extensively damaged because of the violent weather. Harvesting of the crop has been going on in U.P. but it is remained stopped for 4-5 days due to bad weather, traders said. The market activity remained weak at most of the centre. In addition to, stockists are active to purchasing of potato in U.P. and M.P., which is providing underlying support to the market. In M.P., buying support from the Cold Storages are keeping pressure on the potato prices despite no demand from South India due to arrivals of new local crop. In West Bengal, the potato crop has affected by the late blight disease due to foggy and cloudy weather. The crop was damaged in Bankura, Birbhum, Burdwan and Southern part of West Bengal. In Agra, potato prices declined at Rs.375-400/quintal and in Tarkeshwar; it traded up at Rs.330-370/quintal.

FUTURES MARKETS:

MCX Potato futures hovered up amidst strong speculative buying on expectation of crop loss fears due to unexpected rainfalls. All the contracts of potato have hit the upper circuit limit of 4% for the consecutive second day. Market opened mostly strong and soared thereafter but profit taking set back the prices from upper level. Most active March contract climbed Rs.14 at Rs.586 after bullish opening at Rs.589.90 and soared at Rs.576.70-601.80 while Potato Tarkeshwar gained Rs.27.90 at Rs.492.50 after firm opening at Rs.471 and hovered at Rs.471-492.50.

PRICE DRIVERS:

1. Crop loss fears due to inclement weather; Listless arrivals
2. Consumer's demand as vegetable; Stockists buying
3. Imposing of additional special cash margins on long & short

WEATHER:

Main producing regions are experiencing a cloudy weather with rains, which may affect market arrivals and damage the standing crops..

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	13.02.07	12.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	375-400	400-430	-25.00
Farookhabad- Uttar Pradesh	Fair Average Quality	325-350	275-300	+50.00
Meerut- Uttar Pradesh	Fair Average Quality	400-440	400-440	-
Indore- Madhya Pradesh	Fair Average Quality	500-550	520-560	-20.00
Tarkeswar-West Bengal	Fair Average Quality	330-370	310-340	+20.00
Burdwan- West Bengal	Fair Average Quality	320-360	320-350	-
Ludhiana-Punjab	Fair Average Quality	320-360	310-350	+10.00

TECHNICALS: MCX Potato March Contract

Candlesticks hints steady to upward market. Stochastic and RSI favours the bulls but indicates technical reversal. MA and MACD indicate strong market for medium term. Open interest as well as volume of trade significantly increased. Potato is expected to soar after strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	575	565	586	605	620

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March potato above 584 with target towards 600, second target near 610. Put stop loss below 574.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	480	470	492.50	505	520

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 493 with target towards 505, second target near 513. Put stop loss below 485.

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