

POTATO DAILY

5th FEBRUARY, 2007

SPOT MARKETS:

Potato prices continued to remain steady on Saturday at most of the producing regions amidst reduced arrivals due to slowdown harvesting. In addition to, modest demand from Rajasthan and South India provided underlying support 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. 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. However the prices remained slight weak in west Bengal due to strong arrivals of new crop. 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.260-280/quintal.

FUTURES MARKETS:

MCX Potato futures extended earlier weakness Saturday also amidst speculative selling on expectation of higher production. Market opened weak and remained bearish thereafter. Most active Potato March contract slipped Rs.20.70 at Rs.497.70 after weak opening at Rs.515.60 and traded at Rs.496-515.60. Potato Tarkeshwar lost Rs.14.80 at Rs.386.50 after strong opening at Rs.405 and traded at Rs.383-405.

PRICE DRIVERS:

1. Expectation of higher production
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 hints bearish market. Stochastic and RSI favours the bears. MA and MACD favours the bears for medium term. Open interest decreased but volume of trade significantly increased. Potato is likely to remain down following weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	485	480	497.70	503	513

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 500 with target towards 490, second target near 483. Put stop loss above 507.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	375	370	386.50	393	400

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 390 with target towards 380, second target near 375. Put stop loss above 397.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	3.02.07	2.01.07	Change
Agra- Uttar Pradesh	Fair Average Quality	365-390	365-390	-
Farookhabad- Uttar Pradesh	Fair Average Quality	235-260	235-260	-
Meerut- Uttar Pradesh	Fair Average Quality	350-370	350-370	-
Indore- Madhya Pradesh	Fair Average Quality	500-525	500-525	-
Tarkeshwar-West Bengal	Fair Average Quality	260-280	270-290	-10.00
Burdwan- West Bengal	Fair Average Quality	235-255	240-260	-5.00
Ludhiana-Punjab	Fair Average Quality	245-265	250-270	-5.00

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