

POTATO DAILY

19th FEBRUARY, 2007

SPOT MARKETS:

Potato prices remained slight down at the domestic market amidst almost stable demand supply scenario. However the arrivals are gradually increasing in U.P. market. Around 700-1200 bags of arrival is witnessed in Agra, Meerut, Farookhabad in U.P. Potato inflow is expected to go up following improved weather conditions in the entire belt, traders said. Arrivals remained slight strong in West Bengal however the quality is poor due to infected potato. Recently, hit by late blight on potato in West Bengal and Punjab due to foggy and cloudy weather damaged the potato crop extensively. According to the administration, around 2,42,175 ha (57%) of land under potato cultivation has affected. The affected areas are Jalpaiguri, Cooch Behar, Hooghly, Burdwan 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). The potato production this year will not be more than 75 lakh MT, which is close to last year's production. In Punjab, around 10-20% of potato crops have been damaged by Late Blight in Hoshiarpur, Jalandhar, Kapurthala, Amritsar and Gurdaspur districts of Punjab. In Punjab, potato crop is sown over 75,000 hectares of land in the state with an annual produce of 12 lakh tonne. In Agra, potato prices declined at Rs.350-400/quintal and in Tarkeshwar; it traded slight down at Rs.330-370/quintal. However it quoted steady in Ludhiana at Rs.280-320/qtl with average intakes of 8000-10000 bags.

FUTURES MARKETS:

MCX Potato futures traded bullish throughout the session after firm opening Saturday on speculative buying amidst expectation of lower production than earlier estimation. Most active March contract gained Rs.5.10 at Rs.563 after slight strong opening at Rs.558 and soared between Rs.554.10-564.70 while Potato Tarkeshwar climbed Rs.15.60 at Rs.486 after strong opening at Rs.476 and hovered between Rs.473-487.90.

PRICE DRIVERS:

1. Poor quality potato in W.B.; Improvement of arrivals
2. Production likely to reduce as compared to earlier estimation
3. Crop loss due to late blight in West Bengal & Punjab

WEATHER:

Main producing regions are experiencing with almost clear weather, which will help in harvesting and smoothing arrivals.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	17.02.07	16.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	350-400	375-425	-25.00
Farookhabad- Uttar Pradesh	Fair Average Quality	320-340	300-320	+20.00
Meerut- Uttar Pradesh	Fair Average Quality	450-500	450-500	-
Indore- Madhya Pradesh	Fair Average Quality	500-550	500-550	-
Tarkeswar-West Bengal	Fair Average Quality	330-350	340-380	-10.00
Burdwan- West Bengal	Fair Average Quality	320-340	330-370	-10.00
Ludhiana-Punjab	Fair Average Quality	280-320	280-320	-

TECHNICALS: MCX Potato March Contract

Candlestick indicates bullish market. Stochastic and RSI favours the bulls. MA and MACD indicate slight upward market for medium term. Open interest increased but volume of trade declined. Potato is likely to trade up after steady to strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	555	545	563	570	580

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March potato above 558 with target towards 568, second target near 578. Put stop loss below 552.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	476	467	486	492	500

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 481 with target towards 491, second target near 499. Put stop loss below 475.

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