

POTATO DAILY

26th FEBRUARY, 2007

SPOT MARKETS:

Potato prices slipped in Uttar Pradesh market on Saturday due to improved arrivals and lack of buying support from the buyers. Stockists have started to buy potato from the farmers but to some extent, as harvesting is slowdown. It is likely to peak up after Holi and prices may dip after that. However the prices are firming up in West Bengal and Punjab, where the potato crop has damaged extensively by late blight and inclement weather. In Bengal, around 15-20% of the potato crop had affected by the diseases. The disease has been 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). Therefore the potato production this year will not be more than 75 lakh MT, which is close to last year's production. The storing capacities of Cold Storages are around 52 lakh metric tonnes in this State. In Punjab also, around 10-20% of potato crops have been damaged by late blight in most of the producing regions. Apart from this, market sentiment for potato remained steady in the other producing belts. In M.P., stockists have been buying potato from the farmers, which is providing support to the farmers as South India is exhibiting less demand for M.P. potato because local crop has spread in these regions. In Agra, potato prices quoted steady at Rs.400-420/quintal and in Tarkeshwar; it traded up at Rs.450-475/quintal.

FUTURES MARKETS:

MCX Potato futures rebounded to mostly up Saturday on strong speculative buying and strong fundamentals. Market opened strong and gradually increased from day's lower level. Most active March contract climbed Rs.19 at Rs.604 after strong opening at Rs.588.70 and hovered between Rs.586.50-607.60 while Potato Tarkeshwar added Rs.10 at Rs.536.50 after mostly firm opening at Rs.535 and moved between Rs.526.50-542.50.

PRICE DRIVERS:

1. Lack of buyers at upper level; Restricted arrivals
2. Expectation of lower production than earlier estimation
3. Moderate harvesting of the crop; Stocks holding

WEATHER:

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

TECHNICALS: MCX Potato March Contract

Candlestick favours the bulls. Stochastic and RSI also favours the bulls. MA and MACD are hinting bullish market as medium term. Open interest as well as volume of trade significantly increased. Potato is expected to hover up after strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|-------|-----|-----|-----|-----|-----|
| March | 600 | 590 | 604 | 623 | 630 |

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato above 608 with target towards 623, second target near 628. Put stop loss below 498.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|-------|-----|-----|--------|-----|-----|
| March | 525 | 520 | 536.50 | 543 | 550 |

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 530 with target towards 540, second target near 547. Put stop loss below 523.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

| Markets | Variety | 24.02.07 | 23.02.07 | Change |
|----------------------------|----------------------|----------|----------|--------|
| Agra- Uttar Pradesh | Fair Average Quality | 400-420 | 400-420 | - |
| Farookhabad- Uttar Pradesh | Fair Average Quality | 300-340 | 320-350 | -20.00 |
| Meerut- Uttar Pradesh | Fair Average Quality | 340-380 | 350-400 | -10.00 |
| Indore- Madhya Pradesh | Fair Average Quality | 520-550 | 520-550 | - |
| Tarkeshwar-West Bengal | Fair Average Quality | 450-475 | 420-440 | +30.00 |
| Burdwan- West Bengal | Fair Average Quality | 460-475 | 400-430 | +60.00 |
| Ludhiana-Punjab | Fair Average Quality | 370-410 | 360-400 | +10.00 |

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