

POTATO DAILY

20th FEBRUARY, 2007

SPOT MARKETS:

Trading activity observed mixed in the potato market on Monday due to concerns about crop production and its quality. The prices rose in Farookhabad market on stockists buying but it remained down in other markets of Uttar Pradesh due to poor quality of potato. Arrivals remained sluggish at most of the producing region. In West Bengal and Punjab, prices stayed slight firm on lower arrivals and expectation of lower production than earlier estimation. Around 600-1000 bags of arrivals are witnessed in each mandis of U.P. market. Prices showed steady sentiment in M.P. due to stable demand supply scenario despite lethargic demand from South India as new crop spread in the South Indian market. Recently, hit by late blight on potato in Bengal and Punjab on foggy and cloudy weather damaged the potato crop. 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) in West Bengal. Therefore 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 Agra, potato prices slipped at Rs.300-350/quintal and in Tarkeshwar; it traded slight up at Rs.350-370/quintal. In Ludhiana, potato quoted up at Rs.300-340/qtl with steady arrivals of 5000-6000 bags.

FUTURES MARKETS:

MCX Potato futures settled at the positive territory on Monday. Market opened weak and went to mostly up on spec buying but profit taking at late hour pulled down the prices. Most active March contract climbed Rs.5.30 at Rs.568.30 after weak opening at Rs.560 and hovered between Rs.560-581.30 while Potato Tarkeshwar climbed Rs.8.80 at Rs.493.70 after strong opening at Rs.488.70 and soared between Rs.485.70-502.50.

PRICE DRIVERS:

1. Poor quality potato in W.B. and U.P.; Reduced arrivals
2. Expectation of lower production than earlier estimation
3. Crop loss in W.B. & Punjab; Stockists buying

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 bears. Stochastic and RSI favours the bulls. MA and MACD also favour the bulls as medium term. Open interest as well as volume of trade increased. Potato is expected to remain down after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	558	550	568.30	572	580

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 570 with target towards 560, second target near 556. Put stop loss above 577.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	483	470	493.70	497	505

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 495 with target towards 485, second target near 480. Put stop loss above 502.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	19.02.07	17.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	300-350	350-400	-50.00
Farookhabad- Uttar Pradesh	Fair Average Quality	350-400	320-340	+30.00
Meerut- Uttar Pradesh	Fair Average Quality	430-450	450-500	-20.00
Indore- Madhya Pradesh	Fair Average Quality	500-550	500-550	-
Tarkeshwar-West Bengal	Fair Average Quality	350-370	330-350	+20.00
Burdwan- West Bengal	Fair Average Quality	340-380	320-340	+20.00
Ludhiana-Punjab	Fair Average Quality	300-340	280-320	+20.00

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