

POTATO DAILY

21st FEBRUARY, 2007

SPOT MARKETS:

Trading activity continued to remain mixed in the potato market on Tuesday due to concerns about crop production and its quality. Market tumbled in U.P. on feeble demand at upper level coupled with below average quality of potato despite lower arrivals. In West Bengal, prices increased on lower arrivals and expectation of lower production than earlier estimation. Around 500-800 bags of arrivals are witnessed in each mandis of U.P. market. Traders said, prices are likely to remain soft after Holi due to strong harvesting in U.P. Prices showed steady sentiment in M.P. and Punjab due to stable demand supply scenario despite lethargic demand from South India as new crop arrived 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 quoted steady at Rs.300-350/quintal and in Tarkeshwar; it traded up at Rs.375-400/quintal. In Ludhiana, potato quoted steady at Rs.300-340/qlt with steady arrivals of 3500-4000 bags.

FUTURES MARKETS:

MCX Potato futures settled at the negative territory Tuesday. Market tumbled from upper level after firm opening on selling pressure. Bullish fundamentals provided underline support. Most active March contract lost Rs.2.20 at Rs.567.40 after firm opening at Rs.570.10 and hovered at Rs.562.80-573 while Potato Tarkeshwar gained Rs.0.50 at Rs.494 after weak opening at Rs.490.10 and soared at Rs.488-498.50.

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

WEATHER:

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

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	20.02.07	19.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	375-400	375-400	-
Farookhabad- Uttar Pradesh	Fair Average Quality	300-320	350-400	-50.00
Meerut- Uttar Pradesh	Fair Average Quality	400-430	430-450	-30.00
Indore- Madhya Pradesh	Fair Average Quality	500-550	500-550	-
Tarkeswar-West Bengal	Fair Average Quality	375-400	350-370	+25.00
Burdwan- West Bengal	Fair Average Quality	380-410	340-380	+40.00
Ludhiana-Punjab	Fair Average Quality	300-350	300-340	-

TECHNICALS: MCX Potato March Contract

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



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	562	555	567.40	575	580

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March potato above 563 with target towards 573, second target near 578. Put stop loss below 557.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	485	480	494	500	505

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 489 with target towards 499, second target near 503. Put stop loss below 483.

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