

POTATO DAILY

1st MARCH, 2007

SPOT MARKETS:

Potato prices remained almost steady to up on limited supplies despite feeble demand from the buyers. Recently, cloudy weather in main producing regions raised a worry that the production may get down if the rainfall occur. Rainfall has occurred at some parts of the country. This is the harvesting time of potato but it is delaying owing to present weather condition, affecting on the market arrivals. Besides, bullish trend in the futures market kept pressure on the spot market. Stockists buying in Punjab, M.P. and U.P. are underpinning the market sentiment. Traders said, around 5% of potato crop has been harvested in U.P. and it will be peaking up after Holi. Therefore they are expecting that the prices would come down on that time. In M.P., it is reported that around 10% of the potato crop are in the field and harvesting will be completed after mid March. On the other hand, around 15-20% of the potato crop had affected by the Late Blight disease in Bengal. Burdwan was the main loser followed by Howrah in Bengal. Potato crop were also affected seriously by the disease in Birbhum, Bankura, Jalpaiguri, Hoogly etc. regions in Bengal. In Punjab also, around 10-20% of potato crops have been damaged by late blight in most of the producing regions. In Agra, potato prices quoted slight up at Rs.410-460/quintal and in Tarkeshwar; it traded steady at Rs.450-470/quintal for Cold Storage delivery. However the quality is remaining poor and less shine.

FUTURES MARKETS:

MCX Potato futures settled up Wednesday on short covering. Selling pressure at contract higher level is keeping under pressure. Market opened mostly firm and traded bullish after hitting a new contract high. Most active March contract gained Rs.6.60 at Rs.628.40 after mostly firm opening at Rs.630.50 and hovered between Rs.615-635 while Potato Tarkeshwar added Rs.6 at Rs.569.80 after mostly firm opening at Rs.577 and traded between Rs.563-580.

PRICE DRIVERS:

1. Lack of buyers at higher level; Weak arrivals
2. Lower production estimation than earlier one
3. Cloudy weather; Stockists buying

WEATHER:

Most of the producing regions are facing cloudy weather, which is unfavourable for harvesting and maturing.

TECHNICALS: MCX Potato March Contract

Candlestick favours the bulls. But Stochastic and RSI favours the bears and hints technical weakness due to overbought market. MA and MACD are favouring the bulls as medium term. Open interest as well as volume of trade decreased. Potato is likely to trade volatile with bullish after strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	615	607	628.40	635	645

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato above 620 with target towards 635, second target near 645. Put stop loss below 610.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	560	551	569.80	580	585

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 562 with target towards 577, second target near 582. Put stop loss below 552.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	28.02.07	27.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	410-460	400-450	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	260-300	250-300	+10.00
Meerut- Uttar Pradesh	Fair Average Quality	420-450	420-450	-
Indore- Madhya Pradesh	Fair Average Quality	500-530	500-540	-
Tarkeswar-West Bengal	Fair Average Quality	450-470	450-470	-
Burdwan- West Bengal	Fair Average Quality	450-470	450-470	-
Ludhiana-Punjab	Fair Average Quality	310-350	310-350	-

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