

POTATO DAILY

10th FEBRUARY, 2007

SPOT MARKETS:

Potato prices declined in U.P. market on Friday on increased arrivals. However slowdown harvesting as forthcoming stockists demand is provided underlying support to the market. Buying support from Cold Storage is anticipated to appear in the coming weeks in U.P. and other States. Therefore farmers are now hoarding their stocks. In M.P., buying support from the Cold Storages is keeping pressure on the potato prices despite weak demand from South India. Arrivals of new crop have entered in the South Indian market therefore they are showing poor demand for M.P. potatoes. Rajasthan is witnessing good demand for U.P. potato, supported the market to improving. On the other hand, late blight has damaged the crop in Southern part of W.B. In addition to, the potato crop has damaged by late blight diseases on erratic weather in Bankura and Birbhum district in W.B., according to sources. Many acres of land are infected by this disease in Vikrampur area, as per the survey report. The production is likely to decline in this area, according to the agriculture department. The potato crop is near to harvesting stage. However, production elsewhere is estimated to increase by 4-5 MMt to 26-28 MMt amidst higher acreage of 16 lakh hectares. In Agra, potato prices declined at Rs.350-370/quintal and in Tarkeshwar; it traded almost steady to up at Rs.275-285/quintal.

FUTURES MARKETS:

MCX Potato futures rebounded to down after strong opening on Friday amidst profit taking and increased selling activity. Market opened firm and selling pressure at upper level pushed down the prices but settled mostly up from day's lower level. Most active March contract lost Rs.8.60 at Rs.519.10 following strong opening at Rs.530 and hovered between Rs.508.70-531 while Potato Tarkeshwar opened firm at Rs.440 and slipped Rs.6.30 at Rs.431.30 and moved between Rs.422-447.

PRICE DRIVERS:

1. Potato production expected to increase to 26-28 MMt
2. Consumer's demand as vegetable; Stockists buying
3. Bearish trend of arrivals; Slowdown harvesting

WEATHER:

Almost dry weather at most of the producing region will be beneficial for development and harvesting of potato. But fog with cloudy weather in W.B. may hamper in crop production.

TECHNICALS: MCX Potato March Contract

Candlesticks hints steady to bullish market. Stochastic and RSI favours the bulls. MA and MACD indicate bullish market for medium term. Open interest as well as volume of trade slightly declined. Potato is expected to remain up after a weak opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	515	505	519.10	527	535

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 526 with target towards 516, second target near 510. Put stop loss above 532.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	422	413	431.30	440	447

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 440 with target towards 430, second target near 420. Put stop loss above 446.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	9.02.07	8.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	350-370	360-380	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	255-265	265-275	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	340-360	345-365	-5.00
Indore- Madhya Pradesh	Fair Average Quality	500-520	500-525	-
Tarkeswar-West Bengal	Fair Average Quality	275-285	270-280	+5.00
Burdwan- West Bengal	Fair Average Quality	265-285	260-280	+5.00
Ludhiana-Punjab	Fair Average Quality	250-290	250-290	-

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