

## POTATO DAILY

6<sup>th</sup> FEBRUARY, 2007

### SPOT MARKETS:

Steady to upward market for potato prices observed at most of the producing regions on Monday. Sluggish arrivals coupled with slowdown harvesting due to forthcoming stockist's demand is providing underlying support to the market. The buying support from Cold Storage is expected to appear after 7-10 days in U.P and other States. In M.P., Cold Storages are purchasing potato from the farmers, which is offsetting the weak demand from South India. Arrivals of new crop have entered in the market in South India therefore they are showing poor demand for M.P. potatoes. However the demand from Rajasthan is remarkable, which is providing underline support to the U.P. market. Traders are expecting that the potato production will go up by 10-15% in U.P. and West Bengal due to higher acreage. But recent late blight has caused damaged the crop but to some extent in Southern part of W.B. The potato crop is near to harvesting stage. Ground frost has affected the entire Southern part of W.B. 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 offered steady to slight up at Rs.370-390/quintal and in Tarkeshwar; it traded up at Rs.270-280/quintal. A consignment of potato arrived in Lahore from India through Wagah border on Friday. The consignment includes 600 bags of potato.

### FUTURES MARKETS:

MCX Potato futures rebounded to up Monday amidst buying support from lower level. Steady to up spot prices also added to positive tone. Market tumbled after weak opening at early hour but bounced back to up thereafter. Most active Potato March contract gained Rs.10 at Rs.507.70 after weak opening at Rs.491.20 and hovered at Rs.488-507.70. Potato Tarkeshwar surged Rs.7.50 at Rs.394 following weak opening at Rs.385 and moved between Rs.379-395.10.

### PRICE DRIVERS:

1. Speculation of strong production
2. Consumer's demand as vegetable; Stockists buying
3. Weakness in arrivals; Slowdown harvesting

### WEATHER:

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

### TECHNICALS: MCX Potato March Contract

Candlesticks hints bullish market. But Stochastic and RSI favours the bears. MA and MACD favour the bears for medium term. Open interest steady but volume of trade significantly decreased. Potato is likely to trade bullish following strong opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	502	492	507.70	517	525

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-March potato above 505 with target towards 515, second target near 520. Put stop loss below 498.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	390	385	394	404	408

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-March Potato Tarkeshwar above 392 with target towards 402, second target near 407. Put stop loss below 385.

### SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	5.02.07	3.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	370-390	365-390	+5.00
Farookhabad- Uttar Pradesh	Fair Average Quality	235-265	235-260	-
Meerut- Uttar Pradesh	Fair Average Quality	350-370	350-370	-
Indore- Madhya Pradesh	Fair Average Quality	500-525	500-525	-
Tarkeswar-West Bengal	Fair Average Quality	270-280	260-280	+10.00
Burdwan- West Bengal	Fair Average Quality	250-270	235-255	+15.00
Ludhiana-Punjab	Fair Average Quality	250-270	245-265	+5.00

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