

POTATO DAILY

24th FEBRUARY, 2007

SPOT MARKETS:

Potato prices remained steady to up at most of the producing regions Friday due to lack of quality potato. Farmers are replenishing stocks on expectation of better prices in near futures due to upcoming stockists demand. However weakness in arrivals is creating supply squeeze in the market, traders said. On the other hand, the market influencing factor is expectation of lower production than earlier estimation in West Bengal and Punjab, which is triggering prices to get up. Buying support from the stockists is providing underline support to the market in Madhya Pradesh. Arrivals are remaining moderate due to fresh arrivals of new crop in South Indian market. Therefore they are exhibiting weak demand for M.P. potato, traders said. Meanwhile, prices are likely to remain soft after Holi due to strong harvesting in U.P. and other parts of the country, traders reported. Potato crop has affected by late blight recently in Bengal and Punjab on foggy and cloudy weather. Most of the main producing belt has affected by late blight- 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. The storing capacities of Cold Storages are around 52 lakh metric tonnes in this State. 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 up at Rs.400-440/quintal and in Tarkeshwar; it traded steady at Rs.420-440/quintal.

FUTURES MARKETS:

MCX Potato futures tumbled Friday amidst profit taking and technical selling. Market opened weak and gradually decreased thereafter. Most active March contract lost Rs.18.60 at Rs.586 after weak opening at Rs.600 and traded between Rs.582-606 while Potato Tarkeshwar slipped Rs.13.20 at Rs.531.50 after weak opening at Rs.540.10 and remained between Rs.523-542.

PRICE DRIVERS:

1. Lack of quality potato; Restricted arrivals
2. Anticipation of lower production than earlier estimation
3. Moderate harvesting of the crop; Stocks holding

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	23.02.07	22.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	400-440	390-420	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	320-350	310-330	+10.00
Meerut- Uttar Pradesh	Fair Average Quality	350-400	400-430	-50.00
Indore- Madhya Pradesh	Fair Average Quality	520-550	500-525	+20.00
Tarkeswar-West Bengal	Fair Average Quality	420-440	420-440	-
Burdwan- West Bengal	Fair Average Quality	400-430	400-430	-
Ludhiana-Punjab	Fair Average Quality	360-400	330-360	+30.00

TECHNICALS: MCX Potato March Contract

Candlestick favours the bears. RSI also favours the bears but Stochastic favours the bulls. MA and MACD hint strong market as medium term. Open interest as well as volume of trade significantly decreased. Potato is likely to trade weak after steady to weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	575	565	586	595	606

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato below 588 with target towards 578, second target near 572. Put stop loss above 595.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	520	510	531.50	542	550

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 538 with target towards 525, second target near 520. Put stop loss above 547.

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