

## POTATO DAILY

22<sup>nd</sup> FEBRUARY, 2007

### SPOT MARKETS:

Potato prices remained almost steady on Wednesday amidst stable demand supply scenario. However weakness in arrivals is creating supply squeeze in the market, traders said. On the other hand, potato prices surged in West Bengal and Punjab on expectation of lower production than earlier estimation. 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. 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. The storing capacities of Cold Storages are around 52 lakh metric tonnes in this State. 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.400-420/quintal.

### FUTURES MARKETS:

MCX Potato futures hovered up Wednesday amidst strong speculative buying on expectation of lower output and weakness in arrivals. Market opened weak but soared thereafter. Most active March contract climbed Rs.18.60 at Rs.585.10 after weak opening at Rs.563.70 and hovered within Rs.563.70-588.40 while Potato Tarkeshwar surged Rs.26.90 at Rs.520.90 after strong opening at Rs.496.70 and traded between Rs.495.10-523.60.

### PRICE DRIVERS:

1. Poor quality potato in W.B. and U.P.; Weak arrivals
2. Expectation of lower production than earlier estimation
3. Crop loss in W.B. & Punjab; Stockists buying in M.P.

### WEATHER:

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

### TECHNICALS: MCX Potato March Contract

Candlestick favours the bulls. Stochastic and RSI favours the bulls. MA and MACD also favour the bulls as medium term. Open interest decreased but volume of trade significantly increased. Potato is likely to trade bullish after firm opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	575	570	585.10	595	605

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-March potato above 583 with target towards 593, second target near 598. Put stop loss below 577.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	505	495	520.90	532	542

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-March Potato Tarkeshwar above 521 with target towards 432, second target near 537. Put stop loss below 514.

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

Markets	Variety	21.02.07	20.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	375-400	375-400	-
Farookhabad- Uttar Pradesh	Fair Average Quality	300-320	300-320	-
Meerut- Uttar Pradesh	Fair Average Quality	400-430	400-430	-
Indore- Madhya Pradesh	Fair Average Quality	500-550	500-550	-
Tarkeswar-West Bengal	Fair Average Quality	400-420	375-400	+25.00
Burdwan- West Bengal	Fair Average Quality	390-420	380-410	+10.00
Ludhiana-Punjab	Fair Average Quality	320-350	300-350	+20.00

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