

POTATO DAILY

8th FEBRUARY, 2007

SPOT MARKETS:

On Wednesday, potato prices witnessed almost steady to rangebound sentiment in the major trading centre on brisk trading activity. Stable demand supply scenario kept the market almost unchanged. Weakness in arrivals as of 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 buying potato from the farmers, which are offsetting the 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 showing good demand for U.P potato. 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 prices tumbled slightly at Rs.350-370/quintal and in Tarkeshwar; it traded almost steady at Rs.265-275/quintal. A consignment of potato arrived in Lahore from India through Wagah border. The consignment includes 600 bags of potato.

FUTURES MARKETS:

MCX Potato futures maintained strong sentiment on Wednesday amidst speculative buying. Market opened strong and hovered up thereafter. Most active March contract settled Rs.10.40 up at Rs.520 after strong opening at Rs.511 and hovered between Rs.511-520 while Potato Tarkeshwar opened firm at Rs.407.70 and gained Rs.13.50 at Rs.417 and soared between Rs.405.30-417.

PRICE DRIVERS:

1. Potato production likely to remain up at 26-28 MMt
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 strong 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 increased. Potato is expected to remain bullish after a strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	515	510	520	530	535

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March potato above 519 with target towards 529, second target near 534. Put stop loss below 513.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	413	407	417	425	430

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 415 with target towards 424, second target near 429. Put stop loss below 410.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	7.02.07	6.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	350-370	360-380	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	260-270	250-270	+10.00
Meerut- Uttar Pradesh	Fair Average Quality	340-360	340-360	-
Indore- Madhya Pradesh	Fair Average Quality	500-520	500-520	-
Tarkeswar-West Bengal	Fair Average Quality	265-275	270-280	-5.00
Burdwan- West Bengal	Fair Average Quality	250-270	250-270	-
Ludhiana-Punjab	Fair Average Quality	240-280	240-280	-

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