

POTATO DAILY

7th FEBRUARY, 2007

SPOT MARKETS:

Market sentiment for potato prices remained mixed on Tuesday at the domestic spot market. Bearish trend of 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 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 slight down at Rs.360-380/quintal and in Tarkeshwar; it traded steady 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 traded firm on Tuesday amidst buying support. Steady to up spot prices also added to positive tone. Market hovered up following mostly strong opening but set back from day's higher level. Most active Potato March contract surged Rs.5.90 at Rs.510 after firm opening at Rs.508.70 and traded between Rs.507-514.80. Potato Tarkeshwar gained Rs.9.80 at Rs.404 following strong opening at Rs.399 and hovered between Rs.396.10-408.

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 bearish market. 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 up following a strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	504	497	510	516	521

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 515 with target towards 505, second target near 500. Put stop loss above 521.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	395	390	404	409	413

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 408 with target towards 398, second target near 392. Put stop loss above 413.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	6.02.07	5.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	360-380	370-390	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	250-270	235-265	+15.00
Meerut- Uttar Pradesh	Fair Average Quality	340-360	350-370	-10.00
Indore- Madhya Pradesh	Fair Average Quality	500-520	500-525	-
Tarkeswar-West Bengal	Fair Average Quality	270-280	270-280	-
Burdwan- West Bengal	Fair Average Quality	250-270	250-270	-
Ludhiana-Punjab	Fair Average Quality	240-280	250-270	-10.00

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