

POTATO DAILY

12th FEBRUARY, 2007

SPOT MARKETS:

Market sentiment for potato prices strengthened on Saturday on sluggish arrivals due to rains. Harvesting of potato crop remained postponed due to erratic weather in U.P., West Bengal and Punjab region, according to trade sources. Stockists are active to purchasing of potato in U.P. and M.P., which is providing underlying support to the market. Farmers are now hoarding their stocks at most of the producing regions. The ongoing rainfall in Punjab and U.P. did not affect the standing crop but production may dampen if rains continue for four three to four days, traders said. In M.P., buying support from the Cold Storages is keeping pressure on the potato prices despite no demand from South India due to arrivals of new local crop. Demand from Rajasthan is remaining weak for U.P. potato, said Agra based trader. In West Bengal, the potato crop has affected by the late blight disease due to foggy and cloudy weather. The crop was damaged in Bankura, Birbhum, Burdwan and Southern part of West Bengal. In Birbhum district, around 5,300 hectares of land under potato cultivation was damaged by this disease, according to the agriculture division. Total acreage was 21,050 ha under potato crop in this area. The disease has spread in 71,000 ha of land out of 75,000 ha of totaled potato cultivation in Burdwan and around 13,000 ha of potato crop has damaged. The potato crop is near to harvesting stage. In Agra, potato prices increased at Rs.360-390/quintal and in Tarkeshwar; it traded almost steady at Rs.275-285/quintal.

FUTURES MARKETS:

MCX Potato futures bounced back to firm position after strong opening amidst strong speculative buying, bullish spot prices and crop loss fear in West Bengal due to late blight. Most active March contract opened bullish at Rs.523.90 and climbed Rs.19.30 at Rs.539.60 and hovered between Rs.523.90-541.10 while Potato Tarkeshwar surged Rs.6 at Rs.438.30 after firm opening at Rs.433.40 and moved between Rs.430-440 during Saturday's trading.

PRICE DRIVERS:

1. Late blight damaged crop in W.B.
2. Consumer's demand as vegetable; Stockists buying
3. Dearth of arrivals

WEATHER:

Foggy with cloudy weather may hamper in crop production.

TECHNICALS: MCX Potato March Contract

Candlesticks hints bullish market. Stochastic and RSI favours the bulls. MA and MACD indicate bullish market for medium term. Open interest remains steady but volume of trade significantly increased. Potato is likely to trade firm after a strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	535	525	539.60	550	555

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March potato above 538 with target towards 548, second target near 554. Put stop loss below 532.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	433	426	438.30	450	455

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 437 with target towards 447, second target near 452. Put stop loss below 431.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	10.02.07	9.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	360-390	350-370	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	250-270	255-265	-5.00
Meerut- Uttar Pradesh	Fair Average Quality	360-380	340-360	+20.00
Indore- Madhya Pradesh	Fair Average Quality	500-550	500-520	-
Tarkeswar-West Bengal	Fair Average Quality	275-290	275-285	-
Burdwan- West Bengal	Fair Average Quality	300-320	265-285	+35.00
Ludhiana-Punjab	Fair Average Quality	280-320	250-290	+30.00

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