

## POTATO DAILY

23<sup>rd</sup> FEBRUARY, 2007

### SPOT MARKETS:

Potato prices improved at most of the trading point on Thursday due to lack of quality potato and reduced arrivals. Farmers are holding 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. Potato prices continued to rise in West Bengal and Punjab on expectation of lower production than earlier estimation and poor quality. 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., traders reported. Potato crop has affected by late blight recently in Bengal and Punjab on foggy and cloudy weather. 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.390-420/quintal and in Tarkeshwar; it traded up at Rs.420-440/quintal.

### FUTURES MARKETS:

MCX Potato futures continued to soar Thursday on speculative buying on expectation of lower output and weakness in arrivals. Market opened strong and soared thereafter. Most active March contract added Rs.18.70 at Rs.604 after strong opening at Rs.588 and hovered between Rs.582.50-607.70 while Potato Tarkeshwar climbed Rs.23.10 at Rs.543.50 after slight weak opening at Rs.520 and soared between Rs.511-547.

### PRICE DRIVERS:

1. Lack of quality potato; Limited arrivals
2. Expectation of lower production than earlier estimation
3. Crop loss in W.B. & Punjab; 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	22.02.07	21.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	390-420	375-400	+15.00
Farookhabad- Uttar Pradesh	Fair Average Quality	310-330	300-320	+10.00
Meerut- Uttar Pradesh	Fair Average Quality	400-430	400-430	-
Indore- Madhya Pradesh	Fair Average Quality	500-525	500-550	-
Tarkeswar-West Bengal	Fair Average Quality	420-440	400-420	+20.00
Burdwan- West Bengal	Fair Average Quality	400-430	390-420	+10.00
Ludhiana-Punjab	Fair Average Quality	330-360	320-350	+10.00

### TECHNICALS: MCX Potato March Contract

Candlestick hints upward market. Stochastic and RSI favours the bulls. MA and MACD also favours the bulls as medium term. Open interest as well as volume of trade significantly increased. Potato is likely to trade strong after firm opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	595	583	604	614	624

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-March potato above 602 with target towards 612, second target near 622. Put stop loss below 595.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	520	510	543.50	556	569

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-March Potato Tarkeshwar above 540 with target towards 555, second target near 565. Put stop loss below 530.

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