

POTATO DAILY

27th FEBRUARY, 2007

SPOT MARKETS:

Market sentiment for potato prices observed mixed tone on Monday amidst limited arrivals and lack of buyers at upper level of prices. Traders said, prices have been increasing due to crop damage concerns on inclement weather and late blight in West Bengal and Punjab. However moderate stockists buying in M.P. and Punjab are providing underlying support to the market. Potato tumbled mostly at Farookhabad of U.P. and Ludhiana in Punjab on limited offtake by the buyers and harvesting of potato crop. However traders said, around 5% of potato crop has harvested in U.P. and it will peak up after Holi. Therefore they are expecting that the prices would come down on that time. However in West Bengal, potato traded steady today due to limited buying support at higher level of prices despite restricted arrivals. In Bengal, around 15-20% of the potato crop had affected by the diseases. The disease has been spread at most of producing belt like Jalpaiguri, Cooch Behar, Hooghly, Burdwan, Birbhum 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 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.410-430/quintal and in Tarkeshwar; it traded up at Rs.460-480/quintal for Cold Storage delivery.

FUTURES MARKETS:

MCX Potato futures hovered up Monday amidst strong speculative buying on crop damage concerns. All of the contracts made new contracts high. Besides, all the contracts of potato have hit the upper circuit limit of 4% following strong opening. Market opened strong and soared thereafter. Most active March contract climbed Rs.30 at Rs.634 after strong opening at Rs.606.50 and hovered between Rs.606.50-634.40 while Potato Tarkeshwar gained Rs.28.60 at Rs.565.10 after firm opening at Rs.537.90 and moved between Rs.537.90-566.90.

PRICE DRIVERS:

1. Lack of buyers at upper level; Restricted arrivals
2. Expectation of lower production than earlier estimation
3. Moderate harvesting of the crop; 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	26.02.07	24.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	410-430	400-420	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	250-275	300-340	-50.00
Meerut- Uttar Pradesh	Fair Average Quality	430-450	400-420	+30.00
Indore- Madhya Pradesh	Fair Average Quality	520-550	520-550	-
Tarkeswar-West Bengal	Fair Average Quality	460-480	450-475	+10.00
Burdwan- West Bengal	Fair Average Quality	460-470	460-475	-
Ludhiana-Punjab	Fair Average Quality	320-360	360-400	-40.00

TECHNICALS: MCX Potato March Contract

Candlestick favours the bulls. Stochastic and RSI also favours the bulls but technical correction near. MA and MACD are indicating strong market as medium term. Open interest declined but volume of trade significantly increased. Potato is likely to trade up after strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	620	607	634	645	655

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato above 626 with target towards 641, second target near 651. Put stop loss below 616.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	546	536	565.10	575	585

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 560 with target towards 575, second target near 583. Put stop loss below 550.

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