

POTATO DAILY

15th FEBRUARY, 2007

SPOT MARKETS:

Potato prices slightly eased Wednesday in U.P. market on account of increased arrivals and less demand from the stockists. Harvesting of the crop has started but to some extent as almost clear sky. However the market prices observed steady to slight firm in West Bengal, M.P., and Punjab due to lower arrivals. Arrivals were reduced due to inclement weather. Heavy hailstorm and rains lashed through Agra adding to the woes of the farmers as the untimely weather change will destroy the standing potato crop. The hailstorm added to the woes of the farmers who are already facing loss due to the heavy rainfall which has hit northern India. In addition to, stockists are active to purchasing of potato in M.P., which is providing underlying support to the market. In M.P., buying support from the Cold Storages are keeping pressure on the potato prices despite no demand from South India due to arrivals of new local crop. According to trade sources, around 7-12% of potato crop has been damaged due to this rainfall and late blight in West Bengal. In West Bengal, the potato crop has affected by the late blight disease due to foggy and cloudy weather. Initial reports suggest that at least 5% of the standing potato crop in the state has been affected due to blight. In Agra, potato prices slipped at Rs.350-380/quintal and in Tarkeshwar; it traded slight up at Rs.340-380/quintal.

FUTURES MARKETS:

MCX Potato futures tumbled on Wednesday amidst profit taking, selling pressure and increased arrivals at the spot market. All the contracts of potato have hit the lower circuit limit of 4%. Market opened weak and stumbled thereafter and settled mostly down. Most active March contract slipped Rs.35.10 at Rs.550.20 after weak opening at Rs.583 and hovered between Rs.550.20-583 while Potato Tarkeshwar slid Rs.29.60 at Rs.462.80 following weak opening at Rs.490.50 and moved at Rs.462.80-500.

PRICE DRIVERS:

1. Crop loss fears on inclement weather; Improvement in arrivals
2. Less demand from the stockists
3. Imposing of additional margins on long & short position

WEATHER:

Main producing regions are experiencing a cloudy weather with rains, which may affect market arrivals and damage the standing crops.

TECHNICALS: MCX Potato March Contract

Candlesticks hints bearish market. Stochastic and RSI favours the bears. MA and MACD indicate slight strong market for medium term. Open interest as well as volume of trade significantly decreased. Potato is likely to trade weak after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	530	520	550.20	560	570

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 550 with target towards 535, second target near 525. Put stop loss above 560.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	450	440	462.80	470	480

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 465 with target towards 452, second target near 445. Put stop loss above 473.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	14.02.07	13.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	350-380	375-400	-25.00
Farookhabad- Uttar Pradesh	Fair Average Quality	300-330	325-350	-25.00
Meerut- Uttar Pradesh	Fair Average Quality	390-430	400-440	-10.00
Indore- Madhya Pradesh	Fair Average Quality	500-550	500-550	-
Tarkeshwar-West Bengal	Fair Average Quality	340-380	330-370	+10.00
Burdwan- West Bengal	Fair Average Quality	330-370	320-360	+10.00
Ludhiana-Punjab	Fair Average Quality	330-370	320-360	+10.00

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.