

POTATO DAILY

13th FEBRUARY, 2007

SPOT MARKETS:

Potato prices skyrocketed on Monday at most of the producing regions on account of crop loss fears due to inclement weather. Therefore the arrivals have widely reduced. Lightning with a hailstorm lashed the rural hinterland of the Taj Mahal famous city Agra and destroying standing crops. Potato crops were extensively damaged because of the violent weather. Harvesting of the crop has been going on in U.P. but it is remained stopped for three to four days due to bad weather, traders said. According to sources, a white blanket of hail was seen on the fields of potato crop in Agra. The inclement weather has affected the potato crop in the main growing belt like U.P., West Bengal, Punjab and Bihar. Therefore the market activity remained weak at most of the centre. In addition to, stockists are active to purchasing of potato in U.P. and 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. 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 Agra, potato prices climbed at Rs.400-430/quintal and in Tarkeshwar; it traded up at Rs.310-340/quintal.

FUTURES MARKETS:

MCX Potato futures soared after gap opening amidst strong speculative buying. All the contracts of potato have hit the upper circuit limit of 4%. Market opened mostly strong and hovered up thereafter and traded within the 6% price limit. Most active March contract opened strongly bullish at Rs.549.80 and settled Rs.32.40 up at Rs.572 and soared between Rs.549.80-572 while Potato Tarkeshwar climbed Rs.26.30 at Rs.464.60 after mostly firm opening at Rs.442 and hovered between Rs.442-464.60 during Monday's trading.

PRICE DRIVERS:

1. Crop loss fears due to inclement weather; Listless arrivals
2. Consumer's demand as vegetable; Stockists buying

WEATHER:

Rain/ thundershowers are likely to continue at many places over Punjab, Haryana, U.P, Bihar, West Bengal and Delhi. Therefore it may damage the standing crop and hamper in arrivals.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	12.02.07	10.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	400-430	360-390	+40.00
Farookhabad- Uttar Pradesh	Fair Average Quality	275-300	250-270	+25.00
Meerut- Uttar Pradesh	Fair Average Quality	400-440	360-380	+40.00
Indore- Madhya Pradesh	Fair Average Quality	520-560	500-550	+20.00
Tarkeswar-West Bengal	Fair Average Quality	310-340	275-290	+35.00
Burdwan- West Bengal	Fair Average Quality	320-350	300-320	+20.00
Ludhiana-Punjab	Fair Average Quality	310-350	280-320	+30.00

TECHNICALS: MCX Potato March Contract

Candlesticks hints strongly bullish market. Stochastic and RSI favours the bulls but indicates technical reversal. MA and MACD indicate bullish market for medium term. Open interest as well as volume of trade significantly increased. Potato is likely to hover up after strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	568	558	572	590	600

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March potato above 575 with target towards 590, second target near 595. Put stop loss below 565.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	460	450	464.60	480	485

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 465 with target towards 477, second target near 484. Put stop loss below 457.

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