

POTATO DAILY

16th FEBRUARY, 2007

SPOT MARKETS:

Potato prices eased Thursday at most of the trading centre on improving arrivals and less demand from the stockists. Harvesting of the crop has started due to improved weather conditions. Potato inflow is likely to boost following improved weather conditions in the entire belt. The arrival was seen to decline recently due to unseasonal rainfall. Recently, hit by late blight on potato in West Bengal due to foggy and cloudy weather damaged the potato crop extensively. Initial reports suggest that at least 5% of the standing potato crop in the state has been damaged due to late blight. This disease has spread in Hoogly and Burdwan district also. This year, potato has cultivated in 4-lakh hectare of land in West Bengal. According to the Agriculture department, around 20% of potato crop has been affected by late blight in this State. The department is expected that the potato production will reach about to 80 lakh metric tonnes in West Bengal. The storing capacities of Cold Storages are around 52 lakh metric tonnes in this State. In addition to, stockists are active to purchasing of potato in M.P., which is adding 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 strong arrivals of new local crop in South Indian market. In Agra, potato prices slipped at Rs.325-370/quintal and in Tarkeshwar; it traded slight weak at Rs.330-370/quintal.

FUTURES MARKETS:

MCX Potato futures rebounded to up on Thursday amidst strong speculative buying and expectation of lower production than earlier estimation. Market opened mostly weak but recovered thereafter on profit taking at lower level and buying support. Most active March contract gained Rs.11.80 at Rs.563.80 after mostly weak opening at Rs.538 and hovered between Rs.538-565.90 while Potato Tarkeshwar surged Rs.8.60 at Rs.471.40 after strong opening at Rs.464 and moved at Rs.448-472.50.

PRICE DRIVERS:

1. Less demand from the stockists; Improving arrivals
2. Production likely to reduce as compared to early estimates
3. Crop loss due late blight in West Bengal

WEATHER:

Main producing regions are experiencing with almost clear weather, which will help in harvesting and smoothing arrivals.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	15.02.07	14.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	325-370	350-380	-25.00
Farookhabad- Uttar Pradesh	Fair Average Quality	290-320	300-330	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	380-420	390-430	-10.00
Indore- Madhya Pradesh	Fair Average Quality	500-550	500-550	-
Tarkeswar-West Bengal	Fair Average Quality	330-370	340-380	-10.00
Burdwan- West Bengal	Fair Average Quality	320-360	330-370	-10.00
Ludhiana-Punjab	Fair Average Quality	330-370	330-370	-

TECHNICALS: MCX Potato March Contract

Candlesticks hints bullish market. But Stochastic and RSI favours the bears. MA and MACD indicate slight strong market for medium term. Open interest as well as volume of trade increased. Potato is expected to remain volatile with strong after firm opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	550	540	563.80	575	590

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March potato above 560 with target towards 575, second target near 585. Put stop loss below 550.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	465	450	471.40	485	495

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 470 with target towards 480, second target near 490. Put stop loss below 463.

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.