

POTATO DAILY

9th FEBRUARY, 2007

SPOT MARKETS:

Potato prices slightly improved on Thursday at most of the producing regions owing to reduce arrivals on back of slowdown harvesting. Growers are hoarding stocks amidst forthcoming stockists demand. Buying support from Cold Storage is anticipated to appear in the coming weeks in U.P and other States. In M.P., Cold Storages are buying potato from the farmers, which are offsetting the weak demand from South India. Arrivals of new crop have entered in the South Indian market therefore they are showing poor demand for M.P. potatoes. Rajasthan is witnessing good demand for U.P potato, supported the market to improving. Recent late blight has caused damaged the crop but to some extent in Southern part of W.B. In addition to, the potato crop has damaged by late blight diseases on erratic weather in Bankura district in W.B., according to sources. Many acres of land are infected by this disease in Vikrampur area, as per the survey report. The production is likely to decline in this area, according to the agriculture department. The potato crop is near to harvesting stage. However, production elsewhere is estimated to increase by 4-5 MMt to 26-28 MMt amidst higher acreage of 16 lakh hectares. In Agra, potato prices increased slightly at Rs.360-380/quintal and in Tarkeshwar; it traded almost steady to up at Rs.270-280/quintal.

FUTURES MARKETS:

MCX Potato futures soared on Thursday amidst strong speculative and fund buying. Strong spot prices also added to bullish tone. Market opened firm and hovered up thereafter, but profit booking at mostly higher level set back the prices. Most active March contract climbed Rs.8.20 at Rs.527.20 following strong opening at Rs.520 and hovered between Rs.520-534.80 while Potato Tarkeshwar opened firm at Rs.419 and soared Rs.21.80 at Rs.438.20 and moved between Rs.419-439.50.

PRICE DRIVERS:

1. Potato production expected to increase to 26-28 MMt
2. Consumer's demand as vegetable; Stockists buying
3. Bearish trend of arrivals; Slowdown harvesting

WEATHER:

Almost dry weather at most of the producing region will be beneficial for development and harvesting of potato. But fog with cloudy weather in W.B. may hamper in crop production.

TECHNICALS: MCX Potato March Contract

Candlesticks hints steady to strong market. Stochastic and RSI favours the bulls. MA and MACD indicate bullish market for medium term. Open interest declined but volume of trade significantly increased. Potato is likely to trade bullish after a weak opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	520	515	527.20	535	540

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March potato below 533 with target towards 522, second target near 517. Put stop loss above 539.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	425	415	438.20	445	450

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 445 with target towards 435, second target near 430. Put stop loss above 452.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	8.02.07	7.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	360-380	350-370	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	265-275	260-270	+5.00
Meerut- Uttar Pradesh	Fair Average Quality	345-365	340-360	+5.00
Indore- Madhya Pradesh	Fair Average Quality	500-525	500-520	-
Tarkeswar-West Bengal	Fair Average Quality	270-280	265-275	+5.00
Burdwan- West Bengal	Fair Average Quality	260-280	250-270	+10.00
Ludhiana-Punjab	Fair Average Quality	250-290	240-280	+10.00

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