

POTATO DAILY

12th MARCH, 2007

SPOT MARKETS:

Potato prices firmed up on Saturday at most of the leading centre amidst weather concerns and slowed arrivals due to moderate harvesting. Rainfall forecasting in Punjab, U.P., Haryana, and Delhi are pushing up the potato prices as harvesting is not completed at most of the producing regions. This unseasonal rainfall is likely to hinder in harvesting and may damage the potato crops, which are in the field, traders said. Just one week ago, the unwanted drizzling and prolonged foggy weather caused an adverse effect to the potato production this year. Traders said, the prices are expected to remain firm in near term also. In the meantime, quality of potato is remaining poor as of infected potato by disease and unseasonal rains at harvesting time. Most of the cold storages are remaining almost empty due to lack of arrivals at the Cold Storages. In West Bengal, around 45-50% of Cold storages are fulfilled so far, however in U.P. it was remaining 30-40%. The situation is aggravated because of the extensive damage to thousands of hectares of potato cultivation in Punjab and West Bengal. On the other hand, exports would suffer because of the shortfall of production, which will ultimately have an adverse effect on the potato farmers. In Agra, potato prices were strong at Rs.450-475/quintal. In Tarkeshwar, it traded down at Rs.500-525/quintal for Cold Storage delivery. In Ludhiana, potato prices quoted steady at Rs.420-450/qlt with average arrivals of 5000-6000 bags.

FUTURES MARKETS:

MCX Potato futures traded mixed on Saturday though market recovered at late hour. Market tumbled after firm opening on profit taking but recovered thereafter on buying support. Most active April contract lost Rs.0.20 at Rs.657 after firm opening at Rs.659.90 and traded at Rs.645.20-661 while Potato Tarkeshwar April contract surged Rs.6.40 at Rs.638.80 after weak opening at Rs.630.30 and soared at Rs.623.90-646.10.

PRICE DRIVERS:

1. Weather concern; Short of arrivals; Lower output
2. Farmers withholding stocks; Poor quality of potato
3. Stockists buying; Slow harvesting

WEATHER:

Forecasting of rainfall in Punjab, Haryana, W.B., East & West U.P. may hinder in harvesting and damage the field crops.

TECHNICALS: MCX Potato April Contract

Candlestick hints strong market. Stochastic and RSI favours the bulls. MA and MACD are favouring the bulls as medium term. Open interest increased but volume of trade significantly decreased. Potato is expected to trade down after firm opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	645	635	657	667	675

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato above 648 with target towards 660, second target near 670. Put stop loss below 640.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	630	620	638.80	647	655

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato Tarkeshwar above 630 with target towards 645, second target near 650. Put stop loss below 620.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	10.03.07	09.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	450-475	435-460	+15.00
Farookhabad- Uttar Pradesh	Fair Average Quality	420-440	410-430	+10.00
Meerut- Uttar Pradesh	Fair Average Quality	500-520	470-490	+30.00
Indore- Madhya Pradesh	Fair Average Quality	640-700	625-700	+15.00
Tarkeshwar-West Bengal	Fair Average Quality	500-530	525-550	-25.00
Burdwan- West Bengal	Fair Average Quality	500-530	525-550	-25.00
Ludhiana-Punjab	Fair Average Quality	420-450	420-450	-

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