

POTATO DAILY

9th MARCH, 2007

SPOT MARKETS:

Market sentiment is remaining hot in the potato market due to lower production than earlier estimation and reduced arrivals. Poor quality of harvested potato is also aggravating the situation. Most of the cold storages are remaining almost empty due to lack of arrivals at the Cold Storages. In West Bengal, around 30% of Cold storages are fulfilled so far, however in U.P. it was remaining 25-35%. Traders said, harvesting has started and it is gradually peaking up. According to trade sources, the prices of potatoes in the country are expected to go up in the coming months because of the extensive damage to thousands of hectares of potato cultivation in Punjab and West Bengal. The unwanted drizzling and prolonged foggy weather during the harvesting periods caused an adverse effect to the potato production this year forcing the farmers into high debts. The prices have already risen by nearly Rs.100/quintal on the available varieties during the last two weeks at most of the centres. Therefore, exports would suffer because of the shortfall of production, which will ultimately have an adverse effect on the potato farmers. Due to the low production, prices may go up in the market and consumers will have to buy them at a higher rate. In Agra, potato prices were strong at Rs.425-450/quintal. In Tarkeshwar, it traded steady at Rs.520-540/quintal for Cold Storage delivery. In Ludhiana, potato prices stable to Rs.400-440/qtl with average arrivals of 4000-6000 bags while it was around 500-700 bags in Meerut market.

FUTURES MARKETS:

MCX Potato futures soared Thursday amidst speculative buying due to lower production and strong spot prices. Market gradually increased after firm opening. Most active March contract climbed Rs.20.60 at Rs.662.20 after strong opening at Rs.643 and hovered between Rs.638-664.50 while Potato Tarkeshwar gained Rs.16.90 at Rs.624.70 after weak opening at Rs.605 and soared between Rs.605-628.

PRICE DRIVERS:

1. Crop loss worries; Scanty arrivals
2. Farmers withholding stocks; Poor quality of potato
3. Stockists buying; Lack of buyers at upper level

WEATHER:

Most of the producing regions are experiencing with clear weather, which is favourable for harvesting.

TECHNICALS: MCX Potato March Contract

Candlestick favours the bulls. Stochastic and RSI also favours the bulls. MA is favouring the bulls as medium term but MACD hints weakness in the market. Open interest as well as volume of trade significantly increased. Potato is likely to trade bullish after strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	645	635	662.20	672	681

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato above 655 with target towards 670, second target near 675. Put stop loss below 645.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	615	600	624.70	634	642

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 620 with target towards 632, second target near 640. Put stop loss below 612.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	08.03.07	07.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	425-450	420-460	+5.00
Farookhabad- Uttar Pradesh	Fair Average Quality	375-400	350-375	+25.00
Meerut- Uttar Pradesh	Fair Average Quality	460-480	460-480	-
Indore- Madhya Pradesh	Fair Average Quality	600-700	550-650	+50.00
Tarkeswar-West Bengal	Fair Average Quality	520-540	520-540	-
Burdwan- West Bengal	Fair Average Quality	515-535	515-535	-
Ludhiana-Punjab	Fair Average Quality	400-440	400-440	-

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