

POTATO DAILY

31st MARCH, 2007

SPOT MARKETS:

Potato traded rangebound with steady on Friday in U.P., Western India and North Indian market on the back of stable demand supply scenario. However the demands from the cold storages are witnessed weak due to higher arrivals at the cold store. However, prices strengthened again in West Bengal amidst reduced arrivals against the strong demand from the cold storages. Around 75% of the cold storages in Bengal are fulfilled with potato during this marketing year and harvesting is almost completed. According to trade estimates, around 70-75 lakh Mt of potato is produced during this year in the State as compared to 75 lakh Mt in last year. Therefore the demand is likely to remain strong in this year, traders said. In contrast, over 90% of the cold storages have occupied in U.P. and about 100% in M.P., Gujarat and Rajasthan. Therefore the demand is expected to remain weak in the rest of months, they noted. Traders said, the crop losses in U.P. due to bad weather at the harvesting stage are unlikely to have much effect on the total production in this state due to higher acreage this year. Again, the extent of crop damage may not be as high as stated earlier. Government estimated the potato output will be at 25-27 MMt as compared to the consumption of around 24 MMt. In Agra, potato traded stable at Rs.320-350/quintal. In Tarkeshwar, it traded mostly up at Rs.550-580/quintal for Cold Storage delivery. In Burdwan district, lower arrivals around 2100 tonnes were observed.

FUTURES MARKETS:

On the MCX platform, potato futures tumbled on Friday amidst profit taking and selling pressure. Futures market traded up after firm opening but selling pressure at day's higher level pulled down the prices later. Most active Agra April contract lost Rs.5.30 at Rs.563 after firm opening at Rs.569 and traded at Rs.560.10-574. Potato Tarkeshwar April contract slipped Rs.5.90 at Rs.586 after weak opening at Rs.589.90 and moved between Rs.584.50-599.

PRICE DRIVERS:

1. Steady arrivals; Weak demand from the cold storages in U.P.
2. Reduced arrivals and stockists demand in West Bengal

WEATHER:

Most of the potato producing areas are experiencing with clear weather at present, favouring in harvesting.

TECHNICALS: MCX Potato April Contract

Candlestick favours the bears for the next trading day. But Stochastic favours the bulls. However, MA and MACD hinting bearish market as medium term. Open interest increased but volume of trade significantly decreased. Potato is likely to trade weak after slight firm opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	555	550	563	570	580

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato below 569 with target towards 557, second target near 552. Put stop loss above 577.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	575	570	586	593	599

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato Tarkeshwar below 592 with target towards 580, second target near 575. Put stop loss above 600.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	30.03.07	29.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	320-350	320-350	-
Farookhabad- Uttar Pradesh	Fair Average Quality	300-350	300-350	-
Meerut- Uttar Pradesh	Fair Average Quality	400-420	400-420	-
Indore- Madhya Pradesh	Fair Average Quality	500-550	550-650	-50.00
Tarkeshwar-West Bengal	Fair Average Quality	550-580	520-560	+30.00
Burdwan- West Bengal	Fair Average Quality	550-600	500-540	+50.00
Ludhiana-Punjab	Fair Average Quality	390-410	380-410	+10.00

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