

POTATO DAILY

26th MARCH, 2007

SPOT MARKETS:

Market sentiment for potato prices remained mixed on Saturday, the prices increased moderately in West Bengal on lower arrivals coupled with increased demand from the cold storages but it remained steady to bearish in U.P., Punjab and other parts on sluggish demand from the stockist and strong arrivals. Around 90-95% of the cold storages are already fulfilled with potato in the country's largest producing centres Uttar Pradesh. The crop damage in U.P., Punjab and Bengal are unlikely to have much effect on the total production due to higher acreage this year. Again, the extent of crop damage may not be as high as stated earlier. As per the Government's estimates, around 25-30% of crops have been damaged due to blight and inclement weather in U.P., Punjab and Bengal. The potato production is likely to be higher at around 25-26 MMt in 2007 than last year of 22-23 MMt. But, consumption is around 25 MMt in the country; therefore there will not be much shortage. Prices are expected to fall with increased arrivals in the near future also. Harvesting is almost completed in Bengal and nearly 75% of the cold storage is filled up with new produce. In M.P., Gujarat and Rajasthan, around 100% of the cold storages are filled up with potato, resulting in declining demand in near term. In Agra, potato traded at Rs.380-420/quintal. In Tarkeshwar, it traded up at Rs.500-520/quintal for Cold Storage delivery.

FUTURES MARKETS:

On MCX platform, potato futures fell down on Saturday amidst fresh selling pressure on bearish fundamentals and reduced demand from the cold storages. Futures market traded bearish after weak opening through out the trading session but the activity remained moderate. Most active Agra April contract declined Rs.8.90 at Rs.568.80 after weak opening at Rs.576.40 and traded between Rs.567-578.90. Potato Tarkeshwar April contract lost Rs.2.90 at Rs.558.30 after mostly bearish opening at Rs.556.10 and moved between Rs.554-560.

PRICE DRIVERS:

1. Higher arrivals; Higher production estimates than last year
2. Lower off-take by the cold storage; Well stocks in cold storage

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. Stochastic and RSI indicates technical reversal near due to mostly oversold condition. MA and MACD, indicating weak market as medium term. Open interest steady but volume of trade declined. Potato is likely to trade soft after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	552	542	568.80	575	582

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato below 570 with target towards 555, second target near 550. Put stop loss above 580.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	545	540	558.30	565	570

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato Tarkeshwar below 560 with target towards 548, second target near 542. Put stop loss above 570. Trade Cautiously.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	24.03.07	23.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	380-420	380-420	-
Farookhabad- Uttar Pradesh	Fair Average Quality	350-375	350-375	-
Meerut- Uttar Pradesh	Fair Average Quality	450-470	430-460	+20.00
Indore- Madhya Pradesh	Fair Average Quality	650-700	640-690	+10.00
Tarkeshwar-West Bengal	Fair Average Quality	500-520	480-520	+20.00
Burdwan- West Bengal	Fair Average Quality	510-520	490-515	+10.00
Ludhiana-Punjab	Fair Average Quality	400-420	410-430	-10.00

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