

POTATO DAILY

20th MARCH, 2007

SPOT MARKETS:

Potato prices, which skyrocketed during this winter, have dropped over 30% in about a month. Potato prices were seeing a sharp rally in the commodity markets as well as mandis recently, as the crop got damaged following rains across northern India. But at present, the prices have been cooling down with better weather conditions, while warning that an upward rally might resume if untimely rains affect the crops yet again. Potato prices tumbled on Monday at most of the producing regions due to increased arrivals. The harvesting of crops is near to completion at most of the producing regions. The total production is likely to be higher at around 26-27 MMt on higher acreage this year over last year. But, around 15-20% shortfall in production is expected on unseasonal weather and late blight. Consumption is around 25 MMt in the country; therefore there will not be much shortage. In W.B., production is dropped by 20% at around 7.50 MMt compared to earlier estimation of 9.3 MMt where as trader's estimates are at around 7.0 MMt. According trade estimates, nearly 80-85% of the cold storages in Agra and Farookhabad are already filled up with the new produce. In M.P., Gujarat and Rajasthan, around 100% of the cold storages are filled up. In Agra, potato prices offered down at Rs.420-465/quintal. In Tarkeshwar, it traded down at Rs.510-530/quintal for Cold Storage delivery. In Ludhiana, potato prices quoted inched up at Rs.500-525/qlt with average arrivals of 4500-5500 bags. In W.B, potato arrivals are reported to be highest at 6300 tonnes in Birbhum district on Monday.

FUTURES MARKETS:

MCX Potato futures turned red on Monday amidst selling pressure amidst weak spot market. Therefore marker declined after weak opening and settled down. Most active April contract slid Rs.10.40 at Rs.622.80 after weak opening at Rs.630 and traded between Rs.620.50-633. Potato Tarkeshwar April contract lost Rs.14.20 at Rs.576.90 after bearish opening at Rs.589 and moved between Rs.574.50-589.

PRICE DRIVERS:

1. Increased arrivals; Improved weather condition
2. Stockists buying; Harvesting is going to end

WEATHER:

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

TECHNICALS: MCX Potato April Contract

Candlestick favours the bears. Stochastic and RSI also indicates bearish market. MA and MACD are hinting bearish market as medium term. Open interest as well volume of trade increased. Potato is likely to tumble after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	605	600	622.80	627	637

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato below 620 with target towards 608, second target near 600. Put stop loss above 628.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	565	555	576.90	585	595

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato Tarkeshwar below 582 with target towards 570, second target near 562. Put stop loss above 590.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	19.03.07	17.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	420-460	450-475	-30.00
Farookhabad- Uttar Pradesh	Fair Average Quality	350-375	400-450	-50.00
Meerut- Uttar Pradesh	Fair Average Quality	460-500	500-540	-40.00
Indore- Madhya Pradesh	Fair Average Quality	650-700	650-700	-
Tarkeswar-West Bengal	Fair Average Quality	510-530	530-550	-20.00
Burdwan- West Bengal	Fair Average Quality	520-540	530-550	-10.00
Ludhiana-Punjab	Fair Average Quality	500-525	495-525	+5.00

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