

POTATO DAILY

2nd MARCH, 2007

SPOT MARKETS:

Potato prices remained strong on Thursday at most of the domestic spot market due to crop damage concerns. Weakness in arrivals added to zing. At present, inclement weather in main producing regions raised a worry that the production may get down due to crop damage. Rainfall has occurred in Northern parts of the country such as U.P., Punjab, and Gujarat. This is the harvesting time of potato but it is delaying owing to present cloudy weather condition, affecting on the market arrivals and fields crop both. Besides, bullish trend in the futures market kept pressure on the spot market. Stockists buying in Punjab, M.P. and U.P. are underpinning the market sentiment though consumers demand remained moderate. However the trading activity was very thin due to rainfall. In M.P., it is reported that around 10% of the potato crop are in the field and harvesting will be completed after mid March. On the other hand, around 15-20% of the potato crop had affected by the Late Blight disease in Bengal recently. Burdwan was the main loser followed by Howrah in Bengal. Potato crop were also affected seriously by the disease in Birbhum, Bankura, Jalpaiguri, Hoogly etc. districts in Bengal. In Punjab also, around 10-20% of potato crops have been damaged by late blight in most of the producing regions. In Agra, potato prices quoted up at Rs.420-470/quintal and in Tarkeshwar; it traded mostly at Rs.480-490/quintal for Cold Storage delivery.

FUTURES MARKETS:

MCX Potato futures soared after hitting a new contract high Thursday. All the contracts breached 4% upper circuit limit. Market opened mostly firm and gradually increased thereafter on strong spec buying. Most active March contract climbed Rs.37.60 at Rs.664.10 after mostly firm opening at Rs.632 and hovered between Rs.632-664.10 while Potato Tarkeshwar surged Rs.34.10 at Rs.602.50 after mostly firm opening at Rs.572 and soared between Rs.572-602.50.

PRICE DRIVERS:

1. Inclement weather; Weak arrivals; Crop damage concerns
2. Lower production estimation than earlier one
3. Stockists buying; Poor harvesting

WEATHER:

Most of the producing regions are facing cloudy with rainy weather, which is unfavourable for harvesting and maturing crop.

TECHNICALS: MCX Potato March Contract

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



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	642	633	664.10	680	690

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato above 655 with target towards 670, second target near 685. Put stop loss below 645.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	582	561	602.50	615	625

TRADE RECOMMENDATION: (Intraday)

Buy MCX-March Potato Tarkeshwar above 592 with target towards 607, second target near 622. Put stop loss below 582. **Trade cautiously.**

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	01.03.07	28.02.07	Change
Agra- Uttar Pradesh	Fair Average Quality	420-470	410-460	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	300-350	260-300	+40.00
Meerut- Uttar Pradesh	Fair Average Quality	460-480	420-450	+40.00
Indore- Madhya Pradesh	Fair Average Quality	510-540	500-530	+10.00
Tarkeshwar-West Bengal	Fair Average Quality	480-490	450-470	+30.00
Burdwan- West Bengal	Fair Average Quality	470-480	450-470	+20.00
Ludhiana-Punjab	Fair Average Quality	320-360	310-350	+10.00

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