

## POTATO DAILY

3<sup>rd</sup> MARCH, 2007

### SPOT MARKETS:

Potato prices witnessed almost steady undertone at most of the domestic centre except West Bengal Friday on stable demand supply scenario. In Bengal, potato prices increased further on crop loss fears and weak arrivals coupled with delayed harvesting. Recent rains have delayed harvesting and damaged the crop but it is too some extent in U.P., Bengal, Bihar and Punjab, traders said. Besides, bullish trend in the futures market kept pressure on the spot market. Stockists buying in Punjab, M.P. and U.P. are providing underline support to the market though consumers demand remained moderate. However the trading activity was very thin due to rainfall at some parts. 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. Traders said, harvesting is likely to peak up after 3-4 days in U.P. and Bengal. In Agra, potato prices quoted slight down at Rs.400-450/quintal and in Tarkeshwar; it traded up at Rs.490-500/quintal for Cold Storage delivery.

### FUTURES MARKETS:

MCX Potato futures settled at the negative territory on Friday after the recent bullish trend. Market traded mostly up after firm opening but profit booking at contract higher level pulled down the prices at late hour. Most active March contract lost Rs.9.60 at Rs.654 after firm opening at Rs.664.10 and hovered between Rs.638.10-679.60 while Potato Tarkeshwar surged Rs.22.50 at Rs.625 after gap opening at Rs.626.60 and soared between Rs.612.50-638.60.

### PRICE DRIVERS:

1. Crop loss fears; Restricted arrivals; Bad weather
2. Lower production estimation than earlier one
3. Stockists buying; Poor harvesting

### WEATHER:

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

### SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

| Markets                    | Variety              | 02.03.07 | 01.03.07 | Change |
|----------------------------|----------------------|----------|----------|--------|
| Agra- Uttar Pradesh        | Fair Average Quality | 400-450  | 420-470  | -20.00 |
| Farookhabad- Uttar Pradesh | Fair Average Quality | 300-350  | 300-350  | -      |
| Meerut- Uttar Pradesh      | Fair Average Quality | 460-480  | 460-480  | -      |
| Indore- Madhya Pradesh     | Fair Average Quality | 510-540  | 510-540  | -      |
| Tarkeswar-West Bengal      | Fair Average Quality | 490-500  | 480-490  | +10.00 |
| Burdwan- West Bengal       | Fair Average Quality | 480-490  | 470-480  | +10.00 |
| Ludhiana-Punjab            | Fair Average Quality | 320-360  | 320-360  | -      |

### TECHNICALS: MCX Potato March Contract

Candlestick favours the bears. Stochastic and RSI favours the bears and hints technical weakness due to overbought market. MA and MACD are favouring the bulls as medium term. Open interest declined significantly but volume of trade significantly increased. Potato is likely to trade bearish after strong opening with possibility of late upwards movement.



### SUPPORT / RESISTANCES: MCX March Potato

| Month | S1  | S2  | PCP | R1  | R2  |
|-------|-----|-----|-----|-----|-----|
| March | 633 | 620 | 654 | 664 | 680 |

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX-March Potato below 660 with target towards 645, second target near 635. Put stop loss above 670.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

| Month | S1  | S2  | PCP | R1  | R2  |
|-------|-----|-----|-----|-----|-----|
| March | 612 | 600 | 625 | 638 | 650 |

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX-March Potato Tarkeshwar below 635 with target towards 620, second target near 610. Put stop loss above 645. Trade cautiously.

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