

POTATO DAILY

10th MARCH, 2007

SPOT MARKETS:

Short supplies at the leading domestic trade centres for potato are boosting up the potato prices. Traders said, the prices are expected to remain firm in near term also. Prices hovered up on Friday in U.P., West Bengal, Punjab, Bihar, and M.P., where potato is cultivated in a vast land. Currently, arrivals are observing sluggish owing to slow harvesting. In addition to, quality of potato is remaining poor as of infected potato by disease and unseasonal rains at harvesting time. Most of the cold storages are remaining almost empty due to lack of arrivals at the Cold Storages. In West Bengal, around 50% of Cold storages are fulfilled so far, however in U.P. it was remaining 40%. The situation is aggravated because of the extensive damage to thousands of hectares of potato cultivation in Punjab and West Bengal. The unwanted drizzling and prolonged foggy weather during the harvesting periods caused an adverse effect to the potato production this year forcing the farmers into high debts. On the other hand, exports would suffer because of the shortfall of production, which will ultimately have an adverse effect on the potato farmers. Due to the low production, prices may go up in the market and consumers will have to buy them at a higher rate. In Agra, potato prices were strong at Rs.435-460/quintal. In Tarkeshwar, it traded up at Rs.525-550/quintal for Cold Storage delivery. In Ludhiana, potato prices increased to Rs.420-450/qlt with average arrivals of 4000-5000 bags while it was around 500-700 bags in Meerut market.

FUTURES MARKETS:

MCX Potato futures soared Friday on spec buying amidst weather concern. Market hovered up after mostly firm opening. Most active April contract climbed Rs.17.20 at Rs.657.40 after firm opening at Rs.645 and hovered at Rs.642.30-663.50 while Potato Tarkeshwar surged Rs.9.70 at Rs.631.30 after strong opening at Rs.624.90 and soared at Rs.621-637.50.

PRICE DRIVERS:

1. Weather concern; Short of arrivals; Lower output
2. Farmers withholding stocks; Poor quality of potato
3. Stockists buying; Slow harvesting

WEATHER:

Forecasting of rainfall in Punjab, Haryana, East & West U.P. may hinder in harvesting and damage the field crops.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	09.03.07	08.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	435-460	425-450	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	410-430	375-400	+35.00
Meerut- Uttar Pradesh	Fair Average Quality	470-490	460-480	+10.00
Indore- Madhya Pradesh	Fair Average Quality	625-700	600-700	+25.00
Tarkeswar-West Bengal	Fair Average Quality	525-550	520-540	+5.00
Burdwan- West Bengal	Fair Average Quality	525-550	515-535	+10.00
Ludhiana-Punjab	Fair Average Quality	420-450	400-440	+20.00

TECHNICALS: MCX Potato April Contract

Candlestick hints upward market. Stochastic and RSI favours the bulls. MA and MACD are favouring the bulls as medium term. Open interest as well as volume of trade significantly decreased. Potato is expected to trade slight up after weak opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	650	635	657.40	668	675

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato above 652 with target towards 664, second target near 670. Put stop loss below 644.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	622	610	631.30	640	650

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato Tarkeshwar above 626 with target towards 638, second target near 645. Put stop loss below 618.

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