

POTATO DAILY

24th MARCH, 2007

SPOT MARKETS:

Market sentiment for potato prices has been remaining bearish since last one week due to reduced off-take by the cold storages as 90-95% of the cold storages are already fulfilled with potato in the country's largest producing centres Uttar Pradesh. The arrivals of potato have been also increasing despite steady consumers and food processors demand. 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. However, in Punjab, it is nearly 75%. In Agra, potato offered down at Rs.380-420/quintal. In Tarkeshwar, it traded down at Rs.480-520/quintal for Cold Storage delivery. In W.B, potato arrivals are reported to be highest at 220 tonnes in Midnapore.

FUTURES MARKETS:

On MCX platform, potato futures recovered at late hour on profit taking amidst oversold condition, which encouraged technical buying. Futures market steeply fell down after weak opening on the back of reduced demand from the cold storage but rebounded to up on short covering. Most active Agra April contract lost Rs.1.40 at Rs.576 after weak opening at Rs.572 and hovered between Rs.560.10-581. However, Potato Tarkeshwar April contract gained Rs.1.10 at Rs.559 after weak opening at Rs.553.20 and moved between Rs.540-564.

PRICE DRIVERS:

1. Strong arrivals; Higher production estimates than last year
2. Lower off-take by the 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 bulls. Stochastic and RSI hints upward market due to mostly oversold condition. MA and MACD, indicating weak market as medium term. Open interest as well as volume of trade slightly increased. Potato is likely to trade up after weak opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	565	560	576	585	595

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato above 570 with target towards 582, second target near 587. Put stop loss below 562.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	545	540	559	570	577

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato Tarkeshwar above 555 with target towards 567, second target near 572. Put stop loss below 547. Trade Cautiously.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	23.03.07	22.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	380-420	400-425	-20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	350-375	350-375	-
Meerut- Uttar Pradesh	Fair Average Quality	430-460	430-460	-
Indore- Madhya Pradesh	Fair Average Quality	640-690	640-690	-
Tarkeswar-West Bengal	Fair Average Quality	480-520	500-520	-20.00
Burdwan- West Bengal	Fair Average Quality	490-515	500-515	-10.00
Ludhiana-Punjab	Fair Average Quality	410-430	430-480	-20.00

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