

POTATO DAILY

29th MARCH, 2007

SPOT MARKETS:

Potato prices plunged further in U.P., Punjab and Delhi on Wednesday on the back of sufficient arrivals at the market yards coupled with limited demand from the cold storages. In U.P., more than 85-90% of the cold storages are already fulfilled with potato but the arrivals were strong till now. Therefore the demands from the stockists are slackening. In Farookhabad of U.P., the arrivals remained mostly strong at around 9500 tonnes. Traders said, the crop losses in U.P. due to bad weather at the harvesting stage are unlikely to have much effect on the total production in this state due to higher acreage this year. Again, the extent of crop damage may not be as high as stated earlier. In fact, bearish sentiment was observed at the other markets also. According to the government's estimation, the potato output is estimated to be up 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 remain weak with increased arrivals in the near future also. Harvesting is almost completed in Bengal and nearly 75-77% 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. In Agra, potato traded down at Rs.340-380/quintal. In Tarkeshwar, it traded slight up at Rs.500-510/quintal for Cold Storage delivery. In Burdwan district, highest arrivals around 16332 tonnes were observed.

FUTURES MARKETS:

On the MCX platform, potato futures rebounded to up on Wednesday amidst short covering due to oversold condition of the market. Market soared after mostly weak opening and settled at the positive territory. Most active Agra April contract climbed Rs.6.20 at Rs.567.60 after weak opening at Rs.557.40 and hovered at Rs.556-571.40. Potato Tarkeshwar April contract surged Rs.15.80 at Rs.591.70 after steady opening at Rs.576 and soared between Rs.576-595.50.

PRICE DRIVERS:

1. Robust arrivals; Higher production estimates than last year
2. Sluggish demands from 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 for the next trading day. Stochastic and RSI favors the bulls. But MA and MACD, indicating bearish market as medium term. Open interest as well as volume of trade significantly decreased. Potato is likely to trade up after slight weak opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	560	551	567.60	580	590

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato above 564 with target towards 576, second target near 584. Put stop loss below 558.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	583	575	591.70	603	610

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato Tarkeshwar above 588 with target towards 600, second target near 605. Put stop loss below 580. Trade Cautiously.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	28.03.07	27.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	340-380	350-370	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	300-350	300-340	-
Meerut- Uttar Pradesh	Fair Average Quality	390-420	400-420	-10.00
Indore- Madhya Pradesh	Fair Average Quality	650-700	650-700	-
Tarkeshwar-West Bengal	Fair Average Quality	500-510	490-510	+10.00
Burdwan- West Bengal	Fair Average Quality	480-500	480-520	-
Ludhiana-Punjab	Fair Average Quality	380-410	400-420	-20.00

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