

POTATO DAILY

14th MARCH, 2007

SPOT MARKETS:

Rains halted the trading activity in Uttar Pradesh, Punjab and Bihar market on Tuesday. However potato traded almost firm across the country on slow arrivals and lower production than earlier estimation. In addition to, robust stockists buying and consumers demand kept the market hot, traders said. Recent inclement weather is attributed to the lower production. Traders are reported that, around 65-75% capacity of the cold storages has fulfilled by potato in U.P., Gujarat and W.B. Besides, rainfall forecasting in Punjab, U.P., Haryana, W.B. and Delhi are escalating the potato prices as harvesting is not completed at most of the producing regions. Just one to two week ago, the unwanted drizzling and prolonged foggy weather caused an adverse effect to the potato production this year. Traders said, the prices are expected to remain firm in near term also. In the meantime, quality of potato is remaining poor as of infected potato by disease and unseasonal rains at harvesting time. In addition to, there was extensive damage to thousands of hectares of potato cultivation in Punjab and West Bengal due to bad weather in harvesting time. On the other hand, exports would suffer because of the shortfall of production, which will ultimately have an adverse effect on the potato farmers. However the potato prices plummeted in Delhi on strong arrivals of new crop. In Agra, potato prices were down at Rs.420-450/quintal. In Tarkeshwar, it traded steady at Rs.515-535/quintal for Cold Storage delivery. In Ludhiana, potato prices quoted up at Rs.480-520/ctl.

FUTURES MARKETS:

MCX Potato futures settled up on Tuesday amidst buying support due to bad weather concerns. Market soared after mostly strong opening but profit taking at contract higher level capped the gains. Most active April contract added Rs.9.60 at Rs.680.10 after firm opening at Rs.676.50 and hovered at Rs.672-691. Potato Tarkeshwar April contract gained Rs.4.70 at Rs.655 after strong opening at Rs.660 and soared at Rs.641-662.

PRICE DRIVERS:

1. Bad weather; Reduced arrivals; Lower production
2. Stockists buying; Slow harvesting

WEATHER:

Forecasting of rainfall in Punjab, Haryana, W.B., Bihar and U.P. may hinder in harvesting and damage the field crops.

TECHNICALS: MCX Potato April Contract

Candlestick hints weakness in the market. But Stochastic and RSI favours the bulls. MA and MACD are hinting strong market as medium term. Open interest declined but volume of trade significantly increased. Potato is likely to trade up initially after firm opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	670	660	680.10	690	700

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato below 690 with target towards 675, second target near 665. Put stop loss above 700.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	640	630	655	665	675

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato Tarkeshwar below 665 with target towards 650, second target near 645. Put stop loss above 675.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	13.03.07	12.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	420-450	450-475	-30.00
Farookhabad- Uttar Pradesh	Fair Average Quality	440-460	420-440	+20.00
Meerut- Uttar Pradesh	Fair Average Quality	560-580	500-520	+60.00
Indore- Madhya Pradesh	Fair Average Quality	650-700	650-700	-
Tarkeshwar-West Bengal	Fair Average Quality	515-535	515-535	-
Burdwan- West Bengal	Fair Average Quality	510-540	510-540	-
Ludhiana-Punjab	Fair Average Quality	480-520	440-460	+40.00

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