

POTATO DAILY

16th MARCH, 2007

SPOT MARKETS:

Potato prices strengthened across the country on Thursday except West Bengal, where the prices tumbled due to strong arrivals of new crops. Slowdown harvesting is keeping pressure on arrivals at the market yards. In addition to, recent rainfall caused damaged the crops in U.P. and delayed the harvesting, traders said. In addition to, 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 60-70% capacity of the cold storages has fulfilled by potato in U.P., Gujarat and W.B. On Tuesday, several rural areas were lashed with heavy hailstorm for nearly half an hour. The hails were especially big in the Fatehpur Sikri area. Therefore hundreds of acres of standing crops are destroyed. Traders said, the prices are expected to remain strong 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. In Agra, potato prices were quoted up at Rs.430-460/quintal. In Tarkeshwar, it traded down at Rs.490-530/quintal for Cold Storage delivery. In Ludhiana, potato prices quoted up at Rs.480-520/qrtl with average arrivals of 5000-7000 bags.

FUTURES MARKETS:

MCX Potato futures tumbled Thursday amidst profit taking and strong speculative selling on expectation of higher arrivals in the market. Therefore market fell after mostly weak opening. Potato Tarkeshwar April and May contract breached 4% lower circuit. Most active April contract lost Rs.15.40 at Rs.632 after weak opening at Rs.641 and traded at Rs.628.50-642.90. Potato Tarkeshwar April contract lost Rs.37.70 at Rs.590.90 after weak opening at Rs.621 and moved between Rs.590.90-621.

PRICE DRIVERS:

1. Improved arrivals; Lower production; Crop damage
2. Stockists buying; Slow harvesting

WEATHER:

Most of the potato producing areas are experiencing with clear weather, favouring in harvesting.

TECHNICALS: MCX Potato April Contract

Candlestick hints downward market. Stochastic and RSI favours the bears. MA and MACD are hinting bearish market as medium term. Open interest increased while volume of trade significantly increased. Potato is expected to trade bearish after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	618	610	632	640	647

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato below 632 with target towards 620, second target near 612. Put stop loss above 640.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	575	565	590.90	600	610

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato Tarkeshwar below 588 with target towards 576, second target near 568. Put stop loss above 596.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	15.03.07	14.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	430-460	420-450	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	450-470	440-460	+10.00
Meerut- Uttar Pradesh	Fair Average Quality	565-585	560-580	+5.00
Indore- Madhya Pradesh	Fair Average Quality	660-700	650-700	+10.00
Tarkeshwar-West Bengal	Fair Average Quality	490-530	520-540	-30.00
Burdwan- West Bengal	Fair Average Quality	480-520	520-550	-40.00
Ludhiana-Punjab	Fair Average Quality	480-500	470-510	+10.00

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