

POTATO DAILY

19th MARCH, 2007

SPOT MARKETS:

Potato remained steady in U.P. Saturday amidst stable demand supply scenario however market observed slight strong in West Bengal and Punjab on reduced arrivals and stockists demand. The harvesting of crops is near to completion at most of the producing regions. However recent rainfall reduced the crop production in the country than earlier estimation. Meanwhile, the total production is likely to be higher at around 26-27 MMt due to higher acreage this year over last year. But, around 15-20% shortfall in production is expected on unseasonal weather and late blight. Consumption is around 25 MMt in the country; therefore there will not be much shortage. In W.B., production is dropped by 20% at around 7.50 MMt compared to earlier estimation of 9.3 MMt. But traders said, potato output is likely to be around 7.0 MMt in this state. Traders said, nearly 70-75% of the cold storages in U.P., Gujarat and W.B are already filled up with the new produce. In Indore, around 90-95% of the cold storages are filled up. The prices are expected to remain strong up to Mid April to May but it may come down thereafter due to releasing of stocks from the cold storage. 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 offered steady at Rs.450-475/quintal. In Tarkeshwar, it traded slight up at Rs.530-550/quintal for Cold Storage delivery. In Ludhiana, potato prices quoted inched up at Rs.495-525/qlt with average arrivals of 5000-6000 bags.

FUTURES MARKETS:

MCX Potato futures settled at the negative territory on Saturday amidst thin trading activity. Market surged after weak opening but profit taking pulled down the prices but settled up from day's low. Most active April contract lost Rs.1.30 at Rs.633.20 after weak opening at Rs.632 and traded at Rs.628.40-638. But Potato Tarkeshwar April contract gained Rs.3.70 at Rs.591.10 after weak opening at Rs.587 and moved between Rs.583-594.90.

PRICE DRIVERS:

1. Reduced arrivals; Lower production; Crop damage
2. Stockists buying; Harvesting is going to end

WEATHER:

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

TECHNICALS: MCX Potato April Contract

Candlestick indicates indecisive market. Stochastic and RSI hints bearish market. MA and MACD is hinting steady to bearish market as medium term. Open interest increased while volume of trade significantly declined. Potato is expected to trade slight down initially after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	625	615	633.20	640	650

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato above 627 with target towards 639, second target near 645. Put stop loss below 619.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	580	570	591.10	600	610

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato Tarkeshwar above 585 with target towards 600, second target near 605. Put stop loss below 575.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	17.03.07	16.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	450-475	450-475	-
Farookhabad- Uttar Pradesh	Fair Average Quality	400-450	400-450	-
Meerut- Uttar Pradesh	Fair Average Quality	500-540	500-540	-
Indore- Madhya Pradesh	Fair Average Quality	650-700	650-700	-
Tarkeshwar-West Bengal	Fair Average Quality	530-550	520-540	+10.00
Burdwan- West Bengal	Fair Average Quality	530-550	520-540	+10.00
Ludhiana-Punjab	Fair Average Quality	495-525	490-520	+5.00

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