

POTATO DAILY

28th MARCH, 2007

SPOT MARKETS:

Potato prices have been remaining bearish since last two to three weeks at the spot markets owing to strong arrivals at the cold storage and mandis due to late harvesting. Potato prices plunged on Tuesday in U.P. market due to 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. 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 addition to, the harvesting of the crop is near to completion at most of the producing regions. In Agra, potato traded down at Rs.350-370/quintal. In Tarkeshwar, it traded down at Rs.490-510/quintal for Cold Storage delivery.

FUTURES MARKETS:

On the MCX platform, potato futures failed to recover on Tuesday due to late speculative selling. Market hovered up after weak opening on profit taking due to over sold condition but tumbled at late hour on fresh selling pressure. Most active Agra April contract slipped Rs.3.30 at Rs.559.70 after weak opening at Rs.560.80 and traded at Rs.557-573.50. However, Potato Tarkeshwar April contract gained Rs.16.80 at Rs.577 after weak opening at Rs.557.50 and hovered between Rs.557.50-582.

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 hints weak market for the next trading day. Stochastic and RSI favors the bears despite oversold condition. MA and MACD, indicating bearish market as medium term. Open interest as well as volume of trade significantly increased. Potato is likely to trade bearish after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX April Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|-------|-----|-----|--------|-----|-----|
| April | 548 | 540 | 559.70 | 565 | 575 |

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato below 561 with target towards 549, second target near 541. Put stop loss above 569.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|-------|-----|-----|-----|-----|-----|
| April | 570 | 560 | 577 | 590 | 595 |

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato Tarkeshwar above 575 with target towards 587, second target near 592. Put stop loss below 567. Trade Cautiously.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

| Markets | Variety | 27.03.07 | 26.03.07 | Change |
|----------------------------|----------------------|----------|----------|--------|
| Agra- Uttar Pradesh | Fair Average Quality | 350-370 | 370-410 | -20.00 |
| Farookhabad- Uttar Pradesh | Fair Average Quality | 300-340 | 340-370 | -40.00 |
| Meerut- Uttar Pradesh | Fair Average Quality | 400-420 | 440-460 | -40.00 |
| Indore- Madhya Pradesh | Fair Average Quality | 650-700 | 650-700 | - |
| Tarkeswar-West Bengal | Fair Average Quality | 490-510 | 500-520 | -10.00 |
| Burdwan- West Bengal | Fair Average Quality | 480-520 | 510-520 | -20.00 |
| Ludhiana-Punjab | Fair Average Quality | 400-420 | 400-420 | - |

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