

POTATO DAILY

21st MARCH, 2007

SPOT MARKETS:

Market sentiment for potato prices has been remaining bearish at most of the producing regions from the last one-two week. Increased arrivals, improvement in harvesting on clear weather and higher production report are mainly attributed to bearish tone. According to the Govt, potato production is estimated to be affected by 20-30% in major producing regions like Punjab, West Bengal and Western Uttar Pradesh. It was mainly due to the late blight disease and inclement weather during the harvesting stage. However, the potato production is estimated to be higher at around 26-27 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. In W.B., production is slipped by 20% at around 7.50 MMt compared to earlier estimation of 9.3 MMt where as trader's estimates are at around 7.0 MMt. As per the CPRI's estimates, around 10-15% of crops have been damaged due to blight in the North India. Besides, over 85% of the cold storages in Agra and Farookhabad are already filled up with potato. In M.P., Gujarat and Rajasthan, around 100% of the cold storages are filled up. In Bengal, it is at around 75%. In Agra, potato offered steady at Rs.420-465/quintal. In Tarkeshwar, it traded slight down at Rs.500-520/quintal for Cold Storage delivery. In Ludhiana, potato prices quoted down at Rs.450-500/qtl with average arrivals of 6000-7000 bags. In W.B, potato arrivals are reported to be highest at 5000 tonnes in Burdwan district on Tuesday.

FUTURES MARKETS:

MCX Potato futures continued to remain bearish Tuesday on speculative selling on expectation of lower prices in near future. Market got down after weak opening though profit taking pushed up the prices at late hour and settled down. Most active April contract lost Rs.12.50 at Rs.609.90 after weak opening at Rs.621 and traded between Rs.605-627. Potato Tarkeshwar April contract slid Rs.10.80 at Rs.566.40 after higher opening at Rs.577.70 and moved between Rs.555-577.70.

PRICE DRIVERS:

1. Improved arrivals; Higher output than last year
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 hints slight bearish market. Stochastic and RSI indicates bearish market but technical reversal near. MA and MACD, indicating downward market as medium term. Open interest declined but volume of trade significantly increased. Potato is likely to trade up initially after slight strong opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	605	595	609.90	621	627

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato above 606 with target towards 620, second target near 626. Put stop loss below 595.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	555	545	566.40	575	585

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato Tarkeshwar below 560 with target towards 574, second target near 580. Put stop loss below 550.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	20.03.07	19.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	420-450	420-460	-
Farookhabad- Uttar Pradesh	Fair Average Quality	375-400	350-375	+25.00
Meerut- Uttar Pradesh	Fair Average Quality	460-480	460-500	-
Indore- Madhya Pradesh	Fair Average Quality	650-700	650-700	-
Tarkeswar-West Bengal	Fair Average Quality	500-520	510-530	-10.00
Burdwan- West Bengal	Fair Average Quality	520-540	520-540	-
Ludhiana-Punjab	Fair Average Quality	450-500	500-525	-50.00

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