

## POTATO DAILY

6<sup>th</sup> MARCH, 2007

### SPOT MARKETS:

Potato prices remained weak in U.P. on Monday due to lack of buyers at upper level despite lower arrivals. However trading activity was thin due to post Holi effect. Traders said, harvesting is stopped and it will start after two to three days. However prices increased in Bengal and Punjab on weakness in arrivals and crop damage concerns. Other supportive factors are unseasonal rain; farmers were holding back output and awaiting higher prices. In addition to, stockists buying are providing underline support to the market. Harvesting is expected to start within 4-5 days in Bengal. West Bengal and Uttar Pradesh are India's largest potato producers and both have been hit by rains in recent days. In M.P., it is reported that around 7-10% of the potato crop are in the field and harvesting will be completed after mid March. Market prices were noticed almost steady in this state despite no demand from South India as new crop arrivals. However, around 18-22% of the potato crop was damaged by the late blight disease and unseasonal rain in Bengal recently. Burdwan was the main loser followed by Howrah in Bengal. In addition to, Birbhum, Bankura, Jalpaiguri, Hoogly districts in Bengal were also seriously affected by this disease and bad weather. In Punjab also, around 10-20% of potato crops were damaged by late blight in most of the producing regions. In Agra, potato prices were steady at Rs.400-450/quintal. In Tarkeshwar, it traded slight up at Rs.485-500/quintal for Cold Storage delivery.

### FUTURES MARKETS:

MCX Potato futures rebounded to up on late speculative buying and profit taking. Market tumbled after weak opening on selling pressure but recovered at late hour on buying support. Most active March contract gained Rs.3.60 at Rs.637 after mostly weak opening at Rs.628 and hovered between Rs.618.40-641.90 while Potato Tarkeshwar added Rs.4.70 at Rs.593 after weak opening at Rs.587 and soared between Rs.568.70-600.

### PRICE DRIVERS:

1. Crop damage concerns; Weakness in arrivals
2. Farmers were holding stocks; Poor quality of potato
3. Stockists buying; Thin trading activity on post Holi

### WEATHER:

Most of the producing regions are experiencing with clear weather, which is favourable for harvesting.

### SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	05.03.07	03.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	400-450	400-450	-
Farookhabad- Uttar Pradesh	Fair Average Quality	300-325	325-350	-25.00
Meerut- Uttar Pradesh	Fair Average Quality	400-440	450-480	-50.00
Indore- Madhya Pradesh	Fair Average Quality	500-530	510-540	-10.00
Tarkeswar-West Bengal	Fair Average Quality	485-500	480-490	+5.00
Burdwan- West Bengal	Fair Average Quality	490-500	470-480	+20.00
Ludhiana-Punjab	Fair Average Quality	380-400	350-380	+30.00

### TECHNICALS: MCX Potato March Contract

Candlestick hints bullish market. But Stochastic and RSI favours the bears. MA and MACD are favouring the bulls as medium term. Open interest declined but volume of trade significantly increased. Potato is expected to remain bullish after weak opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	630	615	637	650	665

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-March Potato above 631 with target towards 645, second target near 655. Put stop loss below 617.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	585	575	593	610	625

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-March Potato Tarkeshwar above 590 with target towards 605, second target near 615. Put stop loss below 580.

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