

POTATO DAILY

8th MARCH, 2007

SPOT MARKETS:

Potato prices soared at the domestic market across the country on Wednesday due to lack of best quality potato and reduced arrivals despite harvesting has started. Traders said, harvesting has started and it is likely to peak up after two to three days. According to trade sources, the prices of potatoes in the country are expected to go up in the coming months because of the extensive damage to thousands of hectares of potato cultivation in Punjab and West Bengal. The unwanted drizzling and prolonged foggy weather during the harvesting periods caused an adverse effect to the potato production this year forcing the farmers into high debts. Added to the problem a bulk of the produce has become victim to the late blight - a viral disease. The prices have already risen by nearly Rs.100 per quintal on the available varieties during the last two weeks at most of the centres. Therefore, exports would suffer because of the shortfall of production, which will ultimately have an adverse effect on the potato farmers. Due to the low production, prices may go up in the market and consumers will have to buy them at a higher rate. Currently, stockists buying are providing underline support to the market. In M.P., harvesting will be completed after mid March. In Agra, potato prices were strong at Rs.420-460/quintal. In Tarkeshwar, it traded up at Rs.520-540/quintal for Cold Storage delivery. In Ludhiana, potato prices surged to Rs.400-440/qtl with average arrivals of 5000-6000 bags. Traders said, around 500-700 bags of potato arrived in Meerut.

FUTURES MARKETS:

MCX Potato futures settled mixed Wednesday on thin trading activity and profit taking. Market tumbled after weak opening but recovered thereafter and set back from day's higher level. Most active March contract added Rs.0.40 at Rs.641.70 after mostly weak opening at Rs.637.90 and hovered between Rs.630.50-648.90 while Potato Tarkeshwar gained Rs.9.60 at Rs.606 after weak opening at Rs.592 and moved between Rs.591-615.20.

PRICE DRIVERS:

1. Crop loss worries; Scanty arrivals
2. Farmers withholding stocks; Poor quality of potato
3. Stockists buying; Lack of buyers at upper level

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	07.03.07	06.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	420-460	400-450	+20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	350-375	300-325	+50.00
Meerut- Uttar Pradesh	Fair Average Quality	460-480	400-440	+60.00
Indore- Madhya Pradesh	Fair Average Quality	550-650	500-530	+50.00
Tarkeswar-West Bengal	Fair Average Quality	520-540	495-510	+25.00
Burdwan- West Bengal	Fair Average Quality	515-535	500-510	+15.00
Ludhiana-Punjab	Fair Average Quality	400-440	390-400	+10.00

TECHNICALS: MCX Potato March Contract

Candlestick hints indecisive market. Stochastic and RSI favours the bears. MA is favouring the bulls as medium term but MACD hints weakness in the market. Open interest as well as volume of trade declined. Potato is likely to trade bearish after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	630	620	641.70	646	655

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato below 645 with target towards 630, second target near 625. Put stop loss above 655.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	590	585	606	616	626

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 615 with target towards 600, second target near 595. Put stop loss above 625.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.