

## POTATO DAILY

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

### SPOT MARKETS:

Potato prices witnessed almost steady undertone on Monday in U.P. market amidst moderate trading activity due to rain. The ongoing rainfall at most of the producing regions are hindering in market arrivals and restricting harvesting. Traders said, this rain may damage the field crops. Rainfall forecasting in Punjab, U.P., Haryana, and Delhi are escalating the potato prices as harvesting is not completed at most of the producing regions. Just one week ago, the unwanted drizzling and prolonged foggy weather caused an adverse effect to the potato production this year. Traders said, the prices are expected to remain firm in near term also. In the meantime, quality of potato is remaining poor as of infected potato by disease and unseasonal rains at harvesting time. Most of the cold storages are remaining almost empty due to lack of arrivals at the Cold Storages. In West Bengal, around 45-50% of Cold storages are fulfilled so far, however in U.P. it was remaining 30-40%. The situation is aggravated because of the extensive damage to thousands of hectares of potato cultivation in Punjab and West Bengal. On the other hand, exports would suffer because of the shortfall of production, which will ultimately have an adverse effect on the potato farmers. However the potato prices remained steady to slight firm at most of the parts of the country. In Agra, potato prices were stable at Rs.450-475/quintal. In Tarkeshwar, it traded up at Rs.515-535/quintal for Cold Storage delivery. In Ludhiana, potato prices quoted up at Rs.440-460/qlt with negligible arrivals.

### FUTURES MARKETS:

MCX Potato futures traded bullish on Monday amidst speculative buying due to bad weather forecasting. Market opened mostly strong and hovered up thereafter and made new contract high. Most active April contract gained Rs.14.90 at Rs.671.90 after bullish opening at Rs.662 and hovered at Rs.662-682.80 while Potato Tarkeshwar April contract climbed Rs.11.30 at Rs.650.10 after strong opening at Rs.644 and soared at Rs.642-663.

### PRICE DRIVERS:

1. Rainfall forecasting; Decline in arrivals; Lower output
2. Stockists buying; Slow harvesting

### WEATHER:

Forecasting of rainfall in Punjab, Haryana, W.B., Bihar and U.P. may hinder in harvesting and damage the field crops.

### TECHNICALS: MCX Potato April Contract

Candlestick hints slight weak market. Stochastic and RSI favours the bulls. MA and MACD are favouring the bulls as medium term. Open interest as well as volume of trade significantly increased. Potato is expected to trade slight down initially after firm opening with possibility of late upwards movement.



### SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	662	651	671.90	683	693

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-April Potato above 665 with target towards 680, second target near 690. Put stop loss below 655.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	640	630	650.10	661	672

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-April Potato Tarkeshwar above 642 with target towards 654, second target near 662. Put stop loss below 634.

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

Markets	Variety	12.03.07	10.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	450-475	450-475	-
Farookhabad- Uttar Pradesh	Fair Average Quality	420-440	420-440	-
Meerut- Uttar Pradesh	Fair Average Quality	500-520	500-520	-
Indore- Madhya Pradesh	Fair Average Quality	650-700	640-700	+10.00
Tarkeshwar-West Bengal	Fair Average Quality	515-535	500-530	+15.00
Burdwan- West Bengal	Fair Average Quality	510-540	500-530	+10.00
Ludhiana-Punjab	Fair Average Quality	440-460	420-450	+20.00

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