

## POTATO DAILY

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

### SPOT MARKETS:

Potato prices remained weak in U.P. on Monday on sluggish demand from the stockist and strong arrivals. However it remained rangebound with steady in the other markets and it got up in Delhi amidst steady arrivals and modest demand from the buyers. Around 90-95% of the cold storages are already fulfilled with potato in the country's largest producing centres Uttar Pradesh. The crop damage in U.P., Punjab and Bengal are unlikely to have much effect on the total production due to higher acreage this year. Again, the extent of crop damage may not be as high as stated earlier. As per the Government's estimates, around 25-30% of crops have been damaged due to blight and inclement weather in U.P., Punjab and Bengal. The potato production is likely to be higher 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 fall with increased arrivals in the near future also. Harvesting is almost completed in Bengal and nearly 75% 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.370-410/quintal. In Tarkeshwar, it traded steady at Rs.500-520/quintal for Cold Storage delivery.

### FUTURES MARKETS:

On the MCX platform, potato futures settled down on Monday amidst weak fundamentals. Market traded down after weak opening but profit booking due to over sold condition pushed up the markets from day's low. Most active Agra April contract lost Rs.6.80 at Rs.562 after weak opening at Rs.565 and traded between Rs.552-565.50. Potato Tarkeshwar April contract slid Rs.0.80 at Rs.557.50 after mostly bearish opening at Rs.550 and moved between Rs.546-562.20.

### PRICE DRIVERS:

1. Higher arrivals; Higher production estimates than last year
2. Lower off-take by the cold storage; Well stocks in 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 slight upward market for the next trading day. Stochastic and RSI indicates technical buying due to mostly oversold condition. MA and MACD, indicating bearish market as medium term. Open interest as well as volume of trade increased. Potato is likely to trade up after weak opening with possibility of late downwards movement.



### SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	550	540	562	570	575

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-April Potato above 557 with target towards 569, second target near 574. Put stop loss below 549.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	550	545	557.50	568	575

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX-April Potato Tarkeshwar above 555 with target towards 567, second target near 572. Put stop loss below 547. Trade Cautiously.

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

Markets	Variety	26.03.07	24.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	370-410	380-420	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	340-370	350-375	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	440-460	450-470	-10.00
Indore- Madhya Pradesh	Fair Average Quality	650-700	650-700	-
Tarkeshwar-West Bengal	Fair Average Quality	500-520	500-520	-
Burdwan- West Bengal	Fair Average Quality	510-520	510-520	-
Ludhiana-Punjab	Fair Average Quality	400-420	400-420	-

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