

POTATO DAILY

7th MARCH, 2007

SPOT MARKETS:

Potato prices observed steady in U.P. and M.P. on Tuesday on lack of buyers at upper level in spite of lower arrivals. However trading activity was thin due to post Holi effect. Traders said, harvesting has started and it is likely to peak up after two to three days. Conversely prices improved in Bengal and Punjab on falling in arrivals and crop damage concerns. Potato prices are likely to go up in the coming months because of the extensive damage to thousands of hectares of potato cultivation in West Bengal and Punjab. 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. Exports would suffer owing to the shortfall of production, which will ultimately have an adverse effect on the potato farmers. Yet again 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. Market prices were noticed almost steady in this state despite no demand from South India as new crop arrivals. In Agra, potato prices were steady at Rs.400-450/quintal. In Tarkeshwar, it traded slight up at Rs.495-510/quintal for Cold Storage delivery.

FUTURES MARKETS:

MCX Potato futures settled with some losses Tuesday on selling pressure at upper level and profit taking due to short covering. Market hovered up after mostly firm opening but fell down at late hour. Most active March contract lost Rs.3.30 at Rs.637.80 after mostly firm opening at Rs.647 and traded between Rs.633.40-652.40 while Potato Tarkeshwar slid Rs.1.90 at Rs.595.10 after weak opening at Rs.595 and moved between Rs.590-607.50.

PRICE DRIVERS:

1. Crop loss worries; Slow 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.

TECHNICALS: MCX Potato March Contract

Candlestick hints bearish 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 firm opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX March Potato

Month	S1	S2	PCP	R1	R2
March	620	615	637.80	645	655

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato below 635 with target towards 625, second target near 617. Put stop loss above 642.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
March	585	575	595.10	601	611

TRADE RECOMMENDATION: (Intraday)

Sell MCX-March Potato Tarkeshwar below 599 with target towards 587, second target near 582. Put stop loss above 607.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	06.03.07	05.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	400-450	400-450	-
Farookhabad- Uttar Pradesh	Fair Average Quality	300-325	300-325	-
Meerut- Uttar Pradesh	Fair Average Quality	400-440	400-440	-
Indore- Madhya Pradesh	Fair Average Quality	500-530	500-530	-
Tarkeshwar-West Bengal	Fair Average Quality	495-510	485-500	+10.00
Burdwan- West Bengal	Fair Average Quality	500-510	490-500	+10.00
Ludhiana-Punjab	Fair Average Quality	390-400	380-400	+10.00

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