

POTATO DAILY

23rd MARCH, 2007

SPOT MARKETS:

Potato prices plummeted on Thursday at most of the producing regions on the back of reduced demand from the cold storage and higher arrivals at the market yards. According to the traders, 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. Traders said, prices were at very high levels and it was not sustainable in the long term. 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. Where as, over 90% of the cold storages in Agra and Farookhabad are already filled up with potato. In M.P., Gujarat and Rajasthan, it is around 100%, resulting in declining demand in near term. However, in Punjab, it is nearly 70%. In Agra, potato offered down at Rs.400-425/quintal. In Tarkeshwar, it traded down at Rs.500-520/quintal for Cold Storage delivery. In W.B, potato arrivals are reported to be highest at 170 tonnes in Bankura Sadar.

FUTURES MARKETS:

On MCX platform, potato futures plunged on Thursday amidst strong speculative selling due to weak spot market. All of the contracts for Agra have breached 4% lower circuit. Futures market steeply fell down after weak opening on the back of reduced demand from the cold storage. Most active Agra April contract lost Rs.26 at Rs.576 after weak opening at Rs.600 and traded between Rs.574.10-600. Potato Tarkeshwar April contract slipped Rs.11.20 at Rs.556.70 after mostly strong opening at Rs.580 and moved between Rs.550.60-580.

PRICE DRIVERS:

1. Higher arrivals; Higher production estimates than last year
2. Reduced demand from the 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 favours the bears. Stochastic and RSI hints technical reversal near due to mostly oversold condition. MA and MACD, hinting bearish market as medium term. Open interest slightly declined but volume of trade significantly increased. Potato is likely to trade bearish after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	565	555	576	583	594

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato below 582 with target towards 567, second target near 562. Put stop loss above 592.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	545	540	556.70	570	580

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato Tarkeshwar below 565 with target towards 550, second target near 545. Put stop loss above 575. Trade Cautiously.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	22.03.07	21.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	400-425	420-450	-20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	350-375	375-400	-25.00
Meerut- Uttar Pradesh	Fair Average Quality	430-460	460-480	-30.00
Indore- Madhya Pradesh	Fair Average Quality	640-690	650-700	-10.00
Tarkeswar-West Bengal	Fair Average Quality	500-520	520-525	-20.00
Burdwan- West Bengal	Fair Average Quality	500-515	510-520	-10.00
Ludhiana-Punjab	Fair Average Quality	430-480	450-500	-20.00

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.