

POTATO DAILY

17th MARCH, 2007

SPOT MARKETS:

Potato prices weakened in U.P. on higher arrivals and lack of buyers at upper level however the prices remained strong in the other producing regions like Punjab, West Bengal and also in Delhi. Recent rainfall caused damaged the crops in U.P. and delayed the harvesting, traders said. In addition to, stockists buying and consumers demand kept the market hot, traders said. Traders said, nearly 70-75% of the cold storages in U.P., Gujarat and W.B are already filled up with the new produce. In Indore, around 90-95% of the cold storages are filled up. The prices are expected to remain strong up to Mid April to May but it may tumble thereafter due to releasing of stocks from the cold storage. On the other hand, exports would suffer because of the shortfall of production, which will ultimately have an adverse effect on the potato farmers. In Agra, potato prices were quoted up at Rs.450-475/quintal. In Tarkeshwar, it traded up at Rs.520-540/quintal for Cold Storage delivery. In Ludhiana, potato prices quoted up at Rs.490-520/qlt with average arrivals of 5000-7000 bags. Meanwhile, the total production of the potato is likely to be higher at around 26-27 MMt due to higher acreage this year. However, around 15-20% shortfall in production is anticipated owing to unseasonal weather and late blight. The consumption is around 25 MMt in the country; therefore there will not be much shortage. In W.B., production is declined by 20% at around 7.50 MMt compared to earlier estimation of 9.3 MMt. But traders said, potato output is likely to be around 7.0 MMt in this state.

FUTURES MARKETS:

MCX Potato futures recovered on Friday amidst buying support at lower level. Market fell after weak opening but hovered up thereafter but profit taking pulled down the prices at late hour. Most active April contract gained Rs.1.70 at Rs.634.60 after weak opening at Rs.631 and hovered at Rs.624.20-647. But Potato Tarkeshwar April contract lost Rs.5.60 at Rs.587 after weak opening at Rs.587 and moved between Rs.580-598.

PRICE DRIVERS:

1. Improved arrivals; Lower production; Crop damage
2. Stockists buying; Slow harvesting

WEATHER:

Most of the potato producing areas are experiencing with clear weather, favouring in harvesting.

TECHNICALS: MCX Potato April Contract

Candlestick hints indecisive market. Stochastic and RSI favours the bears. MA and MACD are hinting bearish market as medium term. Open interest slightly decreased while volume of trade significantly declined. Potato is likely to trade slight down after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	624	615	634.60	642	650

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato above 625 with target towards 640, second target near 645. Put stop loss below 615.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	580	570	587	600	610

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato Tarkeshwar above 580 with target towards 595, second target near 605. Put stop loss below 570.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	16.03.07	15.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	450-475	430-460	+20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	400-450	450-470	-50.00
Meerut- Uttar Pradesh	Fair Average Quality	500-540	550-575	-50.00
Indore- Madhya Pradesh	Fair Average Quality	650-700	660-700	-10.00
Tarkeshwar-West Bengal	Fair Average Quality	520-540	490-530	+30.00
Burdwan- West Bengal	Fair Average Quality	520-540	480-520	+40.00
Ludhiana-Punjab	Fair Average Quality	490-520	480-500	+10.00

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.