

POTATO DAILY

15th MARCH, 2007

SPOT MARKETS:

Rains halted the trading activity in Uttar Pradesh, Punjab and Bihar market. Market sentiments for potato prices are remaining hot across the country owing to reduced arrivals, lower production than earlier estimation coupled with stockists buying. In addition to, consumers demand kept the market hot, traders said. Recent inclement weather is attributed to the lower production. Traders are reported that, around 60-70% capacity of the cold storages has fulfilled by potato in U.P., Gujarat and W.B. On Tuesday, several rural areas were lashed with heavy hailstorm for nearly half an hour. The hails were especially big in the Fatehpur Sikri area. Therefore hundreds of acres of standing crops are destroyed. Besides, rainfall forecasting in Punjab, U.P., Haryana, W.B. and Delhi are escalating the potato prices as harvesting is not completed at most of the producing regions. Traders said, the prices are expected to remain strong 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. In addition to, there was extensive damage to thousands of hectares of potato cultivation in Punjab and West Bengal due to bad weather in harvesting time. 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 steady at Rs.420-450/quintal. In Tarkeshwar, it traded up at Rs.520-540/quintal for Cold Storage delivery. In Ludhiana, potato prices quoted down at Rs.470-510/ctl.

FUTURES MARKETS:

MCX Potato futures traded significantly bearish Wednesday on profit taking due to technical selling. Market plummeted down after weak opening on short covering. Most active April contract slipped Rs.34.90 at Rs.645.30 after weak opening at Rs.676.50 and traded at Rs.645.30-682. Potato Tarkeshwar April contract lost Rs.24.60 at Rs.629 after weak opening at Rs.649 and moved between Rs.625.50-649.

PRICE DRIVERS:

1. Bad weather; Reduced arrivals; Lower production
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 bearish market. Stochastic and RSI favours the bears. MA and MACD are hinting weak market as medium term. Open interest declined but volume of trade significantly increased. Potato is expected to trade down after weak opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	632	625	645.30	655	665

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato below 648 with target towards 634, second target near 628. Put stop loss above 658.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	620	610	629	635	645

TRADE RECOMMENDATION: (Intraday)

Sell MCX-April Potato Tarkeshwar below 635 with target towards 621, second target near 615. Put stop loss above 655.

SPOT MARKET PRICE FOR WHEAT (Rs./Quintal)

Markets	Variety	14.03.07	13.03.07	Change
Agra- Uttar Pradesh	Fair Average Quality	420-450	420-450	-
Farookhabad- Uttar Pradesh	Fair Average Quality	440-460	440-460	-
Meerut- Uttar Pradesh	Fair Average Quality	560-580	560-580	-
Indore- Madhya Pradesh	Fair Average Quality	650-700	650-700	-
Tarkeshwar-West Bengal	Fair Average Quality	520-540	515-535	+5.00
Burdwan- West Bengal	Fair Average Quality	520-550	510-540	+10.00
Ludhiana-Punjab	Fair Average Quality	470-510	480-520	-10.00

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