

POTATO DAILY

10th APRIL, 2007

SPOT MARKETS:

Potato prices firmed up on Monday amidst supply concerns and increased buying at most of the trading point. Currently, the peak season of harvesting is almost completed and most of the cold storages are fulfilled with new produce; therefore supplies are now in declining mood and farmers are holding onto their remaining stocks in expectation of increase in prices in future. On the other hand, potato prices have been remaining on mostly bullish side due to lower production than earlier estimation and stockists demand in West Bengal. The capacities of the cold storages are around 52 lakh MT of potato in Bengal, but nearly to 75% of the cold storages are fulfilled with potato. In Bengal, traders pegged potato production at around 70-75 lakh Mt during this marketing year as compared to 75 lakh Mt in last year. Therefore the demand is expected to remain strong in near future also, they said. In Punjab, around 75% of the cold storages are fulfilled in the State and harvesting is already over. Besides, over 90% of the cold storages have occupied in U.P. and about 100% in M.P., Gujarat and Rajasthan. In addition to, Government estimated the potato output will be at 25-27 MMt over 22-23 MMt of last year and consumption is estimated at around 24 MMt, therefore there will be no shortage of the produce. In Agra mandis, potato quoted up at Rs.380-420/qrtl while in Tarkeshwar, it traded stable at Rs.625-650/quintal for Cold Storage delivery. In Bankura Sadar of Bengal, highest arrivals were observed around 150-160 tonnes.

FUTURES MARKETS:

MCX potato futures moved up on Monday amidst short covering and firm spot market prices. Futures market opened firm and traded bullish thereafter but profit taking at late hour set back the prices from day's higher level. Most active Agra May contract gained Rs.5.50 at Rs.572.50 after firm opening at Rs.567.70 and traded at Rs.565.80-577.90 while Potato Tarkeshwar May contract added Rs.6.70 at Rs.575 after strong opening at Rs.572 and moved between Rs.569-577.

PRICE DRIVERS:

1. Weakness in market arrivals; Increasing demand
2. Strong stockists demand against weak arrivals in West Bengal

WEATHER:

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

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	09.04.07	07.04.07	Change
Agra- Uttar Pradesh	Fair Average Quality	380-420	Closed	-
Farookhabad- Uttar Pradesh	Fair Average Quality	350-400	Closed	-
Meerut- Uttar Pradesh	Fair Average Quality	440-450	Closed	-
Indore- Madhya Pradesh	Fair Average Quality	650-700	650-700	-
Tarkeswar-West Bengal	Fair Average Quality	625-650	620-650	+5.00
Burdwan- West Bengal	Fair Average Quality	620-640	610-630	+10.00
Ludhiana-Punjab	Fair Average Quality	450-470	450-470	-

TECHNICALS: MCX Potato May Contract

Candlestick hints weak market for the next trading day. Stochastic and RSI favours the bears. MA is suggesting slight bearish market as medium term but MACD favours the bulls for medium term. Open interest as well as volume of trade slight increased. Potato is likely to trade down after slight firm opening with possibility of late upwards movement.



SUPPORT / RESISTANCES: MCX May Potato

Month	S1	S2	PCP	R1	R2
May	560	555	572.50	575	580

TRADE RECOMMENDATION: (Intraday)

Sell MCX-May Potato below 575 with target towards 565, second target near 560. Put stop loss above 581.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
May	560	555	575	580	585

TRADE RECOMMENDATION: (Intraday)

Sell MCX-May Potato Tarkeshwar below 579 with target towards 569, second target near 564. Put stop loss above 585.

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