

POTATO DAILY

5th APRIL, 2007

SPOT MARKETS:

On Wednesday, the potato has warmed at the domestic spot markets on the back of reduced arrivals and moderate stockists demand. Potato remained strong in U.P. ahead of the Election, traders said. Traders said, around 5-10% of the total production of potato is stored in the markets and harvesting is almost completed in U.P. In West Bengal, market prices have been increasing amidst mostly weak arrivals and stockists demand as 75% of the cold storages are fulfilled with potato and harvesting is completed. In this State, around 70-75 lakh Mt of potato is produced during this year as against of 75 lakh Mt in last year. Therefore the demand is expected to remain strong in near future also, traders said. In Patiala of Punjab, potato quoted at Rs.300-350/qrtl with 25 tonnes of arrivals and around 75% of the cold storages are fulfilled in the State. Besides, over 90% of the cold storages have occupied in U.P. and about 100% in M.P., Gujarat and Rajasthan. Therefore the demand is expected to remain weak in the rest of months in this sector, according to marketing sources. 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 slight up at Rs.360-400/qrtl while in Tarkeshwar, it traded steady at Rs.610-630/quintal for Cold Storage delivery and around 200 tonnes of potato have arrived in West Midnapore district in Bengal.

FUTURES MARKETS:

MCX potato futures traded mostly bullish on Wednesday amidst increased buying and strong spot prices. Futures market opened up and hovered up thereafter and settled at the positive territory due to strong buying support and slight profit taking. Most active Agra April contract surged Rs.12.80 at Rs.576.40 after strong opening at Rs.565 and hovered at Rs.564-577.30 while Potato Tarkeshwar April contract gained Rs.6 at Rs.587 after bullish opening at Rs.583 and moved between Rs.579-587.

PRICE DRIVERS:

1. Reduced arrivals; Over 90% of cold storages fulfilled in U.P.
2. Sluggish arrivals and robust stockists demand in West Bengal

WEATHER:

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

TECHNICALS: MCX Potato April Contract

Candlestick hints bullish market for the next trading day. Stochastic and RSI favours the bulls. MA and MACD are hinting slight upward market as medium term. Open interest decreased but volume of trade increased. Potato is likely to trade up after firm opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX April Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|-------|-----|-----|--------|-----|-----|
| April | 570 | 565 | 576.40 | 585 | 595 |

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato above 572 with target towards 584, second target near 590. Put stop loss below 564.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|-------|-----|-----|-----|-----|-----|
| April | 583 | 575 | 587 | 599 | 605 |

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato Tarkeshwar above 585 with target towards 597, second target near 602. Put stop loss below 577.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

| Markets | Variety | 04.04.07 | 03.04.07 | Change |
|----------------------------|----------------------|----------|----------|--------|
| Agra- Uttar Pradesh | Fair Average Quality | 360-400 | 350-400 | +10.00 |
| Farookhabad- Uttar Pradesh | Fair Average Quality | 325-375 | 300-350 | +25.00 |
| Meerut- Uttar Pradesh | Fair Average Quality | 420-440 | 400-420 | +20.00 |
| Indore- Madhya Pradesh | Fair Average Quality | 650-700 | 650-700 | - |
| Tarkeshwar-West Bengal | Fair Average Quality | 610-650 | 610-630 | - |
| Burdwan- West Bengal | Fair Average Quality | 600-620 | 590-610 | +10.00 |
| Ludhiana-Punjab | Fair Average Quality | 440-460 | 400-420 | +40.00 |

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