

POTATO DAILY

4th APRIL, 2007

SPOT MARKETS:

Potato prices observed rangebound with steady undertone on Tuesday amidst stable demand supply scenario at most of the producing centres. But, the market sentiment for potato prices remained strong in West Bengal on reducing supplies and strong demand from the cold storages as harvesting is completed. Nearly to 75% of the cold storages are occupied with potato in this marketing year. In West Bengal, 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, traders said. In Indore mandis of the M.P., local potato has traded at Rs.650-700/qtl with average arrivals of 3000-4000 packets while Agra potato offered at Rs.450-500/qtl with average arrivals of 15-20 trucks from Agra, said Indore based trader. 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. Traders said, the crop losses in U.P. due to bad weather at the harvesting stage are unlikely to have much effect on the total production in this state due to higher acreage this year. Again, the extent of crop damage may not be as high as stated earlier. Government estimated the potato output will be at 25-27 MMt as compared to the consumption of around 24 MMt. In Agra mandis, potato quoted steady at Rs.350-400/qtl while in Tarkeshwar, it traded up at Rs.610-630/quintal for Cold Storage delivery.

FUTURES MARKETS:

MCX potato futures rebounded to up on Tuesday amidst profit taking and buying support at lower level. Futures market opened strong but recovered from day's lower level and settled at the positive territory. Most active Agra April contract gained Rs.11.50 at Rs.566 after strong opening at Rs.557.50 and hovered at Rs.554.50-566 while Potato Tarkeshwar April contract raised Rs.1.80 at Rs.581 after weak opening at Rs.576.10 and moved between Rs.574.20-583.20.

PRICE DRIVERS:

1. Declined arrivals; Over 90% of cold storages fulfilled in U.P.
2. Weak supplies and firm 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 favours the bulls for the next trading day. Stochastic and RSI favours the bulls. MA and MACD hinting bearish market as medium term. Open interest as well as volume of trade increased. Potato is likely to remain bullish after firm opening with possibility of late downwards movement.



SUPPORT / RESISTANCES: MCX April Potato

Month	S1	S2	PCP	R1	R2
April	560	553	566	573	578

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato above 561 with target towards 571, second target near 576. Put stop loss below 554.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
April	575	570	581	590	599

TRADE RECOMMENDATION: (Intraday)

Buy MCX-April Potato Tarkeshwar above 577 with target towards 589, second target near 595. Put stop loss below 569.

SPOT MARKET PRICE FOR POTATO (Rs./Quintal)

Markets	Variety	03.04.07	02.04.07	Change
Agra- Uttar Pradesh	Fair Average Quality	350-400	350-400	-
Farookhabad- Uttar Pradesh	Fair Average Quality	300-350	300-350	-
Meerut- Uttar Pradesh	Fair Average Quality	400-420	400-420	-
Indore- Madhya Pradesh	Fair Average Quality	650-700	650-700	-
Tarkeshwar-West Bengal	Fair Average Quality	610-630	600-620	+10.00
Burdwan- West Bengal	Fair Average Quality	590-610	580-600	+10.00
Ludhiana-Punjab	Fair Average Quality	400-420	400-420	-

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