

POTATO DAILY

30th JUNE, 2007

SPOT MARKETS:

Potato spot market witnessed steady sentiment during the Friday's trade. Amidst subdued trading activity against normal supply potato prices remained unmoved at the major markets of Bengal and Uttar Pradesh. Sources reported that the quality deterioration in retails and up to some extent in warehouses and cold storage may results into low demand of such potato into the market thereby weakening its market sentiments. However, domestic demand for fried and extruded products, soup powders, ready-to-eat meals and fast food supporting the market sentiment. The quality deterioration in retails and up to some extent in warehouses may results into low demand of such potato into the market thereby weakening its market sentiments. Further, warehouses and cold storages have ample stock of potatoes, but the stockists and farmers holding back the stock in expectation of price rise. In Agra, supplies from the cold storages reported at around to 3-4 trucks/day/cold stores. Around 18-22% of the potato has been released so far from the Agra cold storages. In Bengal, around 18-20% of potato has been released from the cold store in Burdwan and Hoogly district. On Friday, Agra and Tarkeshwar potato prices stood steady at Rs.650-700/quintal and Rs 740-750/quintal.

FUTURES MARKETS:

MCX potato futures witnessed firm sentiment with bullish tone. Agra and Tarkeshwar futures opened at its previous close of Rs 631.80 and Rs 685.0 and traded down initially testing a low of Rs 629.30 and Rs 681.20. However, futures recovered thereafter on increased buying interest and finally settled in the positive side. Most active Agra July contract traded at Rs.629.30-635.40. Tarkeshwar July contract traded at Rs.681.20-691.00.

PRICE DRIVERS:

1. Subdued demand against normal arrivals
2. Holding back stocks; Monsoon rains hindered on arrivals
3. Concerns of quality over potato
4. Higher rates of other vegetables

WEATHER:

Monsoon rains is hindering on the market arrivals.

TECHNICALS: MCX Potato JULY Contract

Candlestick chart pattern shows recovery in prices. Long lower shadow of the candlestick shows good buying support at lower level. Prices closed above short term EMAs, hinting short term bullish market. MACD remains in the positive zone, hints bullish market as medium term. Stochastic is moving down in neutral region while RSI is rising in the neutral region. Market is expected to trade up following a steady to slightly firm opening.



SUPPORT / RESISTANCES: MCX Agra July Potato

Month	S1	S2	PCP	R1	R2
JULY	631	628	635.2	643	645

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 635 with target towards Rs.639 and then Rs.641, put stop loss below Rs.633.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
JULY	690	688	691	701	703

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 692 with target towards Rs 697 and then Rs 700; put stop loss strictly below Rs 689.5.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	29.06.07	28.06.07	Change
Agra- Uttar Pradesh	Fair Average Quality	600-650	650-700	-50.00
Farookhabad- Uttar Pradesh	Fair Average Quality	650-700	650-700	-
Meerut- Uttar Pradesh	Fair Average Quality	NA	650-700	-
Delhi	Fair Average Quality	640	635-640	-
Tarkeswar-West Bengal	Fair Average Quality	740-750	740-750	-
Burdwan- West Bengal	Fair Average Quality	730-735	730-735	-

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