

## POTATO DAILY

7<sup>th</sup> July, 2007

### SPOT MARKETS:

Potato prices were steady at upper level on Friday at most of the trading point while it was improved in Bengal on lower arrivals due to heavy rains. In addition, higher prices of other vegetables are underpinning the potato market, traders said. However, the concern of quality over potatoes affecting the demand in most of the potato markets in the country. However, good demand of quality potatoes reportedly in the market but due to expectation of price rise, farmers and stockiest are holding back their stocks. Meanwhile, traders reported that the sowing of potato in Karnataka is already started, but heavy rains due to advent of monsoon in these areas had adversely affected the sowing process and the Hasan crop is expected to hit the market only by August end. In Agra, supplies from the cold storages reported at around to 2-3 trucks/day/cold stores. In Agra cold storages, so far 20-22% has been released whereas 20-25% has been released in Bengal. In Delhi, supply from Shimla has decreased over the last few days due to rains. Supply has tumbled to 70-80 trucks/day over normal supply of 100 trucks/day. During Friday's trade, potato prices in North Indian markets stood steady while in Bengal's Burdwan and Tarkeswar, prices offered up at Rs. 730-750 and Rs. 760-800/qrtl respectively.

### FUTURES MARKETS:

MCX potato futures slipped on Friday amidst profit taking and steady spot market sentiment. Agra August futures opened firm at Rs 700 against the previous close of Rs 697.30. Market then backpedaled on increased selling interest and traded in the range of Rs 691.90-702. But, Tarkeshwar August futures opened strong at Rs 734.70 and traded slight up with testing a high of Rs 739.70. Prices then settled at Rs 732.50, down by Rs.1.60 and traded in the range of Rs 730-739.70.

### PRICE DRIVERS:

1. Lower arrivals against the healthy demand
2. Holding back stocks; Concerns of quality over potato
3. Heavy rainfalls in Karnataka hindering sowing of potato
4. Higher rates of other vegetables

### WEATHER:

Monsoon rains is hindering on the market arrivals as well as sowing.

### TECHNICALS: MCX Potato Agra AUGUST Contract

Candlestick chart shows bearish market for the next trading day. Prices closed above short term EMAs, hinting short-term bullish market. MACD remains in the positive zone, hints bullish market as medium term. Stochastic and RSI is moving down in over bought region, hints weak market. Market is expected to trade down following a steady to weak opening with possibility of some upwards movement at the later part.



### SUPPORT / RESISTANCES: MCX Agra August Potato

Month	S1	S2	PCP	R1	R2
August	685	675	692	702	710

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX Agra potato above 685 with target towards Rs.695 and then Rs.700, put stop loss below Rs.678.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
August	725	720	732.50	740	750

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX (T) potato above 725 with target towards Rs 735 and then Rs 740; put stop loss strictly below Rs 718.

### SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	06.07.07	05.07.07	Change
Agra- Uttar Pradesh	Fair Average Quality	650-750	650-700	-
Farookhabad- Uttar Pradesh	Fair Average Quality	500-600	500-600	-
Meerut- Uttar Pradesh	Fair Average Quality	650-750	650-700	-
Delhi	Fair Average Quality	655-670	645-655	+10.00
Tarkeswar-West Bengal	Fair Average Quality	760-800	740-770	+20.00
Burdwan- West Bengal	Fair Average Quality	730-750	730-750	-

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