

POTATO DAILY

24th July, 2007

SPOT MARKETS:

Potato prices, which have shot up in the domestic market on poor supply in the wake of monsoon, show no sign of cooling off with retail rates at the domestic market at present. Arrivals have been less than what it was during the corresponding period last year mainly because of lower production as well as bad weather conditions. Traders said, potato supply would improve in August. Meanwhile, the sowing of potato in Karnataka is getting momentum due to good weather condition and the Hasan crop is likely to hit the market only by August end. Traders said, so far around 27-30% of potato has been released in Agra of U.P. and West Bengal from the cold storages. Therefore, the remaining part of the potato is expected to be released in the next three to four months so the arrivals will be increased at the spot markets, which will likely to offset the domestic requirements. So, the prices are not likely to go up in near future in the spot as well as futures market. In Delhi sabji mandis, the fresh new potato has been arriving from Shimla and Haldwani and old crop from U.P. On Monday, potato prices in North Indian markets offered slight up while in Bengal's Burdwan and Tarkeswar, prices quoted firm at Rs. 740-760 and Rs. 770-790/qrtl respectively on continued firm demand and bad weather.

FUTURES MARKETS:

MCX potato futures rebounded to up on Monday amidst technical buying as the market went to mostly over sold condition. Futures market soared after firm opening due to profit booking and settled up. Agra August futures opened up at Rs.612.90 over the last close of Rs.612 and settled Rs.10.60 up at Rs.622.60 with hovered within Rs.611.50-624. Tarkeshwar August futures opened weak at Rs.657 and gained Rs.2.20 at Rs.661 with traded within Rs.655.40-661.

PRICE DRIVERS:

1. Average demand on improved arrivals
2. Moderate weather; Sowing of potato in S. India
3. Expectation of new crop arrival from South by August

WEATHER:

Monsoon rains is likely to hinder on the market arrivals as well as sowing.

TECHNICALS: MCX Potato Agra AUGUST Contract

Candlestick chart hints bullish market for the next trading day. Prices closed far below short terms EMAs, indicates short-term bearish market. MACD remains in the negative zone, hints weak market as medium term. Stochastic and RSI are indicating bullish market. Potato is likely to remain weak after a weak opening with possibility of some upwards movement at the later session.



SUPPORT / RESISTANCES: MCX Agra August Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|--------|-----|-----|--------|-----|-----|
| August | 615 | 605 | 622.60 | 630 | 637 |

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 619 with target towards Rs.629 and then Rs.633 put stop loss below Rs.613.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|--------|-----|-----|-----|-----|-----|
| August | 655 | 648 | 661 | 668 | 678 |

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 659 with target towards Rs 667 and then Rs 671; put stop loss strictly below Rs 653.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

| Markets | Variety | 23.07.07 | 21.07.07 | Change |
|----------------------------|----------------------|----------|----------|--------|
| Agra- Uttar Pradesh | Fair Average Quality | 665-725 | 660-720 | +5.00 |
| Farookhabad- Uttar Pradesh | Fair Average Quality | 485-565 | 480-560 | +5.00 |
| Meerut- Uttar Pradesh | Fair Average Quality | 640-700 | 630-700 | +10.00 |
| Delhi | Fair Average Quality | 660-665 | 655-665 | +5.00 |
| Tarkeswar-West Bengal | Fair Average Quality | 770-790 | 760-780 | +10.00 |
| Burdwan- West Bengal | Fair Average Quality | 740-760 | 730-750 | +10.00 |

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