

POTATO DAILY

21st July, 2007

SPOT MARKETS:

Potato prices, which have shot up in the domestic market due to poor supply in the wake of monsoon, show no sign of cooling off with retail rates. The arrival 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. But, the concern of quality over potatoes is affecting the demand in most of the potato markets. Meanwhile, the sowing of potato in Karnataka is progressive well and the Hasan crop is likely to hit the market only by August end. Therefore, the arrivals are expected to improve in the markets in the next month, traders said. In Agra, supplies from the cold storages reported at around 200-250 trucks/day. In Agra cold storages, around 25-27% has been released whereas 27-30% has been released in Bengal. Demands from the non-producing centres are reported to be average. Around 1000-1500 packets of potato/day are arriving from the Agra to Meerut. On Friday, potato prices in North Indian markets offered down while in Bengal's Burdwan and Tarkeswar, prices quoted stable at Rs. 730-750 and Rs. 760-780/qrtl respectively on improved demand and bad weather, which restricting transport.

FUTURES MARKETS:

MCX potato futures continued to trade bearish Friday amidst strong selling interest on expectation of new crop arrivals from South by August. Futures market tumbled sharply after firm opening but recovered some loses after that. Agra August futures opened up at Rs.630.60 over the last close of Rs.628.20 and settled Rs.8.20 down at Rs.620 with traded within Rs.615.30-630.60. Tarkeshwar August futures opened up at Rs.670 and lost Rs.2.50 at Rs.667 with traded within Rs.660.50-670.

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 indicates bearish trend of the market. Prices closed far below short terms EMAs, hinting short-term weak market. MACD remains in the negative zone, hints bearish market as medium term. Stochastic and RSI are hinting technical correction. Potato is expected to trade down after a firm opening with possibility of some upwards movement at the later session.



SUPPORT / RESISTANCES: MCX Agra August Potato

Month	S1	S2	PCP	R1	R2
August	610	600	620	625	635

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 624 with target towards Rs.614 and then Rs.607 put stop loss above Rs.632.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
August	660	655	667	672	680

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below 671 with target towards Rs 661 and then Rs 657; put stop loss strictly above Rs 678.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	20.07.07	19.07.07	Change
Agra- Uttar Pradesh	Fair Average Quality	670-730	680-750	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	490-570	500-580	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	630-700	630-700	-
Delhi	Fair Average Quality	655-665	650-660	+5.00
Tarkeswar-West Bengal	Fair Average Quality	760-780	760-780	-
Burdwan- West Bengal	Fair Average Quality	730-750	730-750	-

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