

## POTATO DAILY

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

### SPOT MARKETS:

Potato prices tumbled on Wednesday at the domestic spot market on sluggish demand despite restricted arrivals. In addition, the fresh potato from Himachal Pradesh has also hit the market. 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 due to higher stocks at the cold storages. 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 30-33% 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 dampen 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 Wednesday, potato prices in North Indian markets offered down while in Bengal's Burdwan and Tarkeswar, prices quoted weak at Rs. 710-750 and Rs. 730-750/qrtl respectively on weak demand and higher arrivals.

### FUTURES MARKETS:

MCX potato futures slipped further on Wednesday amidst strong selling pressure on weak fundamentals. Futures market tumbled after firm opening. Agra August futures opened up at Rs.619.50 over the last close of Rs.618.50 and settled Rs.5.00 down at Rs.613.50 with traded within Rs.609.50-620.00. But Tarkeshwar August futures opened slight weak at Rs.658 and settled Rs.0.80 down at Rs.660.10 with traded within Rs.656.30-660.80.

### PRICE DRIVERS:

1. Sluggish demand despite restricted arrivals
2. Higher stocks; 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 bearish market for the next trading day. Prices closed far below short terms EMAs, indicates short-term weak market. MACD remains in the negative zone, hints bearish market as medium term. Stochastic and RSI are indicating slight bullish market. Potato is likely to trade bearish 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	607	600	613.50	618	625

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX Agra potato below 616 with target towards Rs.608 and then Rs.604 put stop loss above Rs.622.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
August	655	648	660.10	665	670

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX (T) potato below 664 with target towards Rs 656 and then Rs 652; put stop loss strictly above Rs 670.

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

Markets	Variety	25.07.07	24.07.07	Change
Agra- Uttar Pradesh	Fair Average Quality	650-700	665-725	-15.00
Farookhabad- Uttar Pradesh	Fair Average Quality	470-550	485-565	-15.00
Meerut- Uttar Pradesh	Fair Average Quality	620-680	640-700	-20.00
Delhi	Fair Average Quality	650-660	650-660	-
Tarkeswar-West Bengal	Fair Average Quality	730-750	770-790	-40.00
Burdwan- West Bengal	Fair Average Quality	710-750	740-760	-30.00

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