

POTATO DAILY

23rd 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 Saturday, 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/qlt respectively on continued firm demand and bad weather.

FUTURES MARKETS:

MCX potato futures maintained bearish sentiment Saturday on selling interest amidst higher stocks and expectation of new crop arrivals from South by August end. Futures market declined after mostly weak opening. Agra August futures opened weak at Rs.617.10 over the last close of Rs.620.40 and settled Rs.8.40 down at Rs.612 with traded within Rs.609-617.10. Tarkeshwar August futures opened weak at Rs.662.10 and lost Rs.5.40 at Rs.658.80 with traded within Rs.658-662.10.

PRICE DRIVERS:

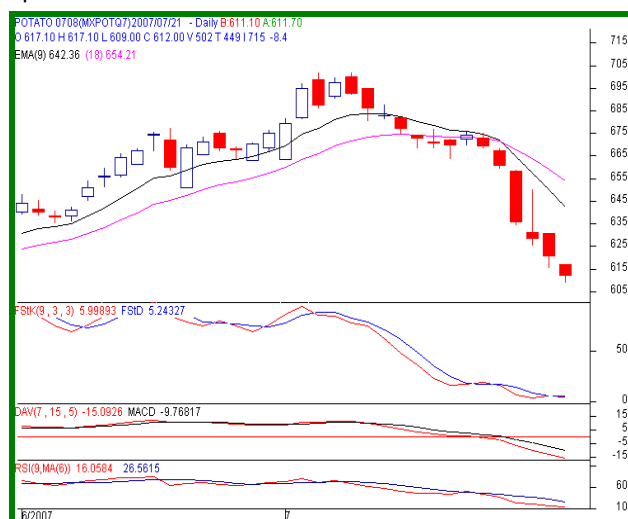
1. Average demand on improved arrivals
2. Moderate weather; Sowing of potato in S. India
3. Expectation of new crop arrival from South by August

WEATHER:

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

TECHNICALS: MCX Potato Agra AUGUST Contract

Candlestick chart hints bearish trend of the market. Prices closed far below short terms EMAs, suggesting short-term bearish market. MACD remains in the negative zone, hints weak market as medium term. Stochastic and RSI are indicating technical correction. 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	605	600	612	617	625

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 615 with target towards Rs.606 and then Rs.601 put stop loss above Rs.621.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
August	651	642	658.80	662	670

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below 661 with target towards Rs 652 and then Rs 647; put stop loss strictly above Rs 667.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	21.07.07	20.07.07	Change
Agra- Uttar Pradesh	Fair Average Quality	660-720	670-730	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	480-560	490-570	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	630-700	630-700	-
Delhi	Fair Average Quality	655-665	655-665	-
Tarkeswar-West Bengal	Fair Average Quality	760-780	760-780	-
Burdwan- West Bengal	Fair Average Quality	730-750	730-750	-

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