

POTATO DAILY

1st AUGUST, 2007

SPOT MARKETS:

Potato prices were steady in the domestic markets on Tuesday. The fresh potato from Himachal Pradesh has been arriving in the market. Presently, arrivals have been less than what it was during the corresponding period last year mainly as lower production as well as bad weather conditions. 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. On Tuesday, potato prices in North Indian markets offered steady while in Bengal's Burdwan and Tarkeswar, prices quoted stable at Rs. 710-750 and Rs. 730-750/qrtl respectively on bad weather and average demand.

FUTURES MARKETS:

MCX potato futures traded mixed on Tuesday. Most active August futures slipped where as other Months contracts traded up. Futures market soared after weak opening but tumbled thereafter. Agra August futures opened down at Rs.648 over the last close of Rs.651.30 and lost Rs.5.90 at Rs.645.40 and traded within Rs.641.80-656.50. Tarkeshwar August futures opened firm at Rs.680 and lost Rs.2.20 at Rs.675 with traded between Rs.672-681.

PRICE DRIVERS:

1. Average demand against 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 just above short terms EMAs, indicates short-term slight bullish market. MACD remains in the negative zone, hints bearish market as medium term. Stochastic and RSI are indicating bullish market. Potato is likely to trade up after a weak opening with possibility of some downwards movement at the later session.



SUPPORT / RESISTANCES: MCX Agra August Potato

Month	S1	S2	PCP	R1	R2
August	638	630	645.40	655	665

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 650 with target towards Rs.640 and then Rs.635, put stop loss above Rs.657.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
August	670	665	675	680	685

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below 679 with target towards Rs 671 and then Rs 668; put stop loss strictly above Rs 685.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	31.07.07	30.07.07	Change
Agra- Uttar Pradesh	Fair Average Quality	640-680	640-680	-
Farookhabad- Uttar Pradesh	Fair Average Quality	470-550	470-550	-
Meerut- Uttar Pradesh	Fair Average Quality	610-670	610-670	-
Delhi	Fair Average Quality	655-665	660-670	-5.00
Tarkeswar-West Bengal	Fair Average Quality	730-750	730-750	-
Burdwan- West Bengal	Fair Average Quality	710-750	710-750	-

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