

POTATO DAILY

25th July, 2007

SPOT MARKETS:

Potato prices remained steady at upper level at the domestic market on account of regular demand from the non-producing centres and restricting arrivals. Therefore there is 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 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 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 Tuesday, potato prices in North Indian markets offered steady while in Bengal's Burdwan and Tarkeswar, prices quoted stable at Rs. 740-760 and Rs. 770-790/qtl respectively on stable demand supply.

FUTURES MARKETS:

MCX potato futures backpedaled on Tuesday amidst fresh selling pressure on weak fundamentals. Futures market went up after firm opening but slipped thereafter. Agra August futures opened up at Rs.622 over the last close of Rs.621.60 and settled Rs.3.10 down at Rs.618.50 with traded within Rs.615.80-626.90. But Tarkeshwar August futures opened slight weak at Rs.660 and gained Rs.1.90 at Rs.662 with traded within Rs.656-664.90.

PRICE DRIVERS:

1. Average demand on restricting 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 weak market for the next trading day. Prices closed far below short terms EMAs, hints 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 remain soft 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	612	605	618.50	623	628

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 621 with target towards Rs.613 and then Rs.610 put stop loss above Rs.627.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
August	655	648	662	668	678

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below 667 with target towards Rs 657 and then Rs 652; put stop loss strictly above Rs 673.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	24.07.07	23.07.07	Change
Agra- Uttar Pradesh	Fair Average Quality	665-725	665-725	-
Farookhabad- Uttar Pradesh	Fair Average Quality	485-565	485-565	-
Meerut- Uttar Pradesh	Fair Average Quality	640-700	640-700	-
Delhi	Fair Average Quality	650-660	660-665	-10.00
Tarkeswar-West Bengal	Fair Average Quality	770-790	770-790	-
Burdwan- West Bengal	Fair Average Quality	740-760	740-760	-

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