

POTATO DAILY

28th July, 2007

SPOT MARKETS:

Potato prices continued to remain steady on Friday at the spot market on average demand against the restricted arrivals. However, the fresh potato from Himachal Pradesh has also hit 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. 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 Friday, potato prices in North Indian markets offered steady while in Bengal's Burdwan and Tarkeswar, prices quoted up at Rs. 710-750 and Rs. 730-750/qrtl respectively on improved demand and bad weather.

FUTURES MARKETS:

MCX potato futures continued to be up on Friday amidst technical buying. Futures market hovered up after weak opening. Agra August futures opened down at Rs.635 over the last close of Rs.614.30 and climbed Rs.22.30 at Rs.636.10 with traded within Rs.635-645. Tarkeshwar August futures opened firm at Rs.673.5 and gained by 0.66% at Rs.675.50 with hovered within Rs.671-678.

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

A small hollow candle with long upper shadow has formed, indicating selling pressure at higher levels. Prices closed in between short terms EMAs, indicates short-term steady to 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 bullish after a slight 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	630	625	638.4	652	656

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 635 with target towards Rs.645 and then Rs.650 put stop loss below Rs.630.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
August	667	664	675.5	688	692

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 672 with target towards Rs 682 and then Rs 687; put stop loss strictly below Rs 667.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	27.07.07	26.07.07	Change
Agra- Uttar Pradesh	Fair Average Quality	650-700	650-700	-
Farookhabad- Uttar Pradesh	Fair Average Quality	470-550	470-550	-
Meerut- Uttar Pradesh	Fair Average Quality	620-680	620-680	-
Delhi	Fair Average Quality	655-665	650-660	+5.00
Tarkeswar-West Bengal	Fair Average Quality	730-750	720-750	+10.00
Burdwan- West Bengal	Fair Average Quality	710-750	700-750	+10.00

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