

POTATO DAILY

12th July, 2007

SPOT MARKETS:

Market prices of potato were continued to steady in the Northern and Western Parts of the country Wednesday due to sluggish demand against the slight improved arrivals. However the prices shoot up in Bengal and Delhi on lower arrivals and inclement weather. However, higher prices of other vegetables are providing underline support to the potato market. But, the concern of quality over potatoes is affecting the demand in most of the potato markets in the country. Farmers and stockiest are holding back their stocks on the expectation of price rise in near future. Meanwhile, the sowing of potato in Karnataka is already started, but heavy rains due to advent of monsoon in these areas had adversely affected the sowing process and the Hasan crop is likely to hit the market only by August end. In Agra, supplies from the cold storages reported at around 3-4 trucks/day/cold stores. In Agra cold storages, around 21-23% has been released whereas 20-25% has been released in Bengal. Potato arrivals in Delhi recorded down by around 30% at 3,510-3,511 tons during July 1-8 from the previous week's 5,001-5,002 tonnes. The last week's arrival was also lower by 21% over the last year. On Wednesday, potato prices in North Indian markets stood steady while in Bengal's Burdwan and Tarkeswar, prices offered up at Rs. 750-770 and Rs. 800-830/qtl respectively.

FUTURES MARKETS:

MCX potato futures settled down on Wednesday on selling interest. Market went down after weak opening but recovered thereafter on profit booking. Agra August futures opened down at Rs 675 over the last close of Rs 676.60. The prices settled Rs.3.70 down at Rs.672.90 with traded within Rs.668-675. Tarkeshwar August futures opened mostly weak at Rs 706. Prices then settled at Rs 714.10, up by Rs.2.50 and traded in the range of Rs 700.50-715.

PRICE DRIVERS:

1. Weak demand in U.P. on lower arrivals
2. Improving weather; Concerns of quality over potato
3. Sowing in Karnataka; Higher rates of other vegetables

WEATHER:

Monsoon rains is hindering on the market arrivals as well as sowing.

TECHNICALS: MCX Potato Agra AUGUST Contract

Candlestick chart shows slight weak market for the next trading day. Prices closed below short terms EMAs, hinting short-term bearish market. MACD moving down in the positive zone, hints downward market as medium term. Stochastic and RSI are indicating weak market. Market is expected to trade down following a steady to weak opening with possibility of some upwards movement at the later part.



SUPPORT / RESISTANCES: MCX Agra August Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|--------|-----|-----|--------|-----|-----|
| August | 668 | 662 | 672.90 | 680 | 685 |

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 668 with target towards Rs.678 and then Rs.682, put stop loss below Rs.662.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|--------|-----|-----|--------|-----|-----|
| August | 707 | 700 | 714.10 | 720 | 725 |

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 710 with target towards Rs 719 and then Rs 724: put stop loss strictly below Rs 704.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

| Markets | Variety | 11.07.07 | 10.07.07 | Change |
|----------------------------|----------------------|----------|----------|--------|
| Agra- Uttar Pradesh | Fair Average Quality | 630-730 | 630-730 | - |
| Farookhabad- Uttar Pradesh | Fair Average Quality | 490-590 | 490-590 | - |
| Meerut- Uttar Pradesh | Fair Average Quality | 640-740 | 640-740 | - |
| Delhi | Fair Average Quality | 660-670 | 650-660 | +10.00 |
| Tarkeswar-West Bengal | Fair Average Quality | 800-830 | 780-820 | +20.00 |
| Burdwan- West Bengal | Fair Average Quality | 750-770 | 740-770 | +10.00 |

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.