

POTATO DAILY

23rd AUGUST, 2007

SPOT MARKETS:

Potato prices plummeted on Wednesday at North Indian and Maharashtra market on weak demand against improved arrivals. Arrivals of new potato from Hassan in Karnataka are keeping pressure on the demand of potatoes from Agra region and West Bengal region. The arrivals are likely to pick up in the coming days. However, farmers in Hassan taluk of Karnataka are now concerned about the crop damage as the entire potato crop is affected by dreaded blight disease and heavy rains. In Hassan district, potato is a major commercial crop grown in more than 1 lakh acres of land. Around 20% of the crop was damaged because of heavy rains even as another 40% would perish because of a fear of blight attack. It is expecting that the potato production will reach to 1.3 MMt in the State. In addition, higher prices of other vegetables also underpinned the potato market. Fresh potato from Himachal Pradesh has been arriving in the market. Traders said, so far around 37-42% of potato has been released in Agra of U.P. and West Bengal from the cold storages. The remaining part of the potato is expected to be released in the next 2-3 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. On Wednesday, potato prices in North Indian markets quoted down while in Bengal's Burdwan and Tarkeswar, it quoted steady at Rs. 750-770 and Rs. 770-790/qlt respectively.

FUTURES MARKETS:

MCX potato futures recovered on Wednesday amidst profit taking and buying interest. Most active Agra September futures opened down at Rs.626.60 over the last close of Rs.628.70 and gained Rs.6.10 at Rs.634.80 and traded within Rs.625.10-634.80. Tarkeshwar September futures opened weak at Rs.672.10 over the last close of Rs.674.10 and added Rs.1.90 at Rs.676 with moved between Rs.671.20-676.

PRICE DRIVERS:

1. Improved demand against weak arrivals
2. Higher stocks; Crop damaged in Karnataka

WEATHER:

Arrivals are likely to affect on bad weather at some areas.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	22.08.07	21.08.07	Change
Agra- Uttar Pradesh	Fair Average Quality	670-725	680-750	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	525-560	540-580	-15.00
Meerut- Uttar Pradesh	Fair Average Quality	700-750	710-750	-10.00
Delhi	Fair Average Quality	660-670	665-675	-5.00
Tarkeswar-West Bengal	Fair Average Quality	770-790	770-790	-
Burdwan- West Bengal	Fair Average Quality	750-770	750-770	-

TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart indicates sideways movement of the market. Prices closed just below short terms EMAs, hints short-term steady to down market. MACD remains in the negative zone, hints bearish market as medium term. Stochastic and RSI are indicating upward market. Volume and open interest declined. Potato is likely to trade up after firm opening with possibility of some downwards movement at the later session.



SUPPORT / RESISTANCES: MCX Agra Sept. Potato

Month	S1	S2	PCP	R1	R2
September	627	620	634.80	642	646

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 631 with target towards Rs.641 and then Rs.645, put stop loss below Rs.624.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
September	671	665	676	680	685

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 672 with target towards Rs 679 and then Rs 684; put stop loss strictly below Rs 667.

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