

POTATO DAILY

4th AUGUST, 2007

SPOT MARKETS:

Mixed trading activity observed at the potato market in the country on Friday as the quality of the potato is not so good and average demand. Besides, arrivals of new potato crop are running on but in low quantity in Hassan region of Karnataka. Traders said, the arrivals are expected to pick up during second week of August. The production seems good in this year. Arrival of Hassan generally affects the demand of potatoes from Agra region and West Bengal both. In addition, problem of rotten potato is more in U.P. and West Bengal and good quality potato having low rotten percentage (1 or 2%) are getting premium price. Fresh potato from Himachal Pradesh has been arriving in the market. Traders said, potato supply would improve in August due to higher stocks at the cold storages. Traders said, so far around 35-37% 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 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. On Friday, potato prices in North Indian markets offered slight up while in Bengal's Burdwan and Tarkeswar, prices quoted flat at Rs. 740-780 and Rs. 750-800/qttl repetitively.

FUTURES MARKETS:

MCX potato futures significantly declined on Friday amidst fresh selling pressure and weak fundamentals. Futures market tumbled after strong opening. Most active Agra September futures opened up at Rs.649.90 over the last close of Rs.645.90 and lost Rs.11.20 at Rs.634 and traded within Rs.630.50-649.90. Tarkeshwar September futures opened weak at Rs.672 and slid Rs.10 at Rs.664 and made contract low at Rs.658.60 with traded between Rs.658.60-672.

PRICE DRIVERS:

1. Average demand against restricted arrivals
2. Higher stocks; Releasing stocks from cold store
3. Arrivals of new potato from Hassan in Karnataka

WEATHER:

Arrivals are unlikely to hinder due to weak monsoon.

TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart hints downward market for the next trading day. Prices closed below short terms EMAs, indicates short-term bearish market. MACD remains in the negative zone, hints bearish market as medium term. Stochastic and RSI are indicating bearish market. Potato is likely to trade bearish after firm opening with possibility of some upwards movement at the later session.



SUPPORT / RESISTANCES: MCX Agra Sept. Potato

Month	S1	S2	PCP	R1	R2
September	625	615	634	642	652

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 637 with target towards Rs.627 and then Rs.620, put stop loss above Rs.644.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
September	657	650	664	671	678

TRADE RECOMMENDATION: (Intraday)

Risk lovers can **Sell** MCX (T) potato below 668 with target towards Rs 658 and then Rs 654; put stop loss strictly above Rs 675.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	03.08.07	02.08.07	Change
Agra- Uttar Pradesh	Fair Average Quality	650-750	660-700	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-600	500-600	-
Meerut- Uttar Pradesh	Fair Average Quality	660-720	650-700	+10.00
Delhi	Fair Average Quality	660-670	665-675	-5.00
Tarkeswar-West Bengal	Fair Average Quality	750-800	750-800	-
Burdwan- West Bengal	Fair Average Quality	740-780	740-780	-

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