

POTATO DAILY

17th AUGUST, 2007

SPOT MARKETS:

Steady sentiment observed on Thursday in the potato domestic market while it declined in Delhi on higher arrivals. Arrivals of new potato from Hassan in Karnataka are getting momentum, and it is affecting the demand of potatoes from Agra region and West Bengal region. The arrivals are likely to pick up during second week of August. Farmers in Hassan taluk of Karnataka are now worried because 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 35-40% 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 Thursday, potato prices in North Indian markets quoted steady while in Bengal's Burdwan and Tarkeswar, it quoted stable at Rs. 740-760 and Rs. 760-780/qtl respectively.

FUTURES MARKETS:

MCX potato futures sharply declined on Thursday amidst strong selling interest and weak fundamentals. Most active Agra September futures opened up at Rs.642 over the last close of Rs.640.40 and slid Rs.12.70 at Rs.627.70 and traded within Rs.626.40-642. However, Tarkeshwar September futures opened weak at Rs.680 over the last close of Rs.684.60 and lost Rs.10.40 at Rs.674.20 with moved between Rs.674.20-680.10.

PRICE DRIVERS:

1. Average 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	16.08.07	14.08.07	Change
Agra- Uttar Pradesh	Fair Average Quality	675-750	675-750	-
Farookhabad- Uttar Pradesh	Fair Average Quality	530-580	530-580	-
Meerut- Uttar Pradesh	Fair Average Quality	700-750	700-750	-
Delhi	Fair Average Quality	660-670	670-680	-10.00
Tarkeswar-West Bengal	Fair Average Quality	760-780	760-780	-
Burdwan- West Bengal	Fair Average Quality	740-760	740-760	-

TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart hints sharply bearish market for the next trading day. Prices closed below short terms EMAs, hints 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 soft after weak opening with possibility of some upwards movement at the later session.



SUPPORT / RESISTANCES: MCX Agra Sept. Potato

Month	S1	S2	PCP	R1	R2
September	620	615	627.70	635	645

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 632 with target towards Rs.622 and then Rs.617, put stop loss above Rs.640.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
September	667	660	674.20	681	688

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below 676 with target towards Rs 668 and then Rs 662; put stop loss strictly above Rs 682.

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.