

## POTATO DAILY

7<sup>th</sup> AUGUST, 2007

### SPOT MARKETS:

Potato prices observed steady in U.P. markets on Monday amidst bad weather and average demand while it was declined in Bengal and Maharashtra markets on weak demand against the improved arrivals. Arrivals of new potato crop are running on but in low quantity in Hassan region of Karnataka. Arrivals are likely to pick up during second week of August. The production seems good in this year. Arrivals of Hassan generally affect 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 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 Monday, potato prices in North Indian markets quoted steady while in Bengal's Burdwan and Tarkeswar, it quoted down at Rs. 730-770 and Rs. 750-800/qrtl respectively.

### FUTURES MARKETS:

MCX potato futures soared on Monday amidst profit taking and strong buying support. Futures market hovered up after slight weak opening. Most active Agra September futures opened weak at Rs.636.20 over the last close of Rs.638.20 and climbed Rs.10.50 at Rs.648.70 and traded within Rs.636.20-649.50. Tarkeshwar September futures opened mostly bullish at Rs.691 but fell thereafter and added Rs.14.80 at Rs.683 and with hovered between Rs.672.50-691.

### PRICE DRIVERS:

1. Average demand against restricted arrivals
2. Higher stocks; Bad weather in U.P. and Bihar
3. Few arrivals of new potato from Hassan in Karnataka

### WEATHER:

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

### SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	06.08.07	04.08.07	Change
Agra- Uttar Pradesh	Fair Average Quality	670-750	670-750	-
Farookhabad- Uttar Pradesh	Fair Average Quality	525-600	525-600	-
Meerut- Uttar Pradesh	Fair Average Quality	680-730	680-730	-
Delhi	Fair Average Quality	660-670	665-675	-5.00
Tarkeswar-West Bengal	Fair Average Quality	750-800	760-810	-10.00
Burdwan- West Bengal	Fair Average Quality	730-770	750-800	-20.00

### TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart hints strong market for the next trading day. Prices closed in between short terms EMAs, indicates short-term steady to bearish 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 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	640	635	648.70	658	665

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX Agra potato above 646 with target towards Rs.656 and then Rs.660, put stop loss below Rs.639.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
September	678	670	683	691	700

### TRADE RECOMMENDATION: (Intraday)

**Risk lovers can Buy** MCX (T) potato above 680 with target towards Rs 690 and then Rs 695; put stop loss strictly below Rs 673.

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