

## POTATO DAILY

31<sup>st</sup> AUGUST, 2007

### SPOT MARKETS:

Domestic potato prices remained rangebound on Thursday on lower demand and higher stocks at the cold storages. But, arrivals are remaining lower than expected arrivals at that time. A shortage of good quality potato has provided underline support to the market. In Delhi, prices escalated again on lower arrivals where the state every day consumes around 700 tonnes of potato. Authorities said that to stabilise the potato situation, they had started getting fresh potato from Himachal and Uttarakhand and from cold stores in Agra and Moradabad in UP. Arrivals of new potato from Hassan in Karnataka are keeping pressure on the demand of potatoes from Agra region and West Bengal region. Arrivals are likely to pick up in the coming days. 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. Traders said, so far around 40-45% of potato has been released in Agra of U.P. and West Bengal from the cold storages. Remaining part of the potato is likely to be released in the next 2-3 months so the arrivals will be enhanced at the spot markets. 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 registered slight weak while in Bengal's Burdwan and Tarkeswar, it quoted steady at Rs. 700-750 and Rs. 725-750/qrtl respectively.

### FUTURES MARKETS:

MCX potato futures settled up Thursday on profit taking. Most active Agra September futures opened up at Rs.628.90 over the last close of Rs.626.20 and gained Rs.2 at Rs.628.80 and traded within Rs.627-631.50. However, Tarkeshwar September futures opened down at Rs.672.10 over the last close of Rs.673.60 and lost Rs.4.70 at Rs.668.90 with moved between Rs.668.50-673.

### PRICE DRIVERS:

1. Average demand against steady arrivals
2. Higher stocks; Fresh arrivals from Karnataka & H.P.

### WEATHER:

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

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

Markets	Variety	30.08.07	29.08.07	Change
Agra- Uttar Pradesh	Fair Average Quality	625-700	640-700	-15.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	500-550	-
Meerut- Uttar Pradesh	Fair Average Quality	700-750	700-750	-
Delhi	Fair Average Quality	695-705	685-695	+10.00
Tarkeswar-West Bengal	Fair Average Quality	725-750	725-750	-
Burdwan- West Bengal	Fair Average Quality	700-750	700-750	-

### TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart hints indecisive market for the next trading day. Prices closed just below short terms EMAs, hints short-term steady to bearish market. MACD remains in the negative zone, hints downward market as medium term. Stochastic and RSI are indicating bullish market. Volume and open interest significantly decreased. Potato is likely to trade up after weak opening with possibility of some downward movement at the later session.



### SUPPORT / RESISTANCES: MCX Agra Sept. Potato

Month	S1	S2	PCP	R1	R2
September	622	617	628.80	635	640

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX Agra potato above 625 with target towards Rs.634 and then Rs.638, put stop loss below Rs.618.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
September	667	660	668.90	675	680

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX (T) potato above 667 with target towards Rs 674 and then Rs 677; put stop loss strictly below Rs 662.

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