

## POTATO DAILY

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

### SPOT MARKETS:

Potato across the domestic spot markets traded bearish on Wednesday amidst 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 good demand while 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. The 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 Wednesday, potato prices in North Indian markets registered weak while in Bengal's Burdwan and Tarkeswar, it quoted down at Rs. 700-750 and Rs. 725-750/qtl respectively.

### FUTURES MARKETS:

MCX potato futures slid Wednesday on fresh selling due to weak spot market. Most active Agra September futures opened up at Rs.632 over the last close of Rs.629.10 and lost Rs.2 at Rs.627.10 and traded within Rs.624.10-633.90. Tarkeshwar September futures opened down at Rs.675.20 over the last close of Rs.677.70 and lost Rs.4.70 at Rs.673 with moved between Rs.672-675.20.

### 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	29.08.07	28.08.07	Change
Agra- Uttar Pradesh	Fair Average Quality	640-700	650-720	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	510-540	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	700-750	720-770	-20.00
Delhi	Fair Average Quality	685-695	675-685	+10.00
Tarkeswar-West Bengal	Fair Average Quality	725-750	740-760	-15.00
Burdwan- West Bengal	Fair Average Quality	700-750	710-750	-10.00

### TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart hints bearish market for the next trading day. Prices closed 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 slight bullish market. Volume and open interest significantly increased. Potato is likely to trade bearish after firm opening with possibility of some upward movement at the later session.



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

Month	S1	S2	PCP	R1	R2
September	622	617	627.10	635	640

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX Agra potato below 633 with target towards Rs.623 and then Rs.618, put stop loss above Rs.641.

### SUPPORT / RESISTANCES: MCX Tarkeswar Potato

Month	S1	S2	PCP	R1	R2
September	670	665	673	677	685

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX (T) potato below 676 with target towards Rs 671 and then Rs 668; put stop loss strictly above Rs 680.

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