

POTATO DAILY

3rd AUGUST, 2007

SPOT MARKETS:

Potato prices strengthened on Thursday at most of the domestic centre on account of improved demand against the restricted arrivals and higher prices of other green vegetables. Fresh potato from Himachal Pradesh has been arriving in the market. However, arrivals have been lower than the last year same period mainly as lower production as well as bad weather conditions. Traders said, potato supply would improve in August due to higher stocks at the cold storages. Meanwhile, the sowing of potato in Karnataka, Tamil Nadu and other parts of the country is almost completed due to good weather condition and the Hasan crop is likely to hit the market only by August end. Traders said, so far around 30-35% 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. In Delhi sabji mandis, the fresh new potato has been arriving from Shimla and Haldwani. On Thursday, potato prices in North Indian markets offered bullish while in Bengal's Burdwan and Tarkeswar, prices quoted up at Rs. 740-780 and Rs. 750-800/qtl repetitively.

FUTURES MARKETS:

MCX potato futures settled slight up on Thursday amidst profit booking and fresh buying at lower level. Futures market tumbled after weak opening but recovered thereafter. Most active Agra September futures opened down at Rs.645.50 over the last close of Rs.646.60 and added Rs.1.10 at Rs.647.70 and traded within Rs.636.50-648.80. But Tarkeswar September futures opened weak at Rs.675 and lost Rs.2.50 at Rs.675.50 with traded between Rs.672-681.90.

PRICE DRIVERS:

1. Upward demand against restricted arrivals
2. Higher stocks; Releasing stocks from cold store
3. Expectation of new crop arrival from South by August

WEATHER:

Arrivals are unlikely to hinder due to weak monsoon.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	02.08.07	01.08.07	Change
Agra- Uttar Pradesh	Fair Average Quality	660-700	640-680	+20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-600	470-550	+30.00
Meerut- Uttar Pradesh	Fair Average Quality	650-700	610-670	+40.00
Delhi	Fair Average Quality	665-675	655-665	+5.00
Tarkeswar-West Bengal	Fair Average Quality	750-800	730-750	+20.00
Burdwan- West Bengal	Fair Average Quality	740-780	710-750	+30.00

TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart hints slight bullish market for the next trading day. Prices closed just below short terms EMAs, indicates short-term slight bearish market. MACD remains in the negative zone, hints bearish market as medium term. Stochastic and RSI are indicating weakness in the market. Potato is likely to trade up after a weak 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	647.70	658	665

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 645 with target towards Rs.655 and then Rs.660, put stop loss below Rs.638.

SUPPORT / RESISTANCES: MCX Tarkeswar Potato

Month	S1	S2	PCP	R1	R2
September	670	665	675.50	680	685

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 671 with target towards Rs 679 and then Rs 684; put stop loss strictly below Rs 665.

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