

POTATO DAILY

29th AUGUST, 2007

SPOT MARKETS:

Potato across the domestic spot markets traded weak on Tuesday amidst lower demand. The 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 on good demand and 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 Tuesday, potato prices in North Indian markets offered down while in Bengal's Burdwan and Tarkeswar, it quoted down at Rs. 710-750 and Rs. 740-760/qrtl respectively.

FUTURES MARKETS:

MCX potato futures settled marginally up on Tuesday in sluggish trading activity. Market traded within the thin range after firm opening. Most active Agra September futures opened up at Rs.630.30 over the last close of Rs.628.10 and gained Rs.0.90 at Rs.629 and traded within Rs.627-632.90. Tarkeshwar September futures opened up at Rs.678 over the last close of Rs.677.40 and lost Rs.1.40 at Rs.676 with moved between Rs.676-680.

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	28.08.07	27.08.07	Change
Agra- Uttar Pradesh	Fair Average Quality	650-720	680-740	-30.00
Farookhabad- Uttar Pradesh	Fair Average Quality	510-540	530-550	-20.00
Meerut- Uttar Pradesh	Fair Average Quality	720-770	720-770	-
Delhi	Fair Average Quality	675-685	660-670	+15.00
Tarkeswar-West Bengal	Fair Average Quality	740-360	760-790	-20.00
Burdwan- West Bengal	Fair Average Quality	710-750	730-760	-20.00

TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart hints indecisive market for the next trading day. Prices closed in between short terms EMAs, hints short-term steady to bearish market. MACD remains in the negative zone, hints bearish market as medium term. Stochastic and RSI are indicating technical buying. Volume declined but open interest increased. Potato is likely to trade down 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	624	618	629	637	642

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 635 with target towards Rs.625 and then Rs.620, put stop loss above Rs.642.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
September	674	668	676	684	690

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below 680 with target towards Rs 670 and then Rs 668; put stop loss strictly above Rs 687.

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