

POTATO DAILY

25th AUGUST, 2007

SPOT MARKETS:

Indian potato prices continued to remain steady to rangebound on Friday at most of the pockets on average demand supply while it was slight down in Delhi on improved arrivals against average demand. 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. However, farmers in Hassan taluk of Karnataka are now concerned about the crop damage as the entire potato crop is affected by dreaded blight disease and heavy rains. 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. In addition, higher prices of other vegetables also underpinned the potato market. Fresh potato from Himachal Pradesh has been arriving in the market. Traders said, so far around 37-42% 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 Friday, potato prices in North Indian markets offered steady while in Bengal's Burdwan and Tarkeswar, it quoted stable at Rs. 730-760 and Rs. 760-790/qrtl respectively.

FUTURES MARKETS:

MCX potato futures closed in the negative zone after mostly firm opening Friday on selling interest. Most active Agra September futures opened mostly up at Rs.633.60 over the last close of Rs.629.90 and lost Rs.3.20 at Rs.626.70 and traded within Rs.626.10-633.60. Tarkeshwar September futures opened weak at Rs.671.30 over the last close of Rs.672.80 and slid Rs.1.50 at Rs.671.30 with moved between Rs.671.10-673.90.

PRICE DRIVERS:

1. Average demand against steady arrivals
2. Higher stocks; Crop damaged in Karnataka

WEATHER:

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

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	24.08.07	23.08.07	Change
Agra- Uttar Pradesh	Fair Average Quality	670-725	670-725	-
Farookhabad- Uttar Pradesh	Fair Average Quality	525-560	525-560	-
Meerut- Uttar Pradesh	Fair Average Quality	700-750	700-750	-
Delhi	Fair Average Quality	650-660	655-665	-5.00
Tarkeswar-West Bengal	Fair Average Quality	760-790	760-790	-
Burdwan- West Bengal	Fair Average Quality	730-760	730-760	-

TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart hints some bearish market for the market. Prices closed just below 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 slight bearish market. Volume declined but open interest was steady. Potato is likely to trade slight down initially after weak 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	616	626.70	634	642

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 623 with target towards Rs.633 and then Rs.638, put stop loss below Rs.616.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
September	668	664	671.30	676	682

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above 669 with target towards Rs 675 and then Rs 680; put stop loss strictly below Rs 664.

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