

POTATO DAILY

9th AUGUST, 2007

SPOT MARKETS:

Mixed trading activity was observed in the domestic potato market on Wednesday amidst average demand against the improved arrivals. Prices remained steady to weak in North India but it was firm in Maharashtra and Bengal on weak arrivals and higher prices of other vegetables. Arrivals of new potato crop are running on but in low quantity in Hassan region of Karnataka and it is likely to pick up during second week of August. The production seems good in this year in Karnataka. Arrivals of Hassan generally affect the demand of potatoes from Agra region and West Bengal both. In addition, problem of rotten potato is more in U.P. and West Bengal and good quality potato having low rotten percentage (1 or 2%) are getting premium price. Fresh potato from Himachal Pradesh has been arriving in the market. Traders said, so far around 35-37% 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 2-3 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. On Wednesday, potato prices in North Indian markets quoted steady to down while in Bengal's Burdwan and Tarkeswar, it quoted up at Rs. 735-775 and Rs. 760-800/qrtl respectively.

FUTURES MARKETS:

MCX potato futures backpedaled on Wednesday on profit taking and selling pressure. Futures market plummeted after steady to firm opening and settled with red. Most active Agra September futures opened slight firm at Rs.660 over the last close of Rs.659.90 and slipped Rs.11.80 at Rs.648.10 and traded within Rs.644.50-664.10. Tarkeshwar September futures opened up at Rs.693 over the last close of Rs.690.30 and slid Rs.8 at Rs.682.30 with moved between Rs.676.50-693.

PRICE DRIVERS:

1. Average demand against improved arrivals
2. Higher stocks; Good crop in Karnataka
3. Few arrivals of new potato from Hassan in Karnataka

WEATHER:

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

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	08.08.07	07.08.07	Change
Agra- Uttar Pradesh	Fair Average Quality	660-740	670-750	-
Farookhabad- Uttar Pradesh	Fair Average Quality	515-580	525-600	-
Meerut- Uttar Pradesh	Fair Average Quality	670-720	680-730	-
Delhi	Fair Average Quality	655-665	660-670	-5.00
Tarkeswar-West Bengal	Fair Average Quality	760-800	750-800	+10.00
Burdwan- West Bengal	Fair Average Quality	735-775	730-770	+5.00

TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart indicates bearish market for the next trading day. Prices closed in between short terms EMAs, indicates short-term steady to bearish market. MACD remains in the negative zone, hints bearish market as medium term. Stochastic and RSI are indicating bearish market. Potato is likely to trade weak after firm opening with possibility of some upwards movement at the later session.



SUPPORT / RESISTANCES: MCX Agra Sept. Potato

Month	S1	S2	PCP	R1	R2
September	640	635	648.10	658	670

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 652 with target towards Rs.641 and then Rs.636, put stop loss above Rs.659.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
September	675	668	682.30	690	695

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below 686 with target towards Rs 676 and then Rs 670; put stop loss strictly above Rs 693.

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