

POTATO DAILY

6th AUGUST, 2007

SPOT MARKETS:

Bullish sentiment witnessed at the potato market in the country on Saturday as the quality of the potato is not so good and good demand for quality potato. But, arrivals of new potato crop are running on but in low quantity in Hassan region of Karnataka. The arrivals are expected to pick up during second week of August. The production seems good in this year. Arrival of Hassan generally affects 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, potato supply would improve in August due to higher stocks at the cold storages. 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 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. On Saturday, potato prices in North Indian markets offered up while in Bengal's Burdwan and Tarkeswar, prices quoted up at Rs. 750-800 and Rs. 760-810/qtl respectively.

FUTURES MARKETS:

MCX potato futures rebounded to up on profit booking and firm spot market Saturday. Futures market declined after firm opening but recovered thereafter on buying interest. Most active Agra September futures opened up at Rs.635 over the last close of Rs.633.50 and gained Rs.4.70 at Rs.638.20 and traded within Rs.625.50-640. Tarkeshwar September futures opened weak at Rs.660.10 and added Rs.7.50 at Rs.668.20 and made contract low at Rs.657 with traded between Rs.657-670.80.

PRICE DRIVERS:

1. Improved demand against restricted arrivals
2. Higher stocks; Releasing stocks from cold store
3. Few arrivals of new potato from Hassan in Karnataka

WEATHER:

Arrivals are unlikely to hinder due to weak monsoon.

TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart hints slight bullish market for the next trading day. Prices closed below short terms EMAs, indicates short-term 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 up after firm opening with possibility of some downwards movement at the later session.



SUPPORT / RESISTANCES: MCX Agra Sept. Potato

Month	S1	S2	PCP	R1	R2
September	634	625	638.20	647	652

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 635 with target towards Rs.645 and then Rs.650, put stop loss below Rs.628.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
September	660	650	668.20	675	680

TRADE RECOMMENDATION: (Intraday)

Risk lovers can Buy MCX (T) potato above 665 with target towards Rs 674 and then Rs 678; put stop loss strictly below Rs 658.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	04.08.07	03.08.07	Change
Agra- Uttar Pradesh	Fair Average Quality	670-750	650-750	+20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	525-600	500-600	+25.00
Meerut- Uttar Pradesh	Fair Average Quality	680-730	660-720	+20.00
Delhi	Fair Average Quality	665-675	660-670	+5.00
Tarkeswar-West Bengal	Fair Average Quality	760-810	750-800	+10.00
Burdwan- West Bengal	Fair Average Quality	750-800	740-780	+10.00

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