

POTATO DAILY

2nd AUGUST, 2007

SPOT MARKETS:

The trading activity in the potato market remained sluggish as the prices observed steady to rangebound on Wednesday at most of the domestic centre. 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 Wednesday, potato prices in North Indian markets offered steady while in Bengal's Burdwan and Tarkeswar, prices quoted stable at Rs. 710-750 and Rs. 730-750/qlt repetitively.

FUTURES MARKETS:

MCX potato futures backpedaled Wednesday on strong selling interest and weak fundamentals. Futures market tumbled after weak opening and settled mostly down. Most active Agra September futures opened down at Rs.661.10 over the last close of Rs.662.90 and lost Rs.18.40 at Rs.644.50 and traded within Rs.642-662. Tarkeshwar September futures opened weak at Rs.691 and lost Rs.18.40 at Rs.675 with traded between Rs.673.10-691.

PRICE DRIVERS:

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

WEATHER:

Monsoon rains is likely to hinder on the market arrivals as well as sowing.

TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart hints strong bearish 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 bearish after a weak opening with possibility of some upwards movement at the later session.



SUPPORT / RESISTANCES: MCX Agra Sept. Potato

Month	S1	S2	PCP	R1	R2
September	630	625	644.50	647	657

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 646 with target towards Rs.636 and then Rs.626, put stop loss above Rs.653.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
September	670	665	675	680	685

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below 679 with target towards Rs 671 and then Rs 668; put stop loss strictly above Rs 685.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	01.08.07	31.07.07	Change
Agra- Uttar Pradesh	Fair Average Quality	640-680	640-680	-
Farookhabad- Uttar Pradesh	Fair Average Quality	470-550	470-550	-
Meerut- Uttar Pradesh	Fair Average Quality	610-670	610-670	-
Delhi	Fair Average Quality	655-665	655-665	-
Tarkeswar-West Bengal	Fair Average Quality	730-750	730-750	-
Burdwan- West Bengal	Fair Average Quality	710-750	710-750	-

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.