

## POTATO DAILY

22<sup>nd</sup> AUGUST, 2007

### SPOT MARKETS:

Potato prices prevailed rangebound with steady on Tuesday at most of the domestic market on average demand supply. The 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. 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 Tuesday, potato prices in North Indian markets quoted steady while in Bengal's Burdwan and Tarkeswar, it quoted steady at Rs. 750-770 and Rs. 770-790/qrtl respectively.

### FUTURES MARKETS:

MCX potato futures traded bearish on Tuesday amidst selling interest though some profit taking pushed up the prices. Most active Agra September futures opened down at Rs.631.20 over the last close of Rs.633.50 and lost Rs.4.90 at Rs.628.60 and traded within Rs.626.40-631.30. Tarkeshwar September futures opened weak at Rs.673 over the last close of Rs.676.50 and slipped Rs.1.50 at Rs.675 with moved between Rs.672.10-675.

### PRICE DRIVERS:

1. Improved demand against weak 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	21.08.07	20.08.07	Change
Agra- Uttar Pradesh	Fair Average Quality	680-750	680-750	-
Farookhabad- Uttar Pradesh	Fair Average Quality	540-580	540-580	-
Meerut- Uttar Pradesh	Fair Average Quality	710-750	710-750	-
Delhi	Fair Average Quality	665-675	660-670	+5.00
Tarkeswar-West Bengal	Fair Average Quality	770-790	770-790	-
Burdwan- West Bengal	Fair Average Quality	750-770	750-770	-

### TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart hints sideways movement of the market. Prices closed below short terms EMAs, hints short-term bearish market. MACD remains in the negative zone, hints bearish market as medium term. Stochastic and RSI are indicating slight upward market. Volume and open interest declined. Potato is likely to trade down after 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	621	615	628.60	634	640

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX Agra potato above 623 with target towards Rs.633 and then Rs.639, put stop loss below Rs.615.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
September	670	665	675	684	690

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX (T) potato above 671 with target towards Rs 681 and then Rs 685; put stop loss strictly below Rs 665.

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