

POTATO DAILY

11th SEPTEMBER, 2007

SPOT MARKETS:

Steady with rangebound sentiment was observed on Monday in most of the market while it was up in Bengal and Delhi on lower arrivals and bad weather in Bengal. But higher stocks at the cold storages are negatively affecting the market. A shortage of good quality potato provided support to the market. Arrivals of new potato from Hassan in Karnataka are getting momentum and keeping pressure on the demand of potatoes from Agra region and Bengal region. Rain in Karnataka and lower crop yields in places that supply vegetables to Chennai are reflecting on the prices of a few staple vegetables in the city. As the harvest was hit by the rain in Karnataka from where the market gets its major share of the commodity, the price is not expected to come down till this month-end in South India. Around 20% of the crop was damaged because of heavy earlier 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. Traders said, so far around 42-47% 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 increased at the spot markets and it will decrease the spot and future prices. On Monday, potato prices in North Indian markets quoted steady while in Bengal's Burdwan and Tarkeswar, it offered up at Rs. 710-750 and Rs. 725-750/qlt respectively on bad weather.

FUTURES MARKETS:

MCX potato futures hit 6% lower circuit on Monday amidst strong selling pressure on weak fundamentals. Most active Agra October futures opened up at Rs.652.60 over the last close of Rs.650.10 and lost Rs.18.10 at Rs.632 with traded at Rs.630.10-652.60. Current month September contract hit lower circuit by 6% and settled Rs.37.50 down at Rs.587.20. Tarkeshwar October futures opened down at Rs.671 over the last close of Rs.673.40 and slid Rs.6.40 at Rs.667 with moved between Rs.662.20-672.50.

PRICE DRIVERS:

1. Weak demand against steady arrivals
2. Higher stocks; Fresh arrivals from Karnataka & H.P.

WEATHER:

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

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

| Markets | Variety | 10.09.07 | 08.09.07 | Change |
|----------------------------|----------------------|----------|----------|--------|
| Agra- Uttar Pradesh | Fair Average Quality | 610-700 | 610-700 | - |
| Farookhabad- Uttar Pradesh | Fair Average Quality | 500-550 | 500-550 | - |
| Meerut- Uttar Pradesh | Fair Average Quality | 710-750 | 710-750 | - |
| Delhi | Fair Average Quality | 680-690 | 670-680 | +10.00 |
| Tarkeswar-West Bengal | Fair Average Quality | 735-760 | 725-750 | +10.00 |
| Burdwan- West Bengal | Fair Average Quality | 720-750 | 710-750 | +10.00 |

TECHNICALS: MCX Potato Agra OCTOBER Contract

Candlestick chart exhibits sharply weak market for the next trading day. Prices closed below short terms EMAs, hints short-term weak market. MACD remains in the negative zone and moving downwards. Stochastic and RSI are hinting bearish market. Volume as well as open interest increased. Potato is likely to trade soft after weak opening with possibility of some upward movement at the later session.



SUPPORT / RESISTANCES: MCX Agra Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|---------|-----|-----|-----|-----|-----|
| October | 623 | 615 | 632 | 643 | 650 |

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 638 with target towards Rs.628 and then Rs.618, put stop loss above Rs.645.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|---------|-----|-----|-----|-----|-----|
| October | 660 | 650 | 667 | 675 | 680 |

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above Rs.661 with target towards Rs.671 and then Rs.678; put stop loss strictly below Rs.654.

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