

## POTATO DAILY

18<sup>th</sup> SEPTEMBER, 2007

### SPOT MARKETS:

Potato prices improved on Monday in the domestic potato market on festive demand for Ganesh Chaturthi and Viswakarma Puja in Bengal. Therefore hectic buying against the moderate arrivals triggered prices up. But higher stocks at the cold storages are likely to restrict the upward movement. However, a shortage of good quality potato provided support to the market. Arrivals of new potato from Hassan in Karnataka remained moderate and keeping pressure on the demand of potatoes from Agra region and Bengal region. Lower crop yields in Karnataka 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 likely to come down till this month-end in South India. Around 20% of the crop was damaged due to heavy earlier rains even as another 40% would perish because of blight attack. Potato production is likely to reach 1.3 MMT in the State. Traders said, so far around 42-47% of potato has been released in Agra of U.P. and 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 in North Indian markets traded up while in Bengal's Burdwan and Tarkeswar, it offered up at Rs. 750-770 and Rs. 770-800/qlt respectively.

### FUTURES MARKETS:

MCX potato futures finished up on Monday amidst fresh buying on firm spot market. Market hovered up after very weak opening but profit taking at session high capped some gains. Most active Agra October futures opened weak at Rs.644.20 over the last close of Rs.647.50 and gained Rs.2.20 at Rs.649.70 with traded at Rs.644.20-654.80. Tarkeshwar October futures opened up at Rs.672.40 over the last close of Rs.669.40 and slid Rs.1 at Rs.668.40 with moved between Rs.667-672.80.

### PRICE DRIVERS:

1. Festival demand; Moderate 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	17.09.07	14.09.07	Change
Agra- Uttar Pradesh	Fair Average Quality	620-700	610-700	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	510-550	500-550	+10.00
Meerut- Uttar Pradesh	Fair Average Quality	720-750	710-750	+10.00
Delhi	Fair Average Quality	700-710	690-700	+10.00
Tarkeswar-West Bengal	Fair Average Quality	770-800	750-780	+20.00
Burdwan- West Bengal	Fair Average Quality	750-770	730-750	+20.00

### TECHNICALS: MCX Potato Agra OCTOBER Contract

Candlestick pattern exhibits slight strong market for the next trading day. Prices closed in between short terms EMAs, hints short-term steady-bearish market. MACD remains in the negative zone. Stochastic and RSI favouring bulls. Volume as well as open interest significantly increased. Potato is likely to trade slight up after weak opening with possibility of some downward movement at the later session.



### SUPPORT / RESISTANCES: MCX Agra Potato

Month	S1	S2	PCP	R1	R2
October	640	630	649.70	655	660

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX Agra potato below 655 with target towards Rs.644 and then Rs.641, put stop loss above Rs.662.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
October	664	660	668.40	675	680

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX (T) potato below Rs.670 with target towards Rs.665 and then Rs.662; put stop loss strictly above Rs.674.

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