

POTATO DAILY

29th SEPTEMBER, 2007

SPOT MARKETS:

Potato traded almost steady on Friday at most of the domestic spot markets but it slight increased in Delhi on improved demand. Robust demand for quality potato in the spot market and less arrivals coupled with some speculative activity was the main factor for higher prices in the spot market for potato. However, there is shortage in the market of good quality potatoes, which is leading traders to pay more premiums for good quality potatoes. However, higher stocks in the cold storages are keeping pressure on the prices. Arrivals of new potato from Hassan in Karnataka remained average and keeping pressure on the demand of potatoes from Agra region and Bengal region. In Karnataka, 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 52-55% 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 couple months so the arrivals will be increased at the spot markets and it will suppress the spot and future prices. On Friday, potato in North Indian markets traded steady to up while in Bengal's Burdwan and Tarkeswar, it offered stable at Rs. 730-750 and Rs. 750-800/qrtl respectively.

FUTURES MARKETS:

MCX potato futures moved up on Friday amidst profit taking. Market hovered up after mostly weak opening but set back from day's high on increased selling. Most active Agra October futures opened down at Rs.633.80 over the last close of Rs.636.60 and gained Rs.2.70 at Rs.639.30 with traded at Rs.633.80-643.20. But, Tarkeshwar futures settled down in thin trading activity. Tarkeshwar October futures opened up at Rs.664.90 over the last close of Rs.664.10 and lost Rs.2.10 at Rs.662 and traded in the thin range of Rs.662-666.50.

PRICE DRIVERS:

1. Moderate demand; Lack of good quality potato
2. Higher stocks; Fresh arrivals from Karnataka & H.P.

WEATHER:

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

TECHNICALS: MCX Potato Agra OCTOBER Contract

Candlestick patterns exhibits slight strong market for the next trading day. Prices closed below short terms EMAs, exhibits short-term weak market. MACD remains in the negative zone. Stochastic and RSI indicates slight firm market. Volume as well as open interest declined. Potato is likely to trade 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	634	630	639.30	644	648

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 636 with target towards Rs.642 and then Rs.645, put stop loss below Rs.631.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
October	658	655	662	666	670

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below Rs.665 with target towards Rs.660 and then Rs.657; put stop loss strictly above Rs.669.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	28.09.07	27.09.07	Change
Agra- Uttar Pradesh	Fair Average Quality	690-750	680-750	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	500-550	-
Meerut- Uttar Pradesh	Fair Average Quality	750-780	750-780	-
Delhi	Fair Average Quality	655-660	650-660	+5.00
Tarkeswar-West Bengal	Fair Average Quality	750-800	750-800	-
Burdwan- West Bengal	Fair Average Quality	730-750	730-750	-

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