

POTATO DAILY

07th SEPTEMBER, 2007

SPOT MARKETS:

Potato prices remained sluggish on Thursday owing to weak demand from the non producing centres and fresh arrivals of new crop from Karnataka and H.P. Higher stocks at the cold storages are also negatively affecting the market. A shortage of good quality potato has provided underline 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. Therefore the potato prices have increased to Rs.950-1000/qrtl in this zone. 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. 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 40-45% 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 Thursday, potato prices in North Indian markets quoted down while in Bengal's Burdwan and Tarkeswar, it offered steady at Rs. 700-750 and Rs. 725-750/qrtl respectively.

FUTURES MARKETS:

MCX potato futures settled marginally up after mostly strong opening on Thursday amidst strong profit taking. Most active Agra September futures opened up at Rs.630.30 over the last close of Rs.627.70 and gained Rs.0.50 at Rs.628.20 with traded at Rs.623.50-630.30. Tarkeshwar September futures opened weak at Rs.661 over the last close of Rs.662.10 and lost Rs.3.10 at Rs.659 with moved between Rs.658-661.

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	06.09.07	05.09.07	Change
Agra- Uttar Pradesh	Fair Average Quality	610-700	620-700	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	510-550	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	710-750	710-750	-
Delhi	Fair Average Quality	680-690	690-700	-10.00
Tarkeswar-West Bengal	Fair Average Quality	735-760	735-760	-
Burdwan- West Bengal	Fair Average Quality	720-750	720-750	-

TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart continue to exhibit sideways movement. Prices closed just below short terms EMAs, hints short-term steady to bearish market. MACD remains in the negative zone and moving upwards. Stochastic and RSI are indicating bearish market. Volume increased while open interest significantly declined. Potato is likely to trade rangebound with down after firm opening with possibility of some upward movement at the later session.



SUPPORT / RESISTANCES: MCX Agra Sept. Potato

Month	S1	S2	PCP	R1	R2
September	624	620	628.20	635	640

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 633 with target towards Rs.625 and then Rs.621, put stop loss above Rs.640.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
September	656	652	659	665	670

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above Rs.657 with target towards Rs.664 and then Rs.668; put stop loss strictly below Rs.652.

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