

## POTATO DAILY

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

### SPOT MARKETS:

Good demand for quality potato in the spot market and less arrivals coupled with some speculative activity lead to higher prices in the futures exchanges and spot market. There is shortage in the market of good quality potatoes, which is leading traders to pay more premiums for good quality potatoes. Potato traded up on Monday at the North Indian domestic spot market while the prices declined in Delhi on less demand against the average arrivals. Traders said, higher stocks in the cold storages are restricting the upward movement. 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 Monday, potato in North Indian markets traded 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 slipped on Monday amidst fresh selling pressure and weak fundamentals. Market went up after firm opening but slid thereafter. Most active Agra October futures opened up at Rs.656.50 over the last close of Rs.655.10 and lost Rs.2.10 at Rs.653 with traded at Rs.653-659. However, Tarkeshwar futures hovered up after firm opening on profit booking due to technically oversold condition of the market. Tarkeshwar October futures opened up at Rs.661.80 over the last close of Rs.659.30 and climbed Rs.9.80 at Rs.669.10 and hovered in the range of Rs.661.80-672.80.

### 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.

### SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	24.09.07	22.09.07	Change
Agra- Uttar Pradesh	Fair Average Quality	650-750	630-730	+20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	500-550	-
Meerut- Uttar Pradesh	Fair Average Quality	750-780	730-770	+20.00
Delhi	Fair Average Quality	710-715	715-720	-5.00
Tarkeswar-West Bengal	Fair Average Quality	750-800	750-800	-
Burdwan- West Bengal	Fair Average Quality	730-750	730-750	-

### TECHNICALS: MCX Potato Agra OCTOBER Contract

Candlestick hints weak market for the next trading day. Prices closed just above short terms EMAs, exhibits short-term steady-bullish market. MACD remains in the negative zone. Stochastic and RSI indicates downward market. Volume increased while open interest slight decreased. 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 Potato

Month	S1	S2	PCP	R1	R2
October	650	645	653	660	665

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX Agra potato below 657 with target towards Rs.651 and then Rs.647, put stop loss above Rs.661.

### SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
October	665	660	669.10	675	680

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX (T) potato below Rs.674 with target towards Rs.668 and then Rs.662; put stop loss strictly above Rs.678.

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