



POTATO

OCT 01, 2007

SPOT MARKETS:

Steady sentiment was observed in the domestic potato market amidst stable demand supply on Saturday. But the prices got up in Delhi and Maharashtra on good demand against slight lower arrivals. But higher stocks at the cold storages are likely to restrict the upward movement. On the other hand, a shortage of good quality potato is providing underline support to the market. Arrivals of new potato from Hassan in Karnataka remained moderate and keeping pressure on the demand of potatoes from Agra and Bengal region. In addition, prices remained firm in South Indian markets due to lower production in Karnataka. Lower production was due to heavy rains and blight disease at harvesting time in Karnataka, from where most of the South Indian market gets its major share of the commodity. Traders said, so far around 55-60% of potato has been released in Agra of U.P. and Bengal from the cold storages. Remaining part of the potato is to be released in the next 1-2 months so the arrivals will be increased at the spot markets and it is likely to pull down the spot and future prices in near future. On Saturday, potato in North Indian markets traded steady to up while in Bengal's Tarkeswar and Burdwan, it offered steady at Rs. 750-800 and Rs. 730-750/qrtl respectively.

FUTURES MARKETS:

MCX potato futures maintained bearish sentiment on Saturday amidst selling pressure. Futures market tumbled after firm opening and settled near the session's low. Most active Agra October futures opened firm at Rs.639 over the last close of Rs.638.90 and lost Rs.5.20 at Rs.633.70 with traded at Rs.633-639. Tarkeshwar November futures opened mostly up at Rs.681 over the last close of Rs.677.80 and slid Rs.7.30 at Rs.670.50 and made contract low at Rs.670.10 and moved between Rs.670.10-681.

PRICE DRIVERS:

1. Lower demand; Moderate arrivals
2. Higher stocks; Fresh arrivals from Karnataka & H.P.

WEATHER:

Arrivals are unlikely to affect due to weak monsoons.

TECHNICALS: MCX Potato Agra OCTOBER Contract

Candlestick patterns exhibits bearish sentiment of the market for the next trading day. Prices closed just below short terms EMAs, hints short-term bearish market. MACD remains in the negative zone and moving down. Stochastic and RSI indicates weak market. Volume as well as open interest increased. Potato is likely to trade soft 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	629	625	633.70	637	640

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato **Oct.** below 636 with target towards Rs.630 and then Rs.626, put stop loss above Rs.641.

SUPPORT / RESISTANCES: MCX Tarkeshwar (T) Potato

Month	S1	S2	PCP	R1	R2
November	665	660	670.50	675	680

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato **Nov.** below Rs.674 with target towards Rs.666 and then Rs.662; put stop loss strictly above Rs.680.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	29.09.07	28.09.07	Change
Agra- Uttar Pradesh	Fair Average Quality	700-750	690-750	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	500-550	-
Meerut	Fair Average Quality	750-780	750-780	-
Delhi	Fair Average Quality	660-670	655-660	+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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