

POTATO DAILY

08th SEPTEMBER, 2007

SPOT MARKETS:

Sluggish prices observed in the Bengal and Delhi potato market on Friday amidst weak demand and improved arrivals while the prices quoted steady to up in U.P., Maharashtra and South Indian market on lower arrivals from Karnataka. In addition, 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. 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 in South India. 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 Friday, potato prices in North Indian markets quoted steady while in Bengal's Burdwan and Tarkeshwar, it offered down at Rs. 710-750 and Rs. 725-750/qtl respectively.

FUTURES MARKETS:

MCX potato futures settled down after weak opening on Friday amidst profit taking and selling interest. Most active Agra October futures opened down at Rs.655 over the last close of Rs.655.70 and lost Rs.3.70 at Rs.652 with traded at Rs.651.40-656.80. Tarkeshwar October futures opened weak at Rs.678 over the last close of Rs.678.90 and slid Rs.3.90 at Rs.675 with moved between Rs.674.50-681.

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	07.09.07	06.09.07	Change
Agra- Uttar Pradesh	Fair Average Quality	610-700	610-700	-
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	500-550	-
Meerut- Uttar Pradesh	Fair Average Quality	710-750	710-750	-
Delhi	Fair Average Quality	670-680	680-690	-10.00
Tarkeshwar-West Bengal	Fair Average Quality	725-750	735-760	-10.00
Burdwan- West Bengal	Fair Average Quality	710-750	720-750	-10.00

TECHNICALS: MCX Potato Agra OCTOBER Contract

Candlestick chart exhibits weak market for the next trading day. 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 downward market. Volume and open interest significantly declined. Potato is likely to trade rangebound with down after weak opening with possibility of some upward movement at the later session.



SUPPORT / RESISTANCES: MCX Agra Potato

Month	S1	S2	PCP	R1	R2
October	645	640	652	655	660

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 654 with target towards Rs.646 and then Rs.644, put stop loss above Rs.660.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
October	670	665	675	681	687

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above Rs.671 with target towards Rs.680 and then Rs.683; put stop loss strictly below Rs.664.

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