

POTATO DAILY

19th SEPTEMBER, 2007

SPOT MARKETS:

Potato prices declined on Tuesday in the North Indian markets on lower demand against the improved arrivals while it was remained steady to up in the other major markets on festive demand. But higher stocks at the cold storages are likely to restrict the upward movement. However, a shortage of good quality potato provided support to the market. Arrivals of new potato from Hassan in Karnataka remained moderate and keeping pressure on the demand of potatoes from Agra region and Bengal region. However, lower crop yields in Karnataka are providing underline support to the South Indian markets. As the harvest was hit by the rain in Karnataka, from where most of the market gets its major share of the commodity, so the price is not likely to come down till this month-end in South India. 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 42-47% 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 2-3 months so the arrivals will be increased at the spot markets and it will decrease the spot and future prices. On Tuesday, potato in North Indian markets traded down while in Bengal's Burdwan and Tarkeswar, it offered steady at Rs. 750-770 and Rs. 770-800/qlt respectively.

FUTURES MARKETS:

MCX potato futures closed slight up on Tuesday on moderate trading activity. Market got up after very firm opening but selling pressure at session high pulled down prices. Most active Agra October futures opened strong at Rs.650.50 over the last close of Rs.648.90 and gained Rs.1.60 at Rs.650.50 with traded at Rs.649.10-653.60. Tarkeshwar October futures opened up at Rs.668.10 over the last close of Rs.668 and lost Rs.4.30 at Rs.663.70 with moved between Rs.663.60-669.

PRICE DRIVERS:

1. Lower demand; Moderate 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	18.09.07	17.09.07	Change
Agra- Uttar Pradesh	Fair Average Quality	600-700	620-700	-20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	510-550	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	710-750	720-750	-10.00
Delhi	Fair Average Quality	700-710	700-710	-
Tarkeswar-West Bengal	Fair Average Quality	770-800	770-800	-
Burdwan- West Bengal	Fair Average Quality	750-770	750-770	-

TECHNICALS: MCX Potato Agra OCTOBER Contract

Candlestick pattern exhibits indecisive market for the next trading day. Prices closed in between short terms EMAs, hints short-term steady-bearish market. MACD remains in the negative zone. Stochastic and RSI favouring bulls. Volume significantly declined while open interest increased. Potato is likely to trade slight up after firm opening with possibility of some downward movement at the later session.



SUPPORT / RESISTANCES: MCX Agra Potato

Month	S1	S2	PCP	R1	R2
October	640	630	650.50	655	660

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 655 with target towards Rs.644 and then Rs.641, put stop loss above Rs.662.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
October	660	655	663.70	670	675

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below Rs.667 with target towards Rs.661 and then Rs.658; put stop loss strictly above Rs.671.

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