

POTATO DAILY

24th 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. Therefore potato traded up on Saturday at the domestic spot market while the prices declined in Bengal 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 Saturday, potato in North Indian markets traded up while in Bengal's Burdwan and Tarkeswar, it offered down at Rs. 730-750 and Rs. 750-800/qtl respectively.

FUTURES MARKETS:

MCX potato futures settled up on Saturday amidst mild buying support and firm spot market. Futures market went up after strong opening but set back from the session's high. Most active Agra October futures opened up at Rs.654.50 over the last close of Rs.653.90 and added Rs.1.20 at Rs.655.10 with traded at Rs.654.50-657.80. However, Tarkeshwar futures moved up on profit booking due to technically oversold condition of the market. Tarkeshwar October futures opened up at Rs.656 over the last close of Rs.655.50 and gained Rs.3.80 at Rs.659.30 and moved between Rs.656-600.

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	22.09.07	21.09.07	Change
Agra- Uttar Pradesh	Fair Average Quality	630-730	600-700	+30.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	500-550	-
Meerut- Uttar Pradesh	Fair Average Quality	730-770	710-750	+20.00
Delhi	Fair Average Quality	715-720	715-720	-
Tarkeswar-West Bengal	Fair Average Quality	750-800	770-800	-20.00
Burdwan- West Bengal	Fair Average Quality	730-750	750-770	-20.00

TECHNICALS: MCX Potato Agra OCTOBER Contract

Candlestick hints slight weak market for the next trading day. Prices closed just above short terms EMAs, hints short-term steady-bullish market. MACD remains in the negative zone. Stochastic and RSI indicates slight downward market. Volume significantly increased while open interest slight decreased. Potato is likely to trade rangebound with 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	650	645	655.10	660	665

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 658 with target towards Rs.651 and then Rs.647, put stop loss above Rs.663.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
October	655	650	659.30	665	670

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below Rs.664 with target towards Rs.656 and then Rs.654; put stop loss strictly above Rs.670.

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