

POTATO DAILY

04th SEPTEMBER, 2007

SPOT MARKETS:

Market sentiment for potato prices improved on Monday in Bengal and Delhi on improved demand against slight lower arrivals while the prices showed steady undertone in the other markets. But, higher stocks at the cold storages are negatively affecting the market. A shortage of good quality potato has provided underline support to the market. In Delhi, Authorities said that to stabilise the potato situation, they had started getting fresh potato from Himachal and Uttarakhand and from cold stores in Agra and Moradabad in UP. Arrivals of new potato from Hassan in Karnataka are getting momentum and keeping pressure on the demand of potatoes from Agra region and West Bengal region. Arrivals are likely to pick up in the coming days. In Hassan district, potato is a major commercial crop and grown in more than 1 lakh acres of land. 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 enhanced at the spot markets. So, the prices are unlikely to go up in near future. On Monday, potato prices in North Indian markets quoted stable while in Bengal's Burdwan and Tarkeswar, it offered up at Rs. 700-750 and Rs. 725-750/qlt respectively.

FUTURES MARKETS:

MCX potato futures settled down on Monday amidst late selling pressure. Most active Agra September futures opened mostly weak at Rs.627.60 over the last close of Rs.633 and lost Rs.3.90 at Rs.629.10 with traded at Rs.627.60-635. Tarkeshwar September futures opened mostly up at Rs.669.80 over the last close of Rs.666.50 and slid Rs.3.40 at Rs.663.10 with moved between Rs.663-670.

PRICE DRIVERS:

1. Steady 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 | 03.09.07 | 01.09.07 | Change |
|----------------------------|----------------------|----------|----------|--------|
| Agra- Uttar Pradesh | Fair Average Quality | 625-700 | 625-700 | - |
| Farookhabad- Uttar Pradesh | Fair Average Quality | 510-550 | 510-550 | - |
| Meerut- Uttar Pradesh | Fair Average Quality | 710-750 | 710-750 | - |
| Delhi | Fair Average Quality | 700-710 | 695-705 | +5.00 |
| Tarkeswar-West Bengal | Fair Average Quality | 735-760 | 725-750 | +10.00 |
| Burdwan- West Bengal | Fair Average Quality | 720-750 | 700-750 | +20.00 |

TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart shows 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 slight weak market. Volume and open interest declined. Potato is likely to trade down after firm opening with possibility of some upward movement at the later session.



SUPPORT / RESISTANCES: MCX Agra Sept. Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|-----------|-----|-----|--------|-----|-----|
| September | 624 | 620 | 629.10 | 635 | 640 |

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 635 with target towards Rs.626 and then Rs.621, put stop loss above Rs.641.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

| Month | S1 | S2 | PCP | R1 | R2 |
|-----------|-----|-----|--------|-----|-----|
| September | 660 | 655 | 663.10 | 668 | 675 |

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato above Rs.667 with target towards Rs.660 and then Rs.656; put stop loss strictly above Rs.672.

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