

## POTATO DAILY

05<sup>th</sup> SEPTEMBER, 2007

### SPOT MARKETS:

Potato prices remained almost steady on Tuesday amidst stable demand supply. However the sentiment is improving in Bengal and Delhi on improved demand against lower arrivals. 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. 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. Therefore the potato prices have increased to Rs.950-1000/qlt. 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. 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. On Tuesday, potato prices in North Indian markets quoted stable while in Bengal's Burdwan and Tarkeswar, it offered steady at Rs. 700-750 and Rs. 725-750/qlt respectively.

### FUTURES MARKETS:

MCX potato futures settled marginally down on Tuesday on lacklustre trading activity. Most active Agra September futures opened weak at Rs.629.50 over the last close of Rs.629.90 and lost Rs.1.90 at Rs.628 with traded at Rs.625.20-631.70. Tarkeshwar September futures opened mostly down at Rs.661.30 over the last close of Rs.663.60 and slid Rs.2.60 at Rs.661 with moved between Rs.660.20-663.

### 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	04.09.07	03.09.07	Change
Agra- Uttar Pradesh	Fair Average Quality	620-700	625-700	-5.00
Farookhabad- Uttar Pradesh	Fair Average Quality	510-550	510-550	-
Meerut- Uttar Pradesh	Fair Average Quality	710-750	710-750	-
Delhi	Fair Average Quality	690-700	700-710	-10.00
Tarkeswar-West Bengal	Fair Average Quality	735-760	735-760	-
Burdwan- West Bengal	Fair Average Quality	720-750	720-750	-

### TECHNICALS: MCX Potato Agra SEPTEMBER Contract

Candlestick chart exhibits indecisive 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 weak market. Volume increased while open interest declined. 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 Sept. Potato

Month	S1	S2	PCP	R1	R2
September	624	620	628	635	640

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX Agra potato below 634 with target towards Rs.625 and then Rs.621, put stop loss above Rs.640.

### SUPPORT / RESISTANCES: MCX Tarkeswar Potato

Month	S1	S2	PCP	R1	R2
September	657	652	661	668	675

### TRADE RECOMMENDATION: (Intraday)

**Buy** MCX (T) potato above Rs.657 with target towards Rs.667 and then Rs.670; put stop loss strictly below Rs.650.

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