

POTATO DAILY

27th SEPTEMBER, 2007

SPOT MARKETS:

Robust demand for quality potato in the spot market and less arrivals coupled with some speculative activity was the main factor for higher prices in the spot market. In addition, 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 steady to slight up on Wednesday at most of the domestic spot markets but it declined in Delhi on higher arrivals. However, higher stocks in the cold storages are keeping pressure on the prices. 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 Wednesday, potato in North Indian markets traded steady to up while in Bengal's Burdwan and Tarkeswar, it offered stable at Rs. 730-750 and Rs. 750-800/qrtl respectively.

FUTURES MARKETS:

MCX potato futures sharply declined Wednesday on strong selling pressure on weak fundamentals. Market tumbled after weak opening but settled slight up from the session's low. Most active Agra October futures opened down at Rs.645 over the last close of Rs.645.60 and slid Rs.7.40 at Rs.638.20 with traded at Rs.635.10-645. But, Tarkeshwar futures remained unchanged in thin trading activity. Market went slight up after weak opening but slid thereafter. Tarkeshwar October futures opened down at Rs.660 over the last close of Rs.661.20 and closed at Rs.661.20 and traded in the range of Rs.660-663.

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	26.09.07	25.09.07	Change
Agra- Uttar Pradesh	Fair Average Quality	670-750	660-750	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	500-550	-
Meerut- Uttar Pradesh	Fair Average Quality	750-780	750-780	-
Delhi	Fair Average Quality	660-680	675-700	-15.00
Tarkeswar-West Bengal	Fair Average Quality	750-800	750-800	-
Burdwan- West Bengal	Fair Average Quality	730-750	730-750	-

TECHNICALS: MCX Potato Agra OCTOBER Contract

Candlestick charts hints bearish market for the next trading day. Prices closed just below short terms EMAs, exhibits short-term weak market. MACD remains in the negative zone. Stochastic and RSI indicates downward market. Volume decreased while open interest increased. Potato is likely to trade 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	632	627	638.20	644	648

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 641 with target towards Rs.632 and then Rs.630, put stop loss above Rs.647.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
October	655	650	661.20	665	670

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below Rs.664 with target towards Rs.658 and then Rs.655; put stop loss strictly above Rs.668.

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