

POTATO DAILY

13th SEPTEMBER, 2007

SPOT MARKETS:

Potato continued to trade steady in U.P. and Northern market Wednesday on balance demand supply while the prices improved in Bengal on lower arrivals due to transportation problem at some pockets. But higher stocks at the cold storages are restricting the upward movement. A shortage of good quality potato provided 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. Lower crop yields in Karnataka that supply vegetables to Chennai are reflecting on the prices of a few staple vegetables in the city. 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 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. It is expecting that the potato production will reach to 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 Wednesday, potato in North Indian markets traded stable while in Bengal's Burdwan and Tarkeswar, it offered up at Rs. 730-750 and Rs. 750-780/qrtl respectively.

FUTURES MARKETS:

MCX potato futures settled up on Wednesday for the consecutive second day amidst profit taking and buying interest. Market hovered up after mostly weak opening. Most active Agra October futures opened weak at Rs.636.90 over the last close of Rs.640.90 and gained Rs.4.90 at Rs.645.80 with traded at Rs.636.90-649. Tarkeshwar October futures opened up at Rs.669 over the last close of Rs.666.60 and added Rs.4.50 at Rs.671.10 with moved between Rs.666.50-672.

PRICE DRIVERS:

1. Balance demand supply; 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	12.09.07	11.09.07	Change
Agra- Uttar Pradesh	Fair Average Quality	610-700	610-700	-
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	500-550	-
Meerut- Uttar Pradesh	Fair Average Quality	710-750	710-750	-
Delhi	Fair Average Quality	690-700	690-700	-
Tarkeswar-West Bengal	Fair Average Quality	750-780	735-760	+15.00
Burdwan- West Bengal	Fair Average Quality	730-750	720-750	+10.00

TECHNICALS: MCX Potato Agra OCTOBER Contract

Candlestick pattern shows firm market for the next trading day. But prices closed just below short terms EMAs, hints short-term bearish market. MACD remains in the negative zone. Stochastic and RSI are favouring bulls. Volume as well as open interest declined. Potato is likely to trade up after weak 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	645.80	655	660

TRADE RECOMMENDATION: (Intraday)

Buy MCX Agra potato above 642 with target towards Rs.652 and then Rs.656, put stop loss below Rs.635.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
October	667	662	671.10	677	682

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato above Rs.668 with target towards Rs.676 and then Rs.680; put stop loss strictly below Rs.662.

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