

POTATO DAILY

17th SEPTEMBER, 2007

SPOT MARKETS:

Market sentiment for potato prices continued to remain steady in the domestic market Friday on balance demand supply while the prices increased in Maharashtra amidst festival demand for Ganesh Chaturthi. 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 Friday, potato in North Indian markets traded stable while in Bengal's Burdwan and Tarkeswar, it offered steady at Rs. 730-750 and Rs. 750-780/qtl respectively.

FUTURES MARKETS:

MCX potato futures settled marginally up on Friday amidst late buying support. Market slipped after strong opening but recovered thereafter. Most active Agra October futures opened firm at Rs.648.60 over the last close of Rs.647.70 and gained Rs.0.50 at Rs.647.70 with traded at Rs.640.70-648.60. Tarkeshwar October futures opened up at Rs.673 over the last close of Rs.671.60 and slid Rs.1.60 at Rs.670 with moved between Rs.668-673.

PRICE DRIVERS:

1. Balance demand supply; Moderate arrivals
2. Higher stocks; Fresh arrivals from Karnataka & H.P.
3. Festival demand

WEATHER:

Arrivals are likely to affect on bad weather at some areas.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	14.09.07	13.09.07	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	750-780	-
Burdwan- West Bengal	Fair Average Quality	730-750	730-750	-

TECHNICALS: MCX Potato Agra OCTOBER Contract

Candlestick pattern shows slight up market for the next trading day. Prices closed in between short terms EMAs, hints short-term steady-bearish market. MACD remains in the negative zone. Stochastic and RSI are favouring bulls. Volume as well as open interest significantly increased. Potato is likely to trade strong 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	647.70	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	670	677	682

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below Rs.674 with target towards Rs.668 and then Rs.664; put stop loss strictly above Rs.679.

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