

POTATO DAILY

26th SEPTEMBER, 2007

SPOT MARKETS:

Good 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 futures exchanges and 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. But, potato traded steady on Tuesday at most of the domestic spot markets. Traders said, higher stocks in the cold storages are restricting the upward movement. 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 Tuesday, potato in North Indian markets traded steady 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 stumbled on Tuesday on short covering coupled with trade selling on weak fundamentals. Market plummeted down after strong opening and settled near the session's low. Most active Agra October futures opened up at Rs.655.90 over the last close of Rs.653.40 and slid Rs.9.40 at Rs.644 with traded at Rs.643-655.90. Tarkeshwar futures also got down after firm opening but recovered some early losses on profit booking at session's low. Tarkeshwar October futures opened up at Rs.673 over the last close of Rs.670.50 and lost Rs.7 at Rs.663.50 and traded in the range of Rs.655.50-673.

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	25.09.07	24.09.07	Change
Agra- Uttar Pradesh	Fair Average Quality	660-750	650-750	+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	675-700	685-710	-10.00
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 sluggish market for the next trading day. Prices closed just below short terms EMAs, exhibits short-term bearish market. MACD remains in the negative zone. Stochastic and RSI indicates weak market. Volume significantly increased while open interest decreased. Potato is likely to trade weak after firm opening with possibility of some upward movement at the later session.



SUPPORT / RESISTANCES: MCX Agra Potato

Month	S1	S2	PCP	R1	R2
October	638	632	644	648	655

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato below 647 with target towards Rs.637 and then Rs.633, put stop loss above Rs.655.

SUPPORT / RESISTANCES: MCX Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
October	655	650	663.50	670	675

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato below Rs.667 with target towards Rs.660 and then Rs.657; put stop loss strictly above Rs.672.

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