

POTATO DAILY

06th SEPTEMBER, 2007

SPOT MARKETS:

Potato prices continued to stay steady on Wednesday 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/ql. 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 Wednesday, 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/ql respectively.

FUTURES MARKETS:

MCX potato futures settled marginally down on Wednesday on lacklustre trading activity. Most active Agra September futures opened weak at Rs.625.60 over the last close of Rs.627.90 and lost Rs.0.90 at Rs.627 with traded at Rs.625.60-630.90. Tarkeshwar September futures opened mostly up at Rs.667 over the last close of Rs.661.30 and gained Rs.1.60 at Rs.662.90 with moved between Rs.660-667.

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	05.09.07	04.09.07	Change
Agra- Uttar Pradesh	Fair Average Quality	620-700	620-700	-
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	690-700	-
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 sideways movement. 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 declines while open interest remains steady. Potato is likely to trade rangebound with down after weak opening with possibility of some upward movement at the later session.



SUPPORT / RESISTANCES: MCX Agra Sept. Potato

Month	S1	S2	PCP	R1	R2
September	624	620	627	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 Tarkeshwar Potato

Month	S1	S2	PCP	R1	R2
September	657	652	662.90	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.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.