



POTATO

OCT 26, 2007

SPOT MARKETS:

Domestic potato prices are decreasing because the markets are observing strong arrivals pressure. Supplies from Punjab and U.P are witnessed steadily increasing and most of the stockiest are selling their existing stocks. On the other hand, the physical demand for the commodity shows weakened as most of the buyers prefer other vegetables during the festive season. But, the prices are increasing in Bengal due to ongoing festive demand. Currently, higher stocks at the cold storages are impeding the upward movement. But, lack of availability of good quality potato is providing underlying support to market. Arrivals of new potato from Hassan in Karnataka reported to be moderate. Still, it is keeping pressure on the demand of potatoes from Agra and Bengal region. Traders said, so far around 65-70% of potato has been released in Agra of U.P. and Bengal from the cold storages. Remaining part of the potato is to be released in the next month so the arrivals will be increased at the spot markets and it is likely to pull down the spot and future prices in near future. On Thursday, potato in North Indian markets offered down while in Bengal's Tarkeshwar and Burdwan, it quoted up at Rs. 770-820/qrtl and Rs. 750-800/qrtl respectively. Seed potato quoted at Rs.1000-1050/qrtl in Agra.

FUTURES MARKETS:

MCX potato Tarkeshwar futures closed up Thursday on late buying support. Market went down after weak opening but moved up thereafter and closed down from the session's high. Tarkeshwar November futures opened down at Rs.626 over the last close of Rs.626.90 and gained Rs.2.20 at Rs.629.10 and traded within Rs.623-631. Most active Agra March futures settled Rs.0.30 down at Rs.510 and traded within Rs.507-524.60.

PRICE DRIVERS:

1. Improving arrivals; Lack of quality potato
2. Stocks release by the stockists
3. Higher stocks in the Cold storages
4. Festive demand in Bengal

WEATHER:

Arrivals are unlikely to affect due to weak monsoons.

TECHNICALS: MCX Potato Tarkeshwar November Contract

Candlestick chart indicates slight weak market for the next trading day. Prices closed just above short terms EMAs, exhibits short-term steady to strong market. MACD moves up in the negative zone. Stochastic hints weak market but RSI hints slight strong market. Volume slight declined but open interest increased. Potato is expected to be trade steady to weak after firm opening with possibility of some upward movement at the later session.

MCX Potato Tarkeshwar November Contract



SUPPORT / RESISTANCES: MCX Tarkeshwar (T) Potato

Month	S1	S2	PCP	R1	R2
November	622	618	629.1	635	640

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato **Nov.** below Rs.632 with target towards Rs.625 and then Rs.622; put stop loss strictly above Rs.637.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	25.10.07	24.10.07	Change
Agra- Uttar Pradesh	Fair Average Quality	800-850	805-850	-5.00
Farookhabad- Uttar Pradesh	Fair Average Quality	600-650	615-660	-15.00
Meerut	Fair Average Quality	750-800	760-800	-10.00
Delhi	Fair Average Quality	750-800	750-800	-
Tarkeshwar-West Bengal	Fair Average Quality	770-820	760-800	+10.00
Burdwan- West Bengal	Fair Average Quality	750-800	730-750	+20.00

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