



## POTATO

OCT 24, 2007

### SPOT MARKETS:

Potato prices slipped on Tuesday in the North Indian domestic market while it was restricted at upper level in the other markets amidst strong demand for the quality potatoes. Increased demand for various festivals against the lower arrivals of quality potato provided underline support to the market. Higher rates of other vegetables coupled with upcoming festive demand also underpinned the potato market. The prices quoted steady to up in Bengal on stable demand supply and weak demand from neighbouring states. Currently, higher stocks at the cold storages are impeding the upward movement. But, lack of availability of good quality potato is underpinning the market sentiment. 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 one 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 Tuesday, potato in North Indian markets offered down while in Bengal's Tarkeshwar and Burdwan, it quoted stable at Rs. 750-800/qrtl and Rs. 720-750/qrtl respectively. Seed potato quoted at Rs.1000-1050/qrtl in Agra.

### FUTURES MARKETS:

MCX potato Tarkeshwar futures increased further on Tuesday amidst early buying support. Market rallied after strong opening but slid thereafter on profit taking though closed up over last settlement price. Tarkeshwar November futures opened up at Rs.630 over the last close of Rs.628 and added Rs.3 at Rs.631 and traded in the range of Rs.628-637. Most active Agra March futures settled Rs.3.20 down at Rs.520 and traded within Rs.518.20-524.50.

### PRICE DRIVERS:

1. Sluggish arrivals of quality potato against sturdy demand
2. Higher stocks in the Cold storages; Festive demand

### WEATHER:

Arrivals are unlikely to affect due to weak monsoons.

### TECHNICALS: MCX Potato Tarkeshwar November Contract

Candlestick chart shows weak market for the next trading day. Prices closed above short terms EMAs, hints short-term steady to strong market. MACD moves up in the negative zone. Stochastic and RSI favours the bulls. Volume significantly increased but open interest declined. Potato is expected to be trade weak after lower 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 | 625 | 620 | 631 | 638 | 642 |

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX (T) potato **Nov.** below Rs.635 with target towards Rs.626 and then Rs.623; put stop loss strictly above Rs.644.

### SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

| Markets                    | Variety              | 23.10.07 | 22.10.07 | Change |
|----------------------------|----------------------|----------|----------|--------|
| Agra- Uttar Pradesh        | Fair Average Quality | 815-850  | 825-875  | -10.00 |
| Farookhabad- Uttar Pradesh | Fair Average Quality | 625-660  | 635-660  | -10.00 |
| Meerut                     | Fair Average Quality | 770-820  | 780-820  | -10.00 |
| Delhi                      | Fair Average Quality | 750-800  | 765-800  | -15.00 |
| Tarkeshwar-West Bengal     | Fair Average Quality | 750-800  | 750-800  | -      |
| Burdwan- West Bengal       | Fair Average Quality | 720-750  | 720-750  | -      |

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