



POTATO

OCT 04, 2007

SPOT MARKETS:

Potato prices witnessed downward sentiment on Wednesday in North Indian and Western Markets on sluggish demand against the improved arrivals while it was steady in Bengal on stable demand supply and inferior quality of potato. Currently, higher stocks at the cold storages are restricting the upward movement. On the other hand, a shortage of good quality potato is providing underline support to the market. Arrivals of new potato from Hassan in Karnataka remained moderate and keeping pressure on the demand of potatoes from Agra and Bengal region. In addition, prices remained firm in South Indian markets due to lower production in Karnataka. Lower production was due to heavy rains and blight disease at harvesting time in Karnataka, from where most of the South Indian market gets its major share of the commodity. Traders said, so far around 55-60% 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 1-2 months 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 Wednesday, potato in North Indian markets traded down while in Bengal's Tarkeswar and Burdwan, it offered steady at Rs. 750-800/qrtl and Rs. 730-750/qrtl respectively.

FUTURES MARKETS:

MCX potato futures moved up on Wednesday amidst short covering due to technically oversold condition of the market. Market moved up after mostly weak opening but set back from the session's high. Most active Agra October futures opened weak at Rs.625.60 over the last close of Rs.628.40 and gained Rs.2.50 at Rs.630.90 with traded at Rs.624.20-635.10. But Tarkeshwar November futures opened mostly down at Rs.651.10 over the last close of Rs.655.10 and slid Rs.5.10 at Rs.650 and made new contract low at Rs.644.20 and moved between Rs.644.20-657.

PRICE DRIVERS:

1. Weak demand; Improved arrivals
2. Higher stocks; Moderate arrivals from Karnataka & H.P.

WEATHER:

Arrivals are unlikely to affect due to weak monsoons.

TECHNICALS: MCX Potato Agra OCTOBER Contract

Candlestick pattern shows some improvement of the market for the next trading day. Prices closed below short terms EMAs, hints short-term weak market. MACD remains in the negative zone and moving down. Stochastic and RSI indicates slight strong market. Volume as well as open interest significantly decreased. Potato is to be trade up after firm opening with possibility of some downward movement at the later session.



SUPPORT / RESISTANCES: MCX Agra Potato

Month	S1	S2	PCP	R1	R2
October	622	615	630.90	637	642

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato **Oct.** below 635 with target towards Rs.625 and then Rs.620, put stop loss above Rs.642.

SUPPORT / RESISTANCES: MCX Tarkeshwar (T) Potato

Month	S1	S2	PCP	R1	R2
November	644	638	650	657	665

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato **Nov.** below Rs.655 with target towards Rs.645 and then Rs.640; put stop loss strictly above Rs.662.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	03.10.07	01.10.07	Change
Agra- Uttar Pradesh	Fair Average Quality	690-750	700-750	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	500-550	-
Meerut	Fair Average Quality	740-780	750-780	-10.00
Delhi	Fair Average Quality	655-665	660-670	-5.00
Tarkeswar-West Bengal	Fair Average Quality	750-800	750-800	-
Burdwan- West Bengal	Fair Average Quality	730-750	730-750	-

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