



POTATO

OCT 30, 2007

SPOT MARKETS:

The bearish sentiment of potato prices in the country is mainly due to robust arrivals and weakening demand as compared to other vegetables. 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. The prices have tumbled in Bengal due to good arrivals and weak demand. Currently, higher stocks at the cold storages are impeding the upward movement. Arrivals of new potato from Karnataka and Himachal Pradesh reported to be moderate. Still, it is keeping pressure on the demand of potatoes from Agra and Bengal region. Traders said, so far around 70-75% 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 Monday, potato in North Indian markets traded down while in Bengal's Tarkeshwar and Burdwan, it tumbled at Rs. 770-820/qrtl and Rs. 750-780/qrtl respectively.

FUTURES MARKETS:

MCX potato Tarkeshwar futures continued to trade up on Monday amidst fresh buying support coupled with mild profit booking. Futures market went slight down after firm opening but recovered thereafter and settled at the session's high. Tarkeshwar November futures opened up at Rs.636.6 over the last close of Rs.635.3 and gained Rs.6.70 at Rs.642 and traded within Rs.634-642. While Agra March futures settled Rs.4.5 down at Rs.510.5 and traded within Rs.508.1-513.

PRICE DRIVERS:

1. Strong arrivals; Lack of quality potato
2. Stocks release by the stockists
3. Higher stocks in the Cold storages
4. Weak demand against higher arrivals in Bengal

WEATHER:

Arrivals are unlikely to affect due to weak monsoons.

TECHNICALS: MCX Potato Tarkeshwar November Contract

Candlestick chart shows upward market for the next trading day. Prices closed above short terms EMAs, indicates short-term steady to bullish market. MACD moves up in the negative zone. Stochastic and RSI hints strong market. Volume as well as open interest decreased. Potato is expected to be trade up after firm opening with possibility of some downward movement at the later session.

MCX Potato Tarkeshwar November Contract



SUPPORT / RESISTANCES: MCX Tarkeshwar (T) Potato

Month	S1	S2	PCP	R1	R2
November	637	632	642	649	655

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato **Nov.** above Rs.639 with target towards Rs.648 and then Rs.651; put stop loss strictly below Rs.632.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	29.10.07	27.10.07	Change
Agra- Uttar Pradesh	Fair Average Quality	770-810	780-825	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	580-630	600-650	-20.00
Meerut	Fair Average Quality	730-780	740-790	-10.00
Delhi	Fair Average Quality	875-1150	875-1150	-
Tarkeshwar-West Bengal	Fair Average Quality	770-820	780-830	-10.00
Burdwan- West Bengal	Fair Average Quality	750-780	760-800	-10.00

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