



POTATO

OCT 15, 2007

SPOT MARKETS:

Potato prices restricted at the upper level on Saturday in the domestic market on average demand-supply. In addition, increased demand for Navaratri against the lower arrivals of quality potato also 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 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. Prices remained up in South Indian markets on lower arrivals from Karnataka due to lower production. Traders said, so far around 62-67% 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 Saturday, potato in North Indian markets offered steady while in Bengal's Tarkeswar and Burdwan, it quoted stable at Rs. 740-780/qrtl and Rs. 700-730/qrtl respectively. Seed potato is quoted at Rs.1000-1050/qrtl in Agra.

FUTURES MARKETS:

MCX potato Tarkeshwar futures closed with marginal changes in thin trading activity on Saturday. Market traded within the thin range after steady opening. Tarkeshwar November futures opened steady at Rs.607 as compared to the last settlement price and shed Rs.0.60 at Rs.606.40 and moved at Rs.605-608.50. Most active Agra March futures lost Rs.3 at Rs.547.80 after weak opening at Rs.550 and traded in the range of Rs.547-550.

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 indecisive 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 are in oversold condition, indicates technical correction. Volume significantly decreased but open interest was steady, did not supports the market. Potato is expected to be trade up after weak 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 | 600 | 593 | 606.4 | 613 | 618 |

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato **Nov.** above Rs.603 with target towards Rs.612 and then Rs.617; put stop loss strictly below Rs.597.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

| Markets | Variety | 13.10.07 | 12.10.07 | Change |
|----------------------------|----------------------|----------|----------|--------|
| Agra- Uttar Pradesh | Fair Average Quality | 740-770 | 740-770 | - |
| Farookhabad- Uttar Pradesh | Fair Average Quality | 600-650 | 600-650 | - |
| Meerut | Fair Average Quality | 780-800 | 780-800 | - |
| Delhi | Fair Average Quality | 725-750 | 725-750 | - |
| Tarkeswar-West Bengal | Fair Average Quality | 740-780 | 740-780 | - |
| Burdwan- West Bengal | Fair Average Quality | 700-730 | 700-730 | - |

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