



POTATO

OCT 10, 2007

SPOT MARKETS:

Potato traded rangebound with steady on Tuesday in the Indian domestic markets on stable demand supply while the prices declined in Maharashtra on improved arrivals. Currently, higher stocks at the cold storages are impeding the upward movement. However, 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. In addition, prices remained stable at upper level in South Indian markets due to lower arrivals from Karnataka because of lower production. It was mainly 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 60-65% 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 Tuesday, potato in North Indian markets traded steady while in Bengal's Tarkeshwar and Burdwan, it offered steady at Rs. 740-780/qrtl and Rs. 700-730/qrtl respectively. Seed potato is quoted at Rs.950-1000/qrtl in Agra.

FUTURES MARKETS:

MCX potato Tarkeshwar futures sharply fell Tuesday amidst strong selling interest. Tarkeshwar futures sharply declined and made new contract low after mostly firm opening but settled up from the session's low on mild short covering. Tarkeshwar November futures opened up at Rs.624.90 over the last close of Rs.618.70 and lost Rs.2.80 at Rs.615.90 and moved at Rs.609-627. Most active Agra October futures shed Rs.14.40 at Rs.608 with traded at Rs.604-623.40.

PRICE DRIVERS:

1. Lower arrivals of quality potato against sturdy demand
2. Higher stocks; Fresh arrivals from Karnataka

WEATHER:

Arrivals are unlikely to affect due to weak monsoons.

TECHNICALS: MCX Potato Tarkeshwar November Contract

Candlestick chart exhibits bearish 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 weak market. Volume as well as open interest increased, supports the present market's trend. Potato is expected to be trade bearish after strong opening with possibility of some upward movement at the later session.

MCX Potato Tarkeshwar November Contract

