



POTATO

OCT 13, 2007

SPOT MARKETS:

Potato prices continued to trade up on Friday in Northern and Western Indian markets on increased demand for Navaratri against the lower arrivals of quality potato. Higher rates of other vegetables coupled with upcoming festive demand also underpinned the potato market. However, 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 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 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 Friday, potato in North Indian markets offered up while in Bengal's Tarkeshwar and Burdwan, it quoted steady 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 continued to trade bearish and made new contract low on Friday amidst fresh selling pressure. Market tumbled after weak opening but settled up from the session's low on short covering. Tarkeshwar November futures opened down at Rs.611.70 over the last close of Rs.613.50 and shed Rs.5.50 at Rs.608 and moved at Rs.603.90-613. But most active Agra October futures climbed Rs.21.50 at Rs.662.90 after strong opening at Rs.653 and soared in the range of Rs.636-666.90.

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 indicates downward 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 bearish market. Volume significantly increased but open interest decreased. Potato is expected to be trade down after weak 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	600	593	608	613	618

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato **Nov.** below Rs.611 with target towards Rs.601 and then Rs.597; put stop loss strictly above Rs.618.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	12.10.07	11.10.07	Change
Agra- Uttar Pradesh	Fair Average Quality	740-770	730-760	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	600-650	590-640	+10.00
Meerut	Fair Average Quality	780-800	780-800	-
Delhi	Fair Average Quality	725-750	710-750	+15.00
Tarkeshwar-West Bengal	Fair Average Quality	740-780	740-780	-
Burdwan- West Bengal	Fair Average Quality	700-730	700-730	-

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