



POTATO

OCT 06, 2007

SPOT MARKETS:

Potato prices declined on Friday in North Indian markets as well as Western Markets amidst sluggish demand against improved arrivals. However the prices continued to remain steady in Bengal on lack of quality 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 Friday, potato in North Indian markets traded slight up 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 settled up on Friday amidst early buying support due to profit booking. Market hovered up after firm opening but slid thereafter on increased selling at session's high. Most active Agra October futures opened up at Rs.627 over the last close of Rs.624.80 and gained Rs.4.20 at Rs.629 with traded at Rs.625-637.80. Tarkeshwar November futures opened mostly up at Rs.639 over the last close of Rs.633.50 and slid Rs.1.70 at Rs.631.80 and moved between Rs.630.30-639.

PRICE DRIVERS:

1. Sluggish demand against better arrivals
2. Higher stocks; Lack of quality potato

WEATHER:

Arrivals are unlikely to affect due to weak monsoons.

TECHNICALS: MCX Potato Agra OCTOBER Contract

Candlestick pattern shows slight weak market for the next trading day. Prices closed below short terms EMAs, exhibits short-term bearish market. MACD remains in the negative zone and moving down. Stochastic and RSI indicates slight upward market. Volume increased while open interest decreased. Potato is to be trade slight 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	629	637	645

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato **Oct.** below 636 with target towards Rs.626 and then Rs.620, put stop loss above Rs.643.

SUPPORT / RESISTANCES: MCX Tarkeshwar (T) Potato

Month	S1	S2	PCP	R1	R2
November	623	615	631.8	637	645

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato **Nov.** below Rs.635 with target towards Rs.625 and then Rs.620; put stop loss strictly above Rs.642.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	05.10.07	04.10.07	Change
Agra- Uttar Pradesh	Fair Average Quality	685-750	695-750	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	500-550	-
Meerut	Fair Average Quality	735-780	750-780	-15.00
Delhi	Fair Average Quality	650-660	655-665	-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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