



POTATO

OCT 16, 2007

SPOT MARKETS:

Potato prices increased further on Monday in Northern and Western Indian market. Increased demand for Navaratri against the lower arrivals of quality potato triggered 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 Monday, potato in North Indian markets offered up while in Bengal's Tarkeshwar 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 rebounded to up on Monday amidst technical buying due to technical correction. Market hovered up after firm opening and settled near the session high. Tarkeshwar November futures opened up at Rs.607 as compared to the last close of Rs.606.40 and climbed Rs.16.10 at Rs.622.50 and moved at Rs.607-623.80. Most active Agra March futures settled Rs.8.50 up at Rs.672.80 and traded in the range of Rs.662-673.40.

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 strong market for the next trading day. Prices closed in between short terms EMAs, hints short-term steady to strong market. MACD remains in the negative zone and moving up. Stochastic and RSI indicates technical buying. Volume as well as open interest increased. 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	618	610	622.5	633	640

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato **Nov.** above Rs.620 with target towards Rs.630 and then Rs.635; put stop loss strictly below Rs.613.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	15.10.07	13.10.07	Change
Agra- Uttar Pradesh	Fair Average Quality	750-780	740-770	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	600-650	600-650	-
Meerut	Fair Average Quality	790-825	780-800	+10.00
Delhi	Fair Average Quality	735-750	725-750	+10.00
Tarkeshwar-West Bengal	Fair Average Quality	740-780	740-780	-
Burdwan- West Bengal	Fair Average Quality	700-730	700-730	-

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