



POTATO

OCT 25, 2007

SPOT MARKETS:

Potato prices slipped further on Wednesday in the North Indian domestic market while it was firmed up in Bengal amidst strong demand for the ongoing festival. Increased demand for various festivals against the lower arrivals of quality potato 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 to up 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. Traders said, so far around 65-70% 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 Wednesday, potato in North Indian markets offered down while in Bengal's Tarkeshwar and Burdwan, it quoted up at Rs. 760-800/qrt and Rs. 730-750/qrt respectively. Seed potato quoted at Rs.1000-1050/qrt in Agra.

FUTURES MARKETS:

MCX potato Tarkeshwar futures declined Wednesday amidst fresh selling pressure on weak spot market. Market tumbled after firm opening and closed down. Tarkeshwar November futures opened up at Rs.632.50 over the last close of Rs.632.20 and lost Rs.5.20 at Rs.627 and traded in the range of Rs.625.10-632.80. Most active Agra March futures settled Rs.11.10 down at Rs.509.70 and traded within Rs.509.50-521.

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 weak market for the next trading day. Prices closed above short terms EMAs, hints short-term steady to strong market. MACD moves up in the negative zone. Stochastic and RSI hints slight strong market. Volume significantly decreased but open interest increased. Potato is expected to be trade weak after firm 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	622	618	627	635	640

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato Nov. below Rs.631 with target towards Rs.624 and then Rs.620; put stop loss strictly above Rs.636.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	24.10.07	23.10.07	Change
Agra- Uttar Pradesh	Fair Average Quality	805-850	815-850	-10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	615-660	625-660	-10.00
Meerut	Fair Average Quality	760-800	770-820	-10.00
Delhi	Fair Average Quality	750-800	750-800	-
Tarkeshwar-West Bengal	Fair Average Quality	760-800	750-800	+10.00
Burdwan- West Bengal	Fair Average Quality	730-750	720-750	+10.00

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