



POTATO

OCT 08, 2007

SPOT MARKETS:

Domestic potato prices exhibited steady with rangebound sentiment on Saturday in North Indian markets on stable demand supply while the prices sharply fell in Bengal on weaker demand from neighbouring states. In Maharashtra, prices improved further on lower 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 witnessed moderate. Besides, it is 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 60-62% 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 Saturday, potato in North Indian markets traded steady while in Bengal's Tarkeswar and Burdwan, it offered down at Rs. 740-780/qlt and Rs. 700-730/qlt respectively.

FUTURES MARKETS:

MCX potato futures settled in the positive territory on Saturday on profit booking coupled with early buying support. But, market sharply declined after mostly gap opening and recovered some early losses. Most active Agra October futures opened mostly up at Rs.637.60 over the last close of Rs.629 and gained Rs.5.50 at Rs.634.50 with traded at Rs.629-637.60. Tarkeshwar November futures opened up at Rs.634.30 over the last close of Rs.632.40 and added Rs.5.10 at Rs.637.50 and moved at Rs.631.10-638.90.

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 exhibits weak market for the next trading day. Prices closed in between short terms EMAs, exhibits short-term steady to bearish market. MACD remains in the negative zone and moving up. 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	628	620	634.5	638	645

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato **Oct.** below 637 with target towards Rs.629 and then Rs.625, put stop loss above Rs.643.

SUPPORT / RESISTANCES: MCX Tarkeshwar (T) Potato

Month	S1	S2	PCP	R1	R2
November	631	625	637.5	642	648

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato **Nov.** below Rs.641 with target towards Rs.631 and then Rs.626; put stop loss strictly above Rs.648.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	06.10.07	05.10.07	Change
Agra- Uttar Pradesh	Fair Average Quality	685-750	685-750	-
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	500-550	-
Meerut	Fair Average Quality	735-780	735-780	-
Delhi	Fair Average Quality	650-700	650-660	-
Tarkeswar-West Bengal	Fair Average Quality	740-780	750-800	-10.00
Burdwan- West Bengal	Fair Average Quality	700-730	730-750	-30.00

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