



POTATO

OCT 23, 2007

SPOT MARKETS:

Potato prices firmed up on Monday in the North Indian domestic market while it was restricted at upper level in the other markets amidst strong demand for the quality potatoes. 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 Monday, potato in North Indian markets offered up while in Bengal's Tarkeshwar and Burdwan, it quoted stable at Rs. 750-800/qrt and Rs. 720-750/qrt respectively. Seed potato quoted at Rs.1000-1050/qrt in Agra.

FUTURES MARKETS:

MCX potato Tarkeshwar futures rebounded to up on Monday amidst fresh buying interest on strong spot prices. Market rallied after weak opening and settled near the session's high. Tarkeshwar November futures opened down at Rs.618 over the last close of Rs.618.30 and climbed Rs.9.60 at Rs.627.90 and traded in the range of Rs.618-628.90. Most active Agra March futures settled Rs.10.60 down at Rs.522.50 and traded in the range of Rs.522-525.

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 exhibits weak market for the next trading day. Prices closed below short terms EMAs, hints short-term steady to weak market. MACD moves up in the negative zone. Stochastic and RSI favours the bears. Volume as well as open interest increased. 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	620	615	627.9	632	642

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato **Nov.** below Rs.628 with target towards Rs.621 and then Rs.616; put stop loss strictly above Rs.633.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	22.10.07	20.10.07	Change
Agra- Uttar Pradesh	Fair Average Quality	825-875	810-850	+15.00
Farookhabad- Uttar Pradesh	Fair Average Quality	635-660	625-650	+10.00
Meerut	Fair Average Quality	780-820	775-800	+5.00
Delhi	Fair Average Quality	765-800	750-800	+15.00
Tarkeshwar-West Bengal	Fair Average Quality	750-800	750-800	-
Burdwan- West Bengal	Fair Average Quality	720-750	720-750	-

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