



POTATO

OCT 18, 2007

SPOT MARKETS:

Potato prices firmed up on Wednesday in the Indian markets on higher demand while the prices slight declined in Maharashtra on lower demand. Increased demand for Navaratri 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 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 up while in Bengal's Tarkeshwar and Burdwan, it quoted up at Rs. 750-800/qrtl and Rs. 720-750/qrtl respectively. Seed potato quoted at Rs.1000-1050/qrtl in Agra.

FUTURES MARKETS:

MCX potato Tarkeshwar futures moved down on Wednesday on fresh selling interest. Market tumbled after strong opening and settled up from the session low. Tarkeshwar November futures opened up at Rs.628.70 over the last close of Rs.627 and lost Rs.7.60 at Rs.619.40 and traded in the range of Rs.613-628.70. Most active Agra March futures settled Rs.3.40 down at Rs.546 and traded in the range of Rs.545.70-550.

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 favours the bulls but RSI favours the bears. Volume declined 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	613	609	619.4	627	632

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato **Nov.** below Rs.624 with target towards Rs.614 and then Rs.610; put stop loss strictly above Rs.630.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	17.10.07	16.10.07	Change
Agra- Uttar Pradesh	Fair Average Quality	770-830	740-800	+30.00
Farookhabad- Uttar Pradesh	Fair Average Quality	600-650	600-650	-
Meerut	Fair Average Quality	775-800	775-800	-
Delhi	Fair Average Quality	735-750	735-750	-
Tarkeshwar-West Bengal	Fair Average Quality	750-800	740-780	+10.00
Burdwan- West Bengal	Fair Average Quality	720-750	700-730	+20.00

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