



POTATO

OCT 05, 2007

SPOT MARKETS:

Potato prices marginally improved on Thursday in North Indian markets but it declined in Western Markets on sluggish demand against the improved arrivals while it was steady in Bengal on stable demand supply and inferior quality of potato. Currently, higher stocks at the cold storages are restricting the upward movement. On the other hand, a shortage of good quality potato is providing underline support to the market. Arrivals of new potato from Hassan in Karnataka remained moderate and 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 55-60% 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 Thursday, potato in North Indian markets traded slight up while in Bengal's Tarkeswar and Burdwan, it offered steady at Rs. 750-800/qrtl and Rs. 730-750/qrtl respectively.

FUTURES MARKETS:

MCX potato futures slipped on Thursday amidst fresh selling pressure on weak fundamentals. Market moved down after weak opening and settled at the session's low. Most active Agra October futures opened weak at Rs.628 over the last close of Rs.629.40 and lost Rs.5.60 at Rs.623.80 with traded at Rs.623.80-628.60. Tarkeshwar November futures opened mostly down at Rs.645.80 over the last close of Rs.651.10 and slid Rs.19.10 at Rs.632 and made new contract low at Rs.628 and moved between Rs.628-649.50.

PRICE DRIVERS:

1. Weak demand; Improved arrivals
2. Higher stocks; Moderate arrivals from Karnataka & H.P.

WEATHER:

Arrivals are unlikely to affect due to weak monsoons.

TECHNICALS: MCX Potato Agra OCTOBER Contract

Candlestick pattern shows weak market for the next trading day. Prices closed below short terms EMAs, hints short-term weak market. MACD remains in the negative zone and moving down. Stochastic and RSI indicates slight weak market. Volume as well as open interest slight decreased. Potato is to be trade soft after weak opening with possibility of some upward movement at the later session.



SUPPORT / RESISTANCES: MCX Agra Potato

Month	S1	S2	PCP	R1	R2
October	615	610	623.80	627	635

TRADE RECOMMENDATION: (Intraday)

Sell MCX Agra potato **Oct.** below 626 with target towards Rs.616 and then Rs.612, put stop loss above Rs.633.

SUPPORT / RESISTANCES: MCX Tarkeshwar (T) Potato

Month	S1	S2	PCP	R1	R2
November	623	614	632	640	650

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato **Nov.** below Rs.637 with target towards Rs.627 and then Rs.622; put stop loss strictly above Rs.645.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	04.10.07	03.10.07	Change
Agra- Uttar Pradesh	Fair Average Quality	695-750	690-750	+5.00
Farookhabad- Uttar Pradesh	Fair Average Quality	500-550	500-550	-
Meerut	Fair Average Quality	750-780	740-780	+10.00
Delhi	Fair Average Quality	655-665	655-665	-
Tarkeswar-West Bengal	Fair Average Quality	750-800	750-800	-
Burdwan- West Bengal	Fair Average Quality	730-750	730-750	-

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