



POTATO

OCT 09, 2007

SPOT MARKETS:

Potato prices soared on Monday in most of the domestic spot market amidst lethargic arrivals of quality potato against sturdy demand while the prices remained steady in Bengal on stable demand supply. 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. However, 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 60-65% 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 Monday, potato in North Indian markets traded mostly up while in Bengal's Tarkeswar and Burdwan, it offered steady at Rs. 740-780/qrtl and Rs. 700-730/qrtl respectively. Seed potato is quoted at Rs.950-1000/qrtl in Agra.

FUTURES MARKETS:

MCX potato futures sharply declined on Monday amidst strong selling interest. Market went slight up after mostly weak opening but stumbled thereafter. Most active Agra October futures opened mostly down at Rs.630.60 over the last close of Rs.634.50 and shed Rs.11.50 at Rs.623 with traded at Rs.620.10-633.90. Tarkeshwar November futures opened down at Rs.634.10 over the last close of Rs.637.50 and lost Rs.17.50 at Rs.620 and moved at Rs.614-634.10.

PRICE DRIVERS:

1. Lower arrivals of quality potato against sturdy demand
2. Higher stocks; Arrivals from Karnataka

WEATHER:

Arrivals are unlikely to affect due to weak monsoons.

TECHNICALS: MCX Potato Agra OCTOBER Contract

Candlestick chart exhibits bearish market for the next trading day. Prices closed below short terms EMAs, exhibits short-term bearish market. MACD remains in the negative zone and moving down. Stochastic and RSI indicates steady market. Volume as well as open interest increased. Potato is to be trade down 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 | 605 | 623 | 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 | 611 | 605 | 620 | 630 | 640 |

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato **Nov.** below Rs.625 with target towards Rs.615 and then Rs.610; put stop loss strictly above Rs.632.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

| Markets | Variety | 08.10.07 | 06.10.07 | Change |
|----------------------------|----------------------|----------|----------|--------|
| Agra- Uttar Pradesh | Fair Average Quality | 700-750 | 685-750 | +15.00 |
| Farookhabad- Uttar Pradesh | Fair Average Quality | 550-600 | 500-550 | +50.00 |
| Meerut | Fair Average Quality | 750-800 | 735-780 | +15.00 |
| Delhi | Fair Average Quality | 675-725 | 650-700 | +25.00 |
| Tarkeswar-West Bengal | Fair Average Quality | 740-780 | 740-780 | - |
| Burdwan- West Bengal | Fair Average Quality | 700-730 | 700-730 | - |

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