



## POTATO

OCT 11, 2007

### SPOT MARKETS:

Potato traded mostly strong on Wednesday in North Indian markets amidst shortage of good quality potato and higher rates of other vegetables coupled with upcoming festive demand. However, 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. However, 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. In addition, prices remained stable at upper level in South Indian markets due to lower arrivals from Karnataka because of lower production. 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 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 traded up while in Bengal's Tarkeshwar 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 Tarkeshwar futures rebounded to up Wednesday on technical correction due to over sold condition. Therefore market hovered up after mostly weak opening and settled at the session's high on profit booking. Tarkeshwar November futures opened weak at Rs.610 over the last close of Rs.614.30 and gained Rs.7.70 at Rs.622 and moved at Rs.608.40-622. Most active Agra October futures climbed Rs.36.50 at Rs.644.30 after firm opening at Rs.610 and soared in the range of Rs.608-644.30.

### PRICE DRIVERS:

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

### WEATHER:

Arrivals are unlikely to affect due to weak monsoons.

### TECHNICALS: MCX Potato Tarkeshwar November Contract

Candlestick chart exhibits strong market for the next trading day. Prices closed below short terms EMAs, hints short-term bearish market. MACD remains in the negative zone and moving down. Stochastic and RSI indicates upward market. Volume as well as open interest decreased, did not supported the market. Potato is expected to be trade up initially after strong opening with possibility of some downward movement at the later session.

### MCX Potato Tarkeshwar November Contract



### SUPPORT / RESISTANCES: MCX Tarkeshwar (T) Potato

Month	S1	S2	PCP	R1	R2
November	615	610	622	630	635

### TRADE RECOMMENDATION: (Intraday)

**Sell** MCX (T) potato **Nov.** below Rs.628 with target towards Rs.618 and then Rs.614; put stop loss strictly above Rs.635.

### SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	10.10.07	09.10.07	Change
Agra- Uttar Pradesh	Fair Average Quality	720-750	700-750	+20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	570-630	550-600	+20.00
Meerut	Fair Average Quality	770-800	750-800	+20.00
Delhi	Fair Average Quality	700-725	675-725	+25.00
Tarkeshwar-West Bengal	Fair Average Quality	740-780	740-780	-
Burdwan- West Bengal	Fair Average Quality	700-730	700-730	-

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