



POTATO

OCT 12, 2007

SPOT MARKETS:

Domestic potato prices increased further on Thursday in Northern and Western Indian markets on increased demand against the lower arrivals of quality potato. Higher rates of other vegetables coupled with upcoming festive demand also underpinned the potato market. 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 firmed up in South Indian markets on lower arrivals from Karnataka due to 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 Thursday, potato in North Indian markets offered strong while in Bengal's Tarkeshwar and Burdwan, it quoted steady at Rs. 740-780/qlt and Rs. 700-730/qlt respectively. Seed potato is quoted at Rs.950-1000/qlt in Agra.

FUTURES MARKETS:

MCX potato Tarkeshwar futures moved down on Thursday amidst fresh selling interest. Therefore market tumbled mostly down after mostly firm opening and settled at the session's low. Tarkeshwar November futures opened strong at Rs.624.10 over the last close of Rs.620.30 and lost Rs.7.80 at Rs.612.50 and moved at Rs.612.50-624.10. Most active Agra October futures climbed Rs.5.80 at Rs.650 after firm opening at Rs.650 and soared in the range of Rs.636.60-661.80.

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 weak 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 downward market. Volume significantly decreased but open interest increased. Potato is expected to be trade down initially 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	607	600	612.50	620	630

TRADE RECOMMENDATION: (Intraday)

Sell MCX (T) potato **Nov.** below Rs.617 with target towards Rs.607 and then Rs.603; put stop loss strictly above Rs.625.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	11.10.07	10.10.07	Change
Agra- Uttar Pradesh	Fair Average Quality	730-760	720-750	+10.00
Farookhabad- Uttar Pradesh	Fair Average Quality	590-640	570-630	+20.00
Meerut	Fair Average Quality	780-800	770-800	+10.00
Delhi	Fair Average Quality	710-750	700-725	+10.00
Tarkeshwar-West Bengal	Fair Average Quality	740-780	740-780	-
Burdwan- West Bengal	Fair Average Quality	700-730	700-730	-

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