



POTATO

OCT 29, 2007

SPOT MARKETS:

The bearish sentiment of potato prices in the country is mainly due to robust arrivals and weakening demand as compared to other vegetables. Supplies from Punjab and U.P are witnessed steadily increasing and most of the stockiest are selling their existing stocks. On the other hand, the physical demand for the commodity shows weakened as most of the buyers prefer other vegetables during the festive season. But, the prices are increasing in Bengal due to ongoing festive demand and inferior quality of potato. Currently, higher stocks at the cold storages are impeding the upward movement. Arrivals of new potato from Karnataka and Himachal Pradesh reported to be moderate. Still, it is keeping pressure on the demand of potatoes from Agra and Bengal region. Traders said, so far around 70-75% 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 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 Saturday, potato in North Indian markets offered down while in Bengal's Tarkeshwar and Burdwan, it quoted steady at Rs. 780-830/qrtl and Rs. 760-800/qrtl respectively. Seed potato quoted at Rs.1000-1050/qrtl in Agra.

FUTURES MARKETS:

MCX potato Tarkeshwar futures extended earlier strength on Saturday amidst mild buying support. Futures market traded up after firm opening but set back from session's high. Tarkeshwar November futures opened up at Rs.633 over the last close of Rs.632 and gained Rs.3.30 at Rs.635.30 and traded within Rs.632-637. Most active Agra March futures settled Rs.0.60 down at Rs.515 and traded within Rs.510-515.50.

PRICE DRIVERS:

1. Strong arrivals; Lack of quality potato
2. Stocks release by the stockists
3. Higher stocks in the Cold storages
4. Festive demand in Bengal

WEATHER:

Arrivals are unlikely to affect due to weak monsoons.

TECHNICALS: MCX Potato Tarkeshwar November Contract

Candlestick chart exhibits slight upward market for the next trading day. Prices closed above short terms EMAs, indicates short-term steady to bullish market. MACD moves up in the negative zone. Stochastic and RSI hints slight strong market. Volume as well as open interest increased. Potato is expected to be trade steady to up after weak 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	630	625	635.3	638	642

TRADE RECOMMENDATION: (Intraday)

Buy MCX (T) potato **Nov.** above Rs.631 with target towards Rs.637 and then Rs.640; put stop loss strictly below Rs.626.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	27.10.07	26.10.07	Change
Agra- Uttar Pradesh	Fair Average Quality	780-825	805-850	-25.00
Farookhabad- Uttar Pradesh	Fair Average Quality	600-650	610-650	-10.00
Meerut	Fair Average Quality	740-790	750-800	-10.00
Delhi	Fair Average Quality	875-1150	875-1150	-
Tarkeshwar-West Bengal	Fair Average Quality	780-830	780-830	-
Burdwan- West Bengal	Fair Average Quality	760-800	760-800	-

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