



POTATO

DEC 19, 2007

SPOT MARKETS:

Potato traded steady at lower level on Tuesday amidst increasing arrivals of fresh potato and bearish trend of other winter vegetables. Fresh potato has hit the market at most of the producing regions. Arrivals of fresh potato from Punjab, Himachal and Karnataka are increasing. On the other hand, Rabi sowing of potato is increasing in U.P., Bengal, Bihar and other Northern parts. Over 95% of the land under potato has been sown in northern parts but around 70% of the land has been sown in Bengal. However, demands from the consumers have improved but they prefer various kinds of winter green vegetables at this time, traders said. Traders said, most of the cold storages have released entire amount of potato from the stores in U.P. and West Bengal. In Punjab, late blight has affected field potato in some pockets, sources said. On Tuesday, potato in North Indian markets traded steady and in Bengal's Tarkeswar and Burdwan, it was stable at Rs. 740-780/qrtl and Rs. 730-770/qrtl respectively. In Meerut market of U.P., around 1300-1600 bags of new potato is arrived. Potato prices are remaining steady at lower rate in Delhi on steady arrivals from Punjab, H.P. and Karnataka.

FUTURES MARKETS:

MCX potato Agra futures declined on Tuesday for the consecutive third day on short covering due to technical selling as the market went to mostly overbought condition. Futures market went slight up after mostly weak opening but slid thereafter but settled slight up from the session's low. MCX Potato Agra March futures lost Rs.7.4 at Rs.534.5 after weak opening at Rs.538 and traded within Rs.532.2-539.5. MCX Potato Tarkeshwar March futures lost Rs.3.1 at Rs.459.9 and moved within Rs.455-463.5.

PRICE DRIVERS:

1. Fresh arrivals of early new variety of potato
2. Improved demand from the consumers; Increasing sowing
3. Lower rates of other vegetables

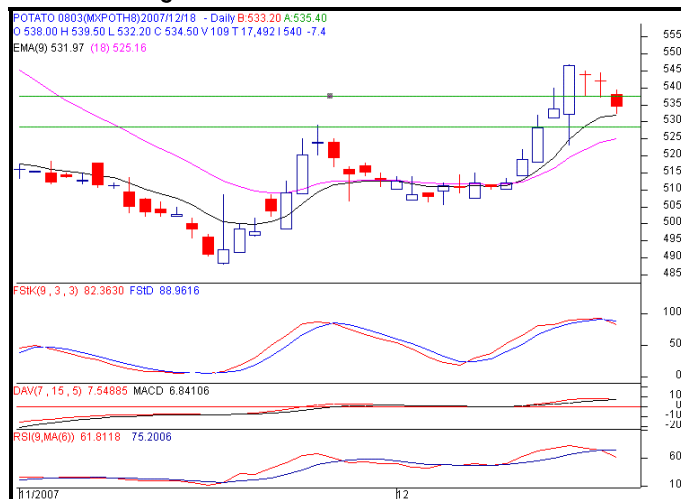
WEATHER:

Potato crop are unlikely to affect as almost clear weather forecast in the main producing regions.

TECHNICALS: MCX Potato Agra March 2008 Contract

Candlestick chart exhibits downward market for the next trading day. Prices closed just above short term EMAs, indicates short-term steady to upward market. MACD moving down in the positive zone. Stochastic and RSI hints downward market due to mostly overbought condition of the market. Volume as well as open interest decreased, did not supports the market's trend. Potato is likely to be trade weak after weak opening with possibility of some upward movement at the later session.

MCX Potato Agra March-2008 Contract



SUPPORT / RESISTANCES: MCX Agra March 2008 Potato

Month	S1	S2	PCP	R1	R2
March	527	522	534.5	538	545

TRADE RECOMMENDATION: (Intraday)

Sell MCX Potato Agra March below Rs.537 with target towards Rs.528 and then Rs.525; put stop loss strictly above Rs.542.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	18.12.07	17.12.07	Change
Agra- Uttar Pradesh	Fair Average Quality	610-650	610-650	-
Farookhabad- Uttar Pradesh	Fair Average Quality	525-560	525-560	-
Meerut- Uttar Pradesh	Fair Average Quality	630-670	630-670	-
Delhi- Azadpur Sabzi Mandi	Fair Average Quality	540-625	540-625	-
Tarkeswar-West Bengal	Fair Average Quality	740-780	740-780	-
Burdwan- West Bengal	Fair Average Quality	730-770	730-770	-

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