



POTATO

DEC 05, 2007

SPOT MARKETS:

Potato prices got restricted at upper level on Tuesday amidst stable demand supply situation in the Indian domestic markets. But, lower prices of other winter vegetables restricted the upward movement of potato. Arrivals of fresh potato from Punjab, Himachal and Karnataka remained slight weak. In addition, Rabi sowing of potato is increasing in U.P., Bengal, Bihar and other Northern parts. Over 90% of the land under potato has been sown in northern parts but around 35% of the land has been sown in Bengal. Current weather is favourable for further growth of the crop. 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. Traders are expecting a supply shortage in the near future until the new crop hit the market full-fledged by the end of February. Besides, India has contracted to export of 10,000 tons of potato to Sri Lanka due to high demand for Indian potato. On Tuesday, potato in North Indian markets traded steady while in Bengal's Tarkeswar and Burdwan, it was stable at Rs. 760-800/qrtl and Rs. 740-770/qrtl respectively. In Meerut market of U.P., around 1000-1500 bags of new potato is arrived from Punjab.

FUTURES MARKETS:

MCX potato Agra futures marginally declined on Tuesday amidst moderate selling pressure. Market slid after firm opening and closed up from the session's low. MCX Potato Agra March futures lost Rs.1.2 at Rs.507.5 after firm opening at Rs.509.5 and traded within Rs.506.1-509.5. MCX Potato Tarkeshwar March futures lost Rs.1.2 at Rs.431 and traded within Rs.431-432.

PRICE DRIVERS:

1. Steady arrivals from Punjab, H.P. and Karnataka
2. Steady demand from the consumers
3. Lower arrivals in Bengal; Lack of quality potato

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 indicates weak market for the next trading day. Prices closed below short term EMAs, indicates short-term steady to weak market. MACD moving down in the positive zone. Stochastic and RSI hints bearish market. Volume increased but open interest decreased. Potato is likely to be trade rangebound with weak after firm 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	502	497	507.5	512	517

TRADE RECOMMENDATION: (Intraday)

Sell MCX Potato Agra March below Rs.510 with target towards Rs.505 and then Rs.500; put stop loss strictly above Rs.514.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	04.12.07	03.12.07	Change
Agra- Uttar Pradesh	Fair Average Quality	620-660	620-660	-
Farookhabad- Uttar Pradesh	Fair Average Quality	530-550	530-550	-
Meerut- Uttar Pradesh	Fair Average Quality	625-650	625-650	-
Delhi- Azadpur Sabzi Mandi	Fair Average Quality	625-700	625-700	-
Tarkeswar-West Bengal	Fair Average Quality	760-800	760-800	-
Burdwan- West Bengal	Fair Average Quality	740-770	740-770	-

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