



POTATO

DEC 29, 2007

SPOT MARKETS:

Bearish trend of potato prices were observed on Friday in the country as picking up arrivals of fresh potato in the market. Other bearish factor for declining of potato prices is lower rates of other winter vegetables, which is suppressing demand of potato among the consumers. Besides, Rabi sowing of potato is increasing in U.P., Bengal, Bihar and other Northern parts. Most of the land under potato has been sown in Northern parts while over 90% of the land has been sown in Bengal. In Punjab, late blight has affected field potato in some pockets, sources said. Traders said, current weather is not favourable for potato in some pockets of West Bengal and worries of late blight has prevailed among the growers. On Friday, potato in North Indian markets was down and in Bengal's Tarkeswar and Burdwan, it was declined at Rs. 750-800/qrtl and Rs. 720-800/qrtl respectively. In Meerut market of U.P., around 1500-1800 bags of new potato is arrived. Potato prices were down in Delhi on improved arrivals from Punjab, H.P. and Haryana.

FUTURES MARKETS:

MCX potato Agra futures settled in the negative territory on Friday amidst early selling interest on weak spot market sentiment. Futures market got down after mostly weak opening but gained thereafter and closed near the session's high. MCX Potato Agra March futures lost Rs.2.2 at Rs.514.5 after mostly weak opening at Rs.512.2 and traded within Rs.509-514.9. MCX Potato Tarkeshwar March futures lost Rs.2.1 at Rs.446 following weak opening at Rs.446 and moved within Rs.444-446.9.

PRICE DRIVERS:

1. Increasing arrivals of fresh early new variety of potato
2. Steady demand from the consumers; Increasing sowing
3. Lower rates of other winter green 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 hints upward market for the next trading day. Prices closed below short term EMAs, indicates short-term steady to slight weak market. MACD moving down in the negative zone. Stochastic and RSI hints weak market. Volume declined but open interest increased, supports the market. Potato is likely to be trade slight up after firm opening with possibility of some downward 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	508	503	514.5	517	522

TRADE RECOMMENDATION: (Intraday)

Sell MCX Potato Agra **March** below Rs.517 with target towards Rs.510 and then Rs.507; put stop loss strictly above Rs.522.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	28.12.07	27.12.07	Change
Agra- Uttar Pradesh	Fair Average Quality	550-600	570-615	-20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	460-500	480-520	-20.00
Meerut- Uttar Pradesh	Fair Average Quality	560-600	580-610	-20.00
Delhi- Azadpur Sabzi Mandi	Fair Average Quality	450-550	460-540	-10.00
Tarkeswar-West Bengal	Fair Average Quality	750-800	800-850	-50.00
Burdwan- West Bengal	Fair Average Quality	720-800	770-850	-50.00

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