



POTATO

DEC 07, 2007

SPOT MARKETS:

Potato traded almost rangebound with slight up on Thursday in the domestic market amidst stable demand supply situation. But, lower prices of other winter vegetables restricted the upward movement also. Arrivals of fresh potato from Punjab, Himachal and Karnataka remained moderate. 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 45% 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 Thursday, potato in North Indian markets traded slight up 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 1000-1200 bags of new potato is arrived from Punjab.

FUTURES MARKETS:

MCX potato Agra futures closed with marginal changes on Thursday amidst lack of buyers at upper level. Market went up after weak opening but closed down from the session's high. MCX Potato Agra March futures gained Rs.0.2 at Rs.511.5 after lower opening at Rs.511 and traded within Rs.508.8-514.5. MCX Potato Tarkeswar March futures added Rs.6.5 at Rs.442.9 and traded within Rs.437-442.9.

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 indecisive market for the next trading day. Prices closed just above short term EMAs, indicates short-term steady to strong market. MACD moving down in the positive zone. Stochastic and RSI hints steady market. Volume decreased but open interest increased. Potato is likely to be trade rangebound with up after weak 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	507	500	511.5	515	520

TRADE RECOMMENDATION: (Intraday)

Buy MCX Potato Agra **March** above Rs.508 with target towards Rs.514 and then Rs.517; put stop loss strictly below Rs.504.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	06.12.07	05.12.07	Change
Agra- Uttar Pradesh	Fair Average Quality	625-660	620-660	+5.00
Farookhabad- Uttar Pradesh	Fair Average Quality	540-570	530-550	+10.00
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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