



POTATO

DEC 10, 2007

SPOT MARKETS:

Steady with rangebound sentiment continued on Saturday in the domestic potato 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 Saturday, potato in North Indian markets traded slight down while in Bengal's Tarkeswar and Burdwan, it was mixed at Rs. 750-800/qrtl and Rs. 750-780/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 slight losses on Saturday on lacklustre trading activity. Market went down after weak opening but closed slight up from the session's low. MCX Potato Agra March futures lost Rs.1.4 at Rs.510.7 after lower opening at Rs.511.6 and traded within Rs.509.8-511.6. MCX Potato Tarkeshwar March futures lost Rs.1.4 at Rs.439.5 with thin volume of trading.

PRICE DRIVERS:

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

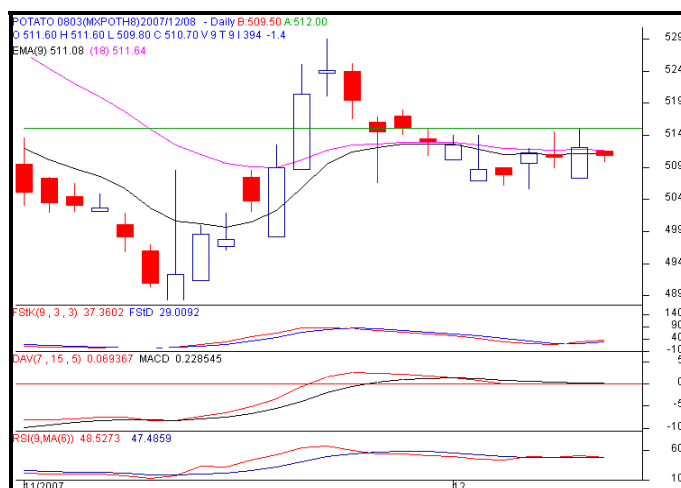
WEATHER:

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 slight weak market for the next trading day. Prices closed just below short term EMAs, indicates short-term steady market. MACD moving down in the positive zone. Stochastic and RSI hints slight upward market. Volume significantly declined but open interest was steady. 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	510.7	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	08.12.07	07.12.07	Change
Agra- Uttar Pradesh	Fair Average Quality	620-650	625-660	-5.00
Farookhabad- Uttar Pradesh	Fair Average Quality	530-560	540-570	-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	750-800	760-800	-10.00
Burdwan- West Bengal	Fair Average Quality	750-780	740-770	+10.00

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