



POTATO

DEC 22, 2007

SPOT MARKETS:

Steady sentiment continued on Friday in the country on stable demand supply while the prices some how restricted at lower level in Northern markets due to ample supply of new potato from locally and from Punjab, Himachal and Karnataka. Fresh potato has hit the market at most of the producing regions. Besides, 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 75% 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. In Punjab, late blight has affected field potato in some pockets, sources said. On Friday, 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 rebounded to up on Friday on thin volume of trading and slight profit booking. Futures market moved up after mostly weak opening but set back from the session's high. MCX Potato Agra March futures gained Rs.3 at Rs.518 after mostly weak opening at Rs.513 and traded within Rs.513-523.1. MCX Potato Tarkeshwar March futures added Rs.2.4 at Rs.448.5 following weak opening at Rs.445.5 and moved within Rs.445-449.6.

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 hints slight upward market for the next trading day. Prices closed below short term EMAs, indicates short-term weak market. MACD moving down in the positive zone. Stochastic and RSI hints slight weak market. Volume significantly decreased while open interest remained almost steady, did not supports the trend. Potato is likely to be trade 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	512	508	518	525	530

TRADE RECOMMENDATION: (Intraday)

Buy MCX Potato Agra March above Rs.515 with target towards Rs.522 and then Rs.526; put stop loss strictly below Rs.510.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	21.12.07	20.12.07	Change
Agra- Uttar Pradesh	Fair Average Quality	600-650	600-650	-
Farookhabad- Uttar Pradesh	Fair Average Quality	520-550	520-550	-
Meerut- Uttar Pradesh	Fair Average Quality	620-650	620-650	-
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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