



POTATO

DEC 18, 2007

SPOT MARKETS:

Weak trend observed in the domestic potato market on Monday amidst increasing arrivals of fresh potato and bearish trend of other winter vegetables. Fresh potato has hit the market at most of the producing regions. Arrivals of fresh potato from Punjab, Himachal and Karnataka are increasing. On the other hand, 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 70% 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. Traders said, most of the cold storages have released entire amount of potato from the stores in U.P. and West Bengal. In Punjab, late blight has affected field potato in some pockets, sources said. On Monday, potato in North Indian markets traded weak and in Bengal's Tarkeswar and Burdwan, it was declined at Rs. 740-780/qrtl and Rs. 730-770/qrtl respectively. In Meerut market of U.P., around 1200-1500 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 slipped on Monday amidst short covering due to technical selling as the market went to mostly overbought condition. Futures market went up after weak opening but slid thereafter but settled up from the session's low. MCX Potato Agra March futures lost Rs.4.8 at Rs.539.2 after weak opening at Rs.542 and traded within Rs.537.1-544.8. But, MCX Potato Tarkeshwar March futures gained Rs.6.5 at Rs.464.8 and moved within Rs.454-465.

PRICE DRIVERS:

1. Fresh arrivals of early new variety of potato
2. Improved demand from the consumers
3. Lower rates of other vegetables; Export demand
4. Sowing are increasing

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 shows weak market for the next trading day. Prices closed far above short term EMAs, indicates short-term upward market. MACD moving up in the positive zone. Stochastic and RSI hints downward market due to mostly overbought condition of the market. Volume as well as open interest decreased, did not supports the present market's trend. Potato is likely to be trade down 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	532	527	539.2	545	550

TRADE RECOMMENDATION: (Intraday)

Sell MCX Potato Agra March below Rs.541 with target towards Rs.533 and then Rs.530; put stop loss strictly above Rs.547.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	17.12.07	15.12.07	Change
Agra- Uttar Pradesh	Fair Average Quality	610-650	630-660	-20.00
Farookhabad- Uttar Pradesh	Fair Average Quality	525-560	535-570	-10.00
Meerut- Uttar Pradesh	Fair Average Quality	630-670	635-675	-5.00
Delhi- Azadpur Sabzi Mandi	Fair Average Quality	540-625	540-625	-
Tarkeswar-West Bengal	Fair Average Quality	740-780	750-800	-10.00
Burdwan- West Bengal	Fair Average Quality	730-770	750-780	-20.00

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