



POTATO

DEC 12, 2007

SPOT MARKETS:

Steady with rangebound sentiment have been continuing at present in the potato domestic market amidst lean period of supplies. In addition, lower prices of other winter vegetables also restricted the upward movement. Arrivals of fresh potato from Punjab, Himachal and Karnataka are increasing. In addition, Rabi sowing of potato is increasing in U.P., Bengal, Bihar and other Northern parts. Over 92% of the land under potato has been sown in northern parts but around 47% 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 Tuesday, potato in North Indian markets traded stable while in Bengal's Tarkeswar and Burdwan, it was range bound 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 soared on Tuesday amidst fresh buying support. Market went up after strong opening but set back from the session's high. MCX Potato Agra March futures gained Rs.6.8 at Rs.518.9 after firm opening at Rs.514.5 and traded within Rs.514-522. MCX Potato Tarkeshwar March futures added Rs.0.9 at Rs.441.3 and moved within Rs.440-442.

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.

SPOT MARKET PRICE FOR POTATO (Rs. /Quintal)

Markets	Variety	11.12.07	10.12.07	Change
Agra- Uttar Pradesh	Fair Average Quality	620-650	620-650	-
Farookhabad- Uttar Pradesh	Fair Average Quality	530-560	530-560	-
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	750-800	-
Burdwan- West Bengal	Fair Average Quality	750-780	750-780	-

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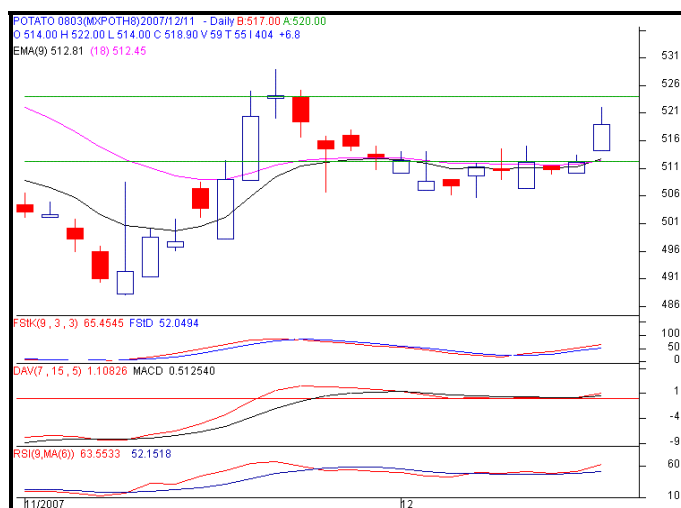
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TECHNICALS: MCX Potato Agra March 2008 Contract

Candlestick chart indicates strong market for the next trading day. Prices closed above short term EMAs, indicates short-term strong market. MACD moving up and entered in the positive zone. Stochastic and RSI hints upward market. Volume as well as open interest significantly increased. 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	514	508	518.9	524	530

TRADE RECOMMENDATION: (Intraday)

Buy MCX Potato Agra March above Rs.516 with target towards Rs.523 and then Rs.526; put stop loss strictly below Rs.511.