



MENTHA

July 16th, 2007

SPOT MARKETS

In all major Mentha Oil markets in UP, spot prices were down as increased arrivals outpaced normal demand. The prices were down at the range of Rs. 5-8. Market sources reported that exporters and local traders have shown interest in buying at lower price level as the prices may further go down due to bumper production in this crop season. 80 per cent crops have been harvested from the field and the distillation processes of 50 to 60 per cent crops have been completed. Till now the markets have received the arrival of 25 to 30 per cent new crops. Markets are also expecting heavy arrivals in the coming days. The trade sources also believed that the recent rains in UP will not damage the harvesting process rather will favour the cultivation of mentha crops which may further pull down the prices. Taking the above factors into account, the prices may further be eased in the short term. During Saturday's trade, Chandausi received the highest arrival of 900 barrels followed by Barabanki 550 barrels, Rampur received 500 barrels and Sambhal market received 300 barrels.

FUTURES MARKETS

MCX Mentha oil witnessed firm sentiment with bullish tone. July contract opened slightly weak at Rs.486 against the previous closing price of Rs. 491. Contract then traded up on increased buying interest at lower level and finally settled at Rs. 489.6. July contract traded in the range of Rs. 486-491 with decreasing volume and open interest.

PRICE DRIVERS

1. Normal demand from locals at lower level
2. Healthy arrivals in the Markets
3. Expected bumper production this year

WAREHOUSE STOCKS

Exchange	Stock as on 12.07.07
MCX	135,601,250 Kg

TECHNICALS:

Candlestick shows strong bearishness in prices. Closing prices is below the 9 days and 18 days EMA. MACD has entered into the negative region. Stochastic has moved downward in neutral region whereas RSI has dipped further into oversold region indicating weakness in prices with slight recovery expected later. Prices are expected to trade steady to weak with slight buying support at lower levels.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-July Contract	482	480	489.6	494	496

TRADE RECOMMENDATION

SELL MCX Mentha Oil July contract near 490 with target of 486, then 484. Put stop loss at 492. Trade cautiously with intraday outlook.

Spot Market Prices

Origin/Grade	Centre	14.07.07	13.07.07	Change
Mentha Oil	Sambhal	500	504	-4
	Chandausi	500	505	-5
	Rampur	497	505	-8
	Barabanki	485	490	-5

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