



MENTHA

July 26th, 2007

SPOT MARKETS

Mentha Oil spot prices were traded up in most of the major markets in UP as strong demand offsets the healthy arrivals while prices slashed down in Barabanki market against a subdued trading activity during Wednesday's trade. The continuous strong demand from the exporters has boosted the mentha prices. Traders are still confident of rise of the price despite the expectation of the crop outputs of over 30,000 tonnes, up 65 per cent from the last year's production of 20,000 tonnes as there is growing demand from the exporters. The good demand from the exporters, locals combined with the long duration of the mentha oil may prevent the substantial falling of the prices. During Wednesday's trade, Chandausi received the highest arrival of 600 barrels, remained unchanged from Tuesday's arrival followed by Barabanki, 400 barrels. Sambhal received 350 barrels while the Rampur received the lowest arrival of 300 barrels.

FUTURES MARKETS

MCX Mentha oil witnessed firm sentiment with bullish tone. July contract opened slightly firm at Rs.497 against the previous close of Rs. 493 and price traded down testing a low of Rs. 491.8. However, prices were traded up thereafter on increased buying interest at lower level and finally settled in the positive region. July contract traded in the range of Rs. 491.8-503 with decreased volume and open interest.

PRICE DRIVERS

1. Strong demand from exporters
2. Healthy arrivals in the Markets
3. Expected bumper production this year

WAREHOUSE STOCKS

Exchange	Stock as on 24.07.07
MCX	162, 969,050 Kg

TECHNICALS:

A bullish candle has been formed indicating some buying support at lower level. Closing prices is below the 9 and 18 days EMA. MACD is moving upward in the negative region showing. Stochastic is flattered in the neutral region whereas RSI is moving upward in the neutral region indicating steady to slight weakness in prices. Prices are expected to trade steady to slightly weak with some selling pressure at higher levels.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-July Contract	493	491	502	504	506

TRADE RECOMMENDATION

SELL MCX Mentha Oil July contract below 502 with target of 497, then 495. Put stop loss at 504.5. Trade cautiously with intraday outlook.

Spot Market Prices

Origin/Grade	Centre	25.07.07	24.07.07	Change
Mentha Oil	Sambhal	511	508	+3
	Chandausi	505	502	+3
	Rampur	508	500	+10
	Barabanki	485	490	-5

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