



## MENTHA

July 24th, 2007

### SPOT MARKETS

In all the major markets in U.P., the spot prices were a tad higher on Monday as strong export combined with good local demand continued to boost the prices against good arrivals. All the markets received good arrivals as farmers and stockist released their products in the fear of further down of the price. Due to profit booking at higher level, the prices were a bit down, but it bounced back with good buying support from the traders. Traders believe that though an increased output is expected in this crop year, but prices are very unlikely go down substantially due to good overseas demand as well as domestic demand. The spot prices have also got support from the MCX and NCDEX stock position. The trade sources reported that volumes were continuously slipping in the national commodity exchanges as traders kept off the commodity. The Mentha Oil turnover on the MCX dipped by 57 per cent to Rs. 846.11 crore in June from Rs. 1,960.83 crore in April 2007. During Monday's trade, Rampur received the lowest arrival of 150-200 barrels whereas Chandausi received the highest arrival of 600 barrels. The arrival at Barabanki and Sambhal stood at 350 and 250 barrels respectively.

### FUTURES MARKETS

MCX Mentha oil witnessed weak sentiment with bearish undertone. July contract opened slightly firm at Rs.508 against the previous close of Rs. 507.7 and price traded up testing a high of Rs. 518.1. However, prices were traded down thereafter on increased selling pressure at higher level and finally settled in the negative region. July contract traded in the range of Rs. 503-518.1 with increasing volume and increasing 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 20.07.07
MCX	162, 969,050 Kg

### Spot Market Prices

Origin/Grade	Centre	23.07.07	21.07.07	Change
Mentha Oil	Sambhal	510-515	510	+5
	Chandausi	510-513	510	+3
	Rampur	510-514	510	+4
	Barabanki	492-495	490	+5

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### TECHNICALS:

A bearish with long upper shadow candlestick has been formed indicating profit booking at the higher level. Closing prices is below the 9 and 18 days EMA. MACD has further dipped into the negative region. Stochastic is moving up in the neutral region whereas RSI is moving downward 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.

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O 508.00 H 518.10 L 503.00 C 503.20 V 948 T 174,798 I 886



### SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-July Contract	500	497	503.2	518	521

### TRADE RECOMMENDATION

**SELL** MCX Mentha Oil July contract below 512 with target of 506, then 503. Put stop loss at 515. Trade cautiously with intraday outlook.