



## MENTHA

July 27th, 2007

### SPOT MARKETS

Mentha Oil spot prices were traded steady to increase in most of the major markets in UP as good demand offsets the normal arrivals while prices were slashed down in Barabanki market against a subdued trading activity during Thursday's trade. However, rainfall over some of the Mentha growing regions obstructed arrivals in the market and prevented the downward movement of price. Traders believe that prices were remained range bound due to good demand from the millers and exporters. However, compared to the last year, in this crop season, mentha production could well reach around 30,000 tonnes due to increased per hectare yield and increased acreage. Traders also reported that there is a growing overseas demand for Indian Mentha products. 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 500 barrels, down of 100 barrels from Wednesday's arrival followed by Barabanki, 400 barrels. Sambhal and Barabanki received the same arrival of 250 barrels.

### FUTURES MARKETS

MCX Mentha oil witnessed firm sentiment with bullish tone. July contract opened slightly firm at Rs.501.2 against the previous close of Rs. 500.7 and price traded down testing a low of Rs. 497.1. 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. 497.1-508.3 with decreased volume and open interest.

### PRICE DRIVERS

1. Good demand from exporters and locals
2. Normal arrivals in the Markets
3. Expected bumper production this year

### WAREHOUSE STOCKS

Exchange	Stock as on 25.07.07
MCX	217, 666,000 Kg

### TECHNICALS:

A bullish candle with both upper and lower shadows has been formed indicating tentativeness in prices. Closing prices is above the 9 and 18 days EMA. MACD is moving upward in the negative region. Stochastic is moving in the neutral region indicating slight firmness in prices, whereas RSI is moving upward in the neutral region. Prices are expected to trade steady to slightly weak with late downward movement.



### SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-July Contract	499	497	505	513	515

### TRADE RECOMMENDATION

**BUY** MCX Mentha Oil July contract above 504 with target of 509, then 511. Put stop loss at 501.5 Trade cautiously with intraday outlook.

### Spot Market Prices

Origin/Grade	Centre	26.07.07	25.07.07	Change
Mentha Oil	Sambhal	512	511	+1
	Chandausi	508	505	+3
	Rampur	510	508	+2
	Barabanki	480	485	-5

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