



## ■ MENTHA

■ Aug. 1st, 2007

### SPOT MARKETS

At majority of the major markets in UP, Mentha Oil spot prices were a tad lower as healthy arrivals offset normal demand on Tuesday's trade while the prices at Barabanki market traded high on strong demand against normal arrival. As per the trade sources, in majority of the Mentha growing regions, harvesting process is nearing for completion and the distillation process has picked up the pace as the farmers bringing dry crops to the mills for processing. The trade sources also reported that the expected rainfall over the region would have no impact as the harvested crops have been dried up. The markets are also receiving 100 to 200 barrels less as farmers and stockist do not want to trade in an uncertain price level. They are also upbeat of the price rise due to growing overseas demand. For the short term, the prices may remain range bound. During Tuesday's trade, Chandausi received the highest arrivals of 500 barrels followed by Sambhal 250 barrels. Arrivals at Barabanki and Rampur are 100 and 150 barrels respectively.

### FUTURES MARKETS

MCX Mentha oil witnessed weak sentiment with bearish undertone. August contract opened firm at Rs.514 against the previous close of Rs. 513.3 and traded up initially testing a high of Rs. 516.4. However, prices traded down thereafter on increased selling pressure and tested a low of Rs. 509.2. August contract traded in the range of Rs. 509.2-516.4 with increasing volume and declining open interest.

### PRICE DRIVERS

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

### WAREHOUSE STOCKS

Exchange	Stock as on 27.07.07
MCX	217, 666,000 Kg

### Spot Market Prices

Origin/Grade	Centre	31.07.07	30.07.07	Change
Mentha Oil	Sambhal	513	515	-2
	Chandausi	515	518	-3
	Rampur	512	515	-3
	Barabanki	495	490	+5

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### TECHNICALS:

Candlestick chart shows indecision in market. Closing prices is above the 9 days and 18 days EMA. MACD is moving upward in the neutral region. Stochastic is about to make a bearish cross over in neutral region and RSI is moving flat in the neutral. Market is expected to trade range bound with firm bias.



### SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-August Contract	510	509	513	522	524

### TRADE RECOMMENDATION

**BUY** MCX Mentha Oil August contract above 514 with target of 518, then 520. Put stop loss at 512. Trade cautiously with intraday outlook.