



MENTHA

July 19th, 2007

SPOT MARKETS

In most of the major markets in U.P., the spot prices were up as normal demand from the exporters and local traders outpaced lower arrivals while in Chandausi market, the prices were remained steady against the normal supply-demand situation. All the markets received lower arrivals as stockiest and farmers are holding back the products in the expectation of further price rise. Trade sources reported that despite the expectation of bumper production in this crop year, the prices are very unlikely go down substantially due to good overseas demand. They also believe that by the time, the prices could have gone down as the 75-80 per cent crops have already been harvested from the field, but due to farmer's unwillingness to sell in this prices as well as normal export demand has held up the prices. In the short term, prices may be range bound in taking the above factors into account. Among the markets, Chandausi received the highest arrival of 600 barrels, while both Sambhal and Rampur received 250 barrels each and the arrival at Barabanki is 200 barrels.

FUTURES MARKETS

MCX Mentha oil witnessed firm sentiment with bullish tone. July contract opened slightly firm at Rs.485 against the previous closing price of Rs. 483.1 and initially traded down testing a low of Rs.483. However, the prices recovered thereafter with some increased buying interest at lower levels and finally settled in the positive territory. July contract traded in the range of Rs. 483-490.6 with decreasing volume and decreasing open interest.

PRICE DRIVERS

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

WAREHOUSE STOCKS

| Exchange | Stock as on 17.07.07 |
|----------|----------------------|
| MCX | 137,041,350 Kg |

TECHNICALS:

Candlestick chart pattern shows firmness in prices. Closing prices is below the 9 days and 18 days EMA. MACD is moving upward in the negative region. Stochastic is moving flat in the oversold region whereas RSI is moving upward in the oversold region indicating firmness in prices in short term. Prices are expected to trade steady to firm with slight buying support at lower levels.



SUPPORT / RESISTANCES

| Contract | S1 | S2 | PCP | R1 | R2 |
|------------------------------|-----|-----|-------|-----|-----|
| MCX-Mentha Oil-July Contract | 483 | 481 | 490.6 | 497 | 499 |

TRADE RECOMMENDATION

BUY MCX Mentha Oil July contract above 488 with target of 493, then 495. Put stop loss at 485.5. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

| Origin/Grade | Centre | 18.07.07 | 17.07.07 | Change |
|--------------|-----------|----------|----------|--------|
| Mentha Oil | Sambhal | 490 | 486 | +4 |
| | Chandausi | 485 | 485 | - |
| | Rampur | 490 | 487 | +3 |
| | Barabanki | 472 | 470 | +2 |

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