



MENTHA

July 30th, 2007

SPOT MARKETS

In majority of the major markets in UP, Mentha Oil spot prices were a tad higher on Saturday as normal demand outpaced the restricted arrival while it traded steady in the Barabanki and Rampur markets on a normal demand-supply activity. Rain over the Mentha growing region supported the market sentiment as it obstructed arrivals into the market. Due to volatility in the market prices, farmers are not releasing the products in fear of further decline of prices. They are confident of the price rise, as there is growing overseas demand for India's mint products. India is the largest producer as well as exporter of mint products in the world market. Further, the Market sources also reported the illegal parallel trading along side with the MCX and NCDEX in the major mandis of UP also held up the prices. During Saturday's trade, Chandausi received the highest arrival of 300 barrels, down of 100 barrels from Friday's arrival followed by Sambhal, 200 barrels. Rampur and Barabanki received the arrivals of 100 and 150 barrels respectively.

FUTURES MARKETS

MCX Mentha oil witnessed weak sentiment with bearish undertone. August contract opened slightly firm at Rs.509.5 against the previous close of Rs. 509.4 and traded up testing a high of Rs. 512.3. However, prices were traded down thereafter on increased selling pressure at higher level and finally settled in the negative region. August contract traded in the range of Rs. 505.5-512.3 with decreased volume and 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

TECHNICALS:

A bearish candle with both upper and lower shadows has been formed indicating tentativeness 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 neutral region indicating slight firmness in prices, whereas RSI is moving downward 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-August Contract	501	499	508	515	517

TRADE RECOMMENDATION

SELL MCX Mentha Oil August contract below 510 with target of 505, then 503. Put stop loss at 512.5. Trade cautiously with intraday outlook.

Spot Market Prices

Origin/Grade	Centre	28.07.07	27.07.07	Change
Mentha Oil	Sambhal	511	505	+6
	Chandausi	515	510	+5
	Rampur	510	510	-
	Barabanki	490	490	-

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