



MENTHA

July 17th, 2007

SPOT MARKETS

At majority of the markets, Mentha Oil spot prices were remained steady against a normal demand on the back of good arrivals while prices were further slashed down in Chandausi and Barabanki markets against a subdued trading activity. The local traders and exporters are interested to buy at lower price level. Markets received lesser arrivals compared to Saturday's. Although 80 per cent crops have been harvested from the field from the current harvesting season, markets are not receiving adequate arrivals as farmers are holding back the products in anticipation of price rise, traders reported. For the short term, the traders believe that the prices may go down slightly as the markets are experiencing no good demand from the exporters. Despite the expectation of bumper production during this crop season, prices were remained range bound due to good overseas demand. During Monday's trade, Chandausi received the highest arrival of 800 barrels followed by Barabanki, 450, Rampur 400 and Sambhal received lowest arrival of 350 barrels. IMD forecast of rainfall over UP regions in coming days are very unlikely to affect the arrival and market prices.

FUTURES MARKETS

MCX Mentha oil witnessed weak sentiment with bearish undertone. July contract opened slightly firm at Rs.496 against the previous closing price of Rs. 494 and traded up testing a high of Rs. 498. However, the prices were thereafter traded down on increased selling pressure at higher level and finally settled at Rs. 494.5. July contract traded in the range of Rs. 494-498 with decreasing volume and open interest.

PRICE DRIVERS

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

WAREHOUSE STOCKS

Exchange	Stock as on 12.07.07
MCX	137,041,350 Kg

TECHNICALS:

Candlestick shows bearishness in prices. Closing prices is below the 9 days and 18 days EMA. MACD has entered into the negative region. Stochastic has moved downward in neutral region whereas RSI is seen recovering from over sold region indicating slight firmness in prices in short term. Prices are expected to trade steady to weak with slight buying support at lower levels.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-July Contract	488	486	494.5	500	502

TRADE RECOMMENDATION

SELL MCX Mentha Oil July contract near 496 with target of 492, then 490. Put stop loss at 498. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	16.07.07	14.07.07	Change
Mentha Oil	Sambhal	500	500	-
	Chandausi	495	500	-5
	Rampur	497	497	-
	Barabanki	480	485	-5

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