

MENTHA OIL

Agriwatch
DAILY

MENTHA

July 20th, 2007

SPOT MARKETS

In all the major markets in U.P., the spot prices were continued to be up as normal demand from the exporters and local traders outpaced restricted arrivals during Thursday's trade. The prices were marginally up of Rs. Rs.3-8. Markets are experiencing lower arrivals as farmers and stockist are holding back the products in expectation of further price rise combined with volatility in spot prices. Traders also reported that this year's good overseas demand will support the market sentiment against the expectation of bumper production. Among the markets, Chandausi and Sambhal received 600 and 250 barrels respectively, remained unchanged from the Wednesday's arrival whereas Rampur and Barabanki received lower arrivals of 250 and 300 barrels respectively. In the short term, prices are likely to depend on the supply-demand condition of the market.

FUTURES MARKETS

MCX Mentha oil witnessed firm sentiment with bullish tone. July contract opened slightly weak at Rs.489 against the previous closing price of Rs. 489.9 and initially traded down testing a low of Rs.483.2. 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. 483.2-489 with decreasing volume and decreasing open interest.

PRICE DRIVERS

1. Normal overseas demand
2. Restricted arrivals in the Markets
3. Expected bumper production this year

WAREHOUSE STOCKS

Exchange	Stock as on 18.07.07
MCX	150,024,950 Kg

TECHNICALS:

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



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-July Contract	483	481	489	498	500

TRADE RECOMMENDATION

BUY MCX Mentha Oil July contract above 489 with target of 494, then 496. Put stop loss at 486.5. Trade cautiously with intraday outlook.

Spot Market Prices

Origin/Grade	Centre	19.07.07	18.07.07	Change
Mentha Oil	Sambhal	495	490	+5
	Chandausi	488	485	+3
	Rampur	495	490	+5
	Barabanki	480	472	+8

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