



MENTHA

July 23rd, 2007

SPOT MARKETS

In all the major markets in U.P., the spot prices were up on strong demand against restricted supply during Saturday's trade. The prices were up at the range of Rs. 10-22 from Friday's price level. Good demand from the exporters as well as local traders further pushed up the prices. Despite near about 70-80 per cent guar crops harvested from the field, markets are still receiving lower arrivals as farmers are keeping back the products in expectation of the further rise of prices which further imparted bullishness in prices. The trade sources reported that volumes were continuously slipping in the national commodity exchanges as traders kept off the commodity. The Mentha Oil turnover on the MCX dipped by 57 per cent to Rs. 846.11 crore in June from Rs. 1,960.83 crore in April 2007. The lowering of the stocks at MCX and NCDEX coupled with the good demand against the restricted supply may impart bullishness in the short term. During Saturday's trade, Rampur received the lowest arrival of 100 barrels whereas arrival at Chandausi is 500 barrels. The arrival at Barabanki and Sambhal stood at 300 and 200 barrels respectively.

FUTURES MARKETS

MCX Mentha oil witnessed firm sentiment with bullish tone. July contract opened slightly firm at Rs.491 against the previous closing price of Rs. 489.3. Contract then traded up testing a high of Rs. 508 on increased buying interest at lower levels and finally settled in the positive territory. July contract traded in the range of Rs. 491- 508 with increasing 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 19.07.07
MCX	160, 091,100 Kg

TECHNICALS:

Bullish candlestick chart pattern shows firmness in prices. Closing prices is above the 9 and 18 days EMA. MACD is moving upward in the negative region. Stochastic is moving up in the oversold region whereas RSI is moving upward in the neutral region indicating steady to slight firmness in prices. 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	499	497	507.7	517	519

TRADE RECOMMENDATION

BUY MCX Mentha Oil July contract above 505 with target of 511, then 514. Put stop loss at 502. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	21.07.07	20.07.07	Change
Mentha Oil	Sambhal	510	495	+15
	Chandausi	510	488	+22
	Rampur	510	490	+20
	Barabanki	490	480	+10

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