



MENTHA

July 21st, 2007

SPOT MARKETS

In most of the major markets in U.P., the spot prices were remained steady on normal demand and restricted supply while the price was slightly down of Rs. 5 at Rampur market as increased arrivals outpaced normal demand during Friday's trade. The lower arrivals in the market further prevented the downward movement of spot price. Due to volatility in market prices and in the expectation of price rise, farmers and stockist are not releasing the products. Good overseas demand will hold up the prices against the expected bumper production in this crop year in the long term, traders reported. Among the markets, Chandausi received highest arrivals of 600 barrels whereas Sambhal received lowest arrival of 200 barrels. Both Rampur and Barabanki received 300 barrels each during the Friday's trade. In the short term, a healthy arrival may push down the prices against a normal physical demand.

FUTURES MARKETS

MCX Mentha oil witnessed firm sentiment with bullish tone. July contract opened slightly firm at Rs.489 against the previous closing price of Rs. 488.5 and initially traded down testing a low of Rs.485.3. However, the prices recovered thereafter with some buying interest at lower levels and finally settled in the positive territory. July contract traded in the range of Rs. 485.3-491.5 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 steady to slight firmness in prices. Closing prices is below the 9 and 18 days EMA. MACD is moving downward in the negative region. Stochastic is moving up in the oversold region whereas RSI is moving upward from the oversold 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	484	482	490.5	499	501

TRADE RECOMMENDATION

BUY MCX Mentha Oil July contract above 490 with target of 495, then 497. Put stop loss at 487.5. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	12.07.07	19.07.07	Change
Mentha Oil	Sambhal	495	495	-
	Chandausi	488	488	-
	Rampur	490	495	-5
	Barabanki	480	480	-

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