



MENTHA

Aug. 7th, 2007

SPOT MARKETS

Mentha Oil spot prices at all the major markets were surged on good demand against lower arrivals during the Monday's trade. The prices were up at the range of Rs. 10-15/kg from Saturday's price level. Due to holding back of stuffs by farmers and stockists combined with rainfall over the region, all the markets witnessed very lower arrivals that further imparted bullishness in the market sentiment. Due to farmers' future trading in national exchanges coupled with volatility in the market sentiment, farmers are not willing to release their stuffs. Through the futures trading in the national exchanges, farmers earning has been increased sharply over the past two-three years. During Monday's trade, Sambhal received the highest arrival of 150 barrels followed by Chandausi 100 barrels. Both Rampur and Barabanki received 50 barrels each

FUTURES MARKETS

Mentha oil futures at MCX witnessed firm sentiment during Monday's trade. August contract opened slightly firm at Rs.530.9 against the previous close of Rs.529.4 and traded up testing a high of Rs.546. However, prices traded down thereafter on some selling pressure at higher levels and finally settled in the positive region. The August contract traded in the range of Rs 530.9-546. Open interest decreased marginally, whereas volumes increased slightly.

PRICE DRIVERS

1. Lower arrivals on farmers' hoarding
2. Normal demand from exporters and locals
3. Expected bumper production this year

WAREHOUSE STOCKS

Exchange	Stock as on 02.08.07
MCX	237, 074,700 Kg

TECHNICALS:

Bullish candlestick formed indicating good buying interest at lower level. The prices closed well above short term EMAs, which shows firmness in market. MACD is moving up in the positive territory. Stochastic is moving in the oversold region and RSI has shown an upward trend in the oversold region. Market is expected to trade steady with firm bias.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-August Contract	539	537	543	553	555

TRADE RECOMMENDATION

BUY MCX Mentha Oil August contract below 544 with target of 549 then 551. Put stop loss at 541. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	06.08.07	04.08.07	Change
Mentha Oil	Sambhal	545	535	+10
	Chandausi	545	533-35	+10
	Rampur	545	527-30	+15
	Barabanki	520	510	+10

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