



■ MENTHA

■ Aug. 14th, 2007

SPOT MARKETS

During the Monday's trade, in all the major markets in UP, the Mentha Oil spot prices slashed down compared to Saturday's price level as increased arrivals offset normal demand. The prices were down at the range of Rs. 5-12/kg. The profit booking at NCDEX and MCX's futures market at the end of last week also affected the upward movement of spot prices. Lower demand from the exporters as well as normal demand from the locals was reported during Monday's trade. Although markets received higher arrivals compared to last few days, but it was very less as the harvest of new crops is almost nearing for completion and distillation process is in full swing. Farmers are no hurry to sell their products at the current price level. They are holding back their products in expectation of price rise. The expected bumper production combined with huge carry over stocks from last year may pull down the prices in short term to medium term. All the major mandis received slightly higher arrivals of 20-50 barrels then the previous day's

FUTURES MARKETS

Mentha oil futures at MCX traded weak. August contract opened weak at Rs.540.7 then its previous close of Rs.543.2 and initially traded up testing a high of Rs.542.7. However prices were traded down with increased selling pressure at higher level and finally settled in the negative side. The August contract traded in the range of Rs.532.3-542.7. Open interests declined slightly while volume increased significantly.

PRICE DRIVERS

1. Increased arrivals
2. Mild demand from locals and exporters
3. Expected bumper production this year

WAREHOUSE STOCKS

Exchange	Stock as on 09.08.07
MCX	251,465,450 Kg

TECHNICALS:

A bearish candle has formed indicating selling pressure at higher level. The prices closed in between 9 and 18 days EMAs. MACD has made bearish cross over showing weakness in market sentiment. Stochastic is moving down in the neutral region and RSI is also moving down in the neutral region. Market is expected to trade range bound with weak bias.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-August Contract	527	525	534.5	541	543

TRADE RECOMMENDATION

SELL MCX Mentha Oil August contract below 535 with target of 529. Put stop loss at 538. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	13.08.07	11.08.07	Change
Mentha Oil	Sambhal	537	544	-7
	Chandausi	540	545	-5
	Rampur	535	544	-9
	Barabanki	510	522	-12

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