



■ MENTHA

■ Aug. 24th, 2007

SPOT MARKETS

Mentha Oil spot prices declined during the Thursday's trade on improved arrivals against mild demand. Improved arrivals at most spot markets in UP outpaced the demand; which weighed heavily on prices. Sources, reported that the farmers are selling their produce at better available prices, as they fears that they do not get these prices again because of bumper production and huge carry forward stock during current season. However, stockists holding back stocks in expectation of price rise. Mild demand from locals reported during the Thursday's trade while exporter remained silent in the market. Barabanki received the higher arrival of 200 barrels followed by Chandausi and Sambhal at 190 barrels each. Rampur received the lower arrivals of 150 barrels. Thus, prices are expected to remain weak in coming days.

FUTURES MARKETS

Mentha oil futures traded weak at MCX. August contract opened slightly weak at Rs.528.50 then its previous close of Rs.528.80 and initially traded up initially testing a high of Rs. 531.70. However, prices tumbled thereafter on increased selling pressure testing a low of Rs 525.60 before it closes at Rs 526.50. In August contract both volume and open interest declined.

PRICE DRIVERS

1. Improved Arrivals
2. Mild demand from locals and exporters
3. Expected bumper production & huge carry over stock this year

WAREHOUSE STOCKS

Exchange	Stock as on 22.08.07
MCX	447,933.775 Kg

TECHNICALS:

Candlestick chart pattern shows weakness in market. Long upper shadow indicates selling pressure at higher level. MACD & EMA remains weak for the short & medium-term. Stochastic is moving upward in the oversold region while RSI is deep in the in 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	518	516	526.5	529	530

TRADE RECOMMENDATION

Sell MCX Mentha Oil August contract below 527 with target of 522, then 520. Put stop loss at 529.5. Trade cautiously with intraday outlook.

Spot Market Prices

Origin/Grade	Centre	23.08.07	22.08.07	Change
Mentha Oil	Sambhal	541	543	-2
	Chandausi	544	547	-3
	Rampur	540	545	-5
	Barabanki	519	520	-1

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