



■ MENTHA

■ Aug. 25th, 2007

SPOT MARKETS

Mentha Oil spot prices declined further at most of the major markets in UP on weak physical demand. Demand from locals and exporters remained subdued or absent in the market. Arrivals also declined during the Friday's trade due to lack of buying support in the market. Barabanki received the higher arrival of 180 barrels followed by Chandausi and Sambhal at 150-160 barrels each. Rampur received the lower arrivals of 125 barrels. On other hand, higher stock position in warehouses also weighing heavily on prices. Also the prices are expected to remain lower during the current FY on the back of bumper production and huge carry over stock. Further, stockists holding back stocks in expectation of price rise, sources reported.

FUTURES MARKETS

Mentha oil futures traded firm at MCX. September contract opened slightly weak at Rs.538.00 then its previous close of Rs.538.70 and initially traded down testing a low of Rs. 536.50. However, prices recovered thereafter on increased buying interest testing a high of Rs 543.00 before it closes at Rs 542.00. In Sept. contract volume declined while open interest increases.

PRICE DRIVERS

1. Lower Arrivals
2. Weak demand from locals and exporters
3. Bumper production & huge carry over stock this year

WAREHOUSE STOCKS

Exchange	Stock as on 23.08.07
MCX	486,477.925 Kg

TECHNICALS:

Candlestick chart pattern shows firmness in market. Prices closed between the short-term EMAs. MACD remains weak for the medium-term. Stochastic and RSI is moving upward in the neutral region. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-September Contract	540	537	542	552	553

TRADE RECOMMENDATION

Buy MCX Mentha Oil September contract above 543 with target of 547, then 548. Put stop loss at 541. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	24.08.07	23.08.07	Change
Mentha Oil	Sambhal	539	541	-2
	Chandausi	543	544	-1
	Rampur	538	540	-2
	Barabanki	518	519	-1

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