



■ MENTHA

■ Aug. 16th, 2007

SPOT MARKETS

During the Tuesday's trade, in all the major markets in UP, the Mentha Oil spot prices were up compared to Monday's price level on good demand from exporters and millers against lower arrivals. Prices were up at the range of Rs.7-10/kg. The tightening of supply due to holding back stuffs by farmers coupled with expected rise in demand from pharma and tobacco companies combined with demand from exporters is helping the short-term bullish trend of Mentha oil. Farmers are not willing to sell in the current price level and waiting for the price rise. This crop year also expects a bumper production of around 32,000 tonnes. Bumper production plus last year's carryover stock may pressurize the prices to go down in the medium to long term against a normal export demand. During today's trade, Sambhal received the highest arrival of 150 barrels and rest of the markets received around 100 barrels each.

FUTURES MARKETS

Mentha oil futures at MCX traded firm. August contract opened slightly firm at Rs.534 then its previous close of Rs.533.6. Contract then traded up on increased buying interest at lower level and finally settled in the positive side. The August contract traded in the range of Rs.533.8-541. Open interests increased slightly while volume declined significantly.

PRICE DRIVERS

1. Lower Arrivals
2. Good demand from locals and exporters
3. Expected bumper production this year

WAREHOUSE STOCKS

Exchange	Stock as on 11.08.07
MCX	251,465,450 Kg

TECHNICALS:

A bullish candle has formed indicating firmness in market. The prices closed below 9 and 18 days EMAs. MACD have started downward movement in neutral region. Both stochastic and RSI have made down ward movement in the neutral region showing weakness in market sentiment. Market is expected to trade range bound with weak bias.

EMA(9) 537.38 (18) 530.81



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-August Contract	532	530	539.4	545	548

TRADE RECOMMENDATION

SELL MCX Mentha Oil August contract below 540 with target of 534. Put stop loss at 543. Trade cautiously with intraday outlook.

Spot Market Prices

Origin/Grade	Centre	14.08.07	13.08.07	Change
Mentha Oil	Sambhal	545	537	+8
	Chandausi	550	540	+10
	Rampur	543	535	+8
	Barabanki	517	510	+7

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