



■ MENTHA

■ Aug. 11th, 2007

SPOT MARKETS

During Friday's trade, in all the major markets in UP, Mentha Oil spot prices were a tad lower compared to previous day's price level as increased arrivals outpaced normal demand. It was also reported that exporters have shown interest to buy at lower price level due to low price level in international market coupled with strong rupee, which casts shadow in the margin of exporters. Some mild demand from the locals also reported. The trade sources also estimated that earlier expected output of 32,000 tonnes of Mentha Oil in the current crop year may be down to 30,000 tonnes due to less recovery of oil from the crop, which was around 5 per cent less than the normal as the crops could not dry up properly for the processing due to heavy rainfall over the region. Taking into account the above factors, the mentha oil spot prices may roll range bound. During Friday's trade, Sambhal and Chandausi received the highest arrivals of 250 barrels each where as both barabanki and Rampur received 200 barrels each.

FUTURES MARKETS

Mentha oil futures at MCX witnessed weak sentiment during Friday's trade. August contract opened firm at Rs.550 against the previous close of Rs.546.5 and traded up testing a high of Rs.550.2. However, prices traded down thereafter on increased selling pressure at higher level and finally settled in the negative region. The August contract traded in the range of Rs.539.5-550.2. Both open interest and volumes declined slightly.

PRICE DRIVERS

1. Increased arrivals
2. Mild demand from locals
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 showing selling pressure at higher level. The prices closed well above short term EMAs, which shows some firmness in market. MACD is moving down in the positive territory. Stochastic is moving down in the overbought region and RSI is also moving down in the overbought region showing weakness in prices. Market is expected to trade range bound with weak bias.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-August Contract	531	528	541.3	546	550

TRADE RECOMMENDATION

SELL MCX Mentha Oil August contract below 539 with target of 533. Put stop loss at 542. Trade cautiously with intraday outlook.

Spot Market Prices

Origin/Grade	Centre	10.08.07	09.08.07	Change
Mentha Oil	Sambhal	546	549	-3
	Chandausi	548	550	-2
	Rampur	542	546	-4
	Barabanki	520	523	-3

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