



■ MENTHA

■ Aug. 18th, 2007

SPOT MARKETS

During Friday's trade, in all the major markets in UP, the Mentha Oil spot prices slashed down as increased arrivals outpaced normal demand. The down of future prices at MCX and NCDEX further supported the downward movement of Mentha Oil spot prices. Normal demand from the exporters and locals were reported during today's market. Traders have shown interest to buy at lower price level. Although the arrivals increased, but it is not what it should have been during the harvesting season. Due to the volatility of the market prices and scope in future trade of National Exchanges, farmers are no hurry to sell their stuffs. During today's trade, Chandausi received highest arrivals of 350 barrels followed by 300 barrels by Rampur. Barabanki received slightly higher arrivals of 225 barrels and Sambhal received 150 barrels. Prices may go down slightly on increased arrivals against normal demand.

FUTURES MARKETS

Mentha oil futures at MCX traded weak. August contract opened slightly weak at Rs.539.1 then its previous close of Rs.540.5. contract then traded down on increased selling pressure at higher level and finally settled in the negative region. The August contract traded in the range of Rs.531.9-539.1. Open interest and volume decreased marginally.

PRICE DRIVERS

1. Increased Arrivals
2. Normal 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 bearish candle has formed showing increased selling pressure at higher level. The prices closed below 9 and 18 days EMAs favouring bears in market. MACD is dipping down in neutral region. Both Stochastic and RSI are also dipping in the neutral region indicating weakness in the short-term market sentiment. Market is expected to trade range bound with weak bias.



SUPPORT / RESISTANCES

| Contract | S1 | S2 | PCP | R1 | R2 |
|--------------------------------|-----|-----|-------|-----|-----|
| MCX-Mentha Oil-August Contract | 522 | 520 | 532.1 | 537 | 540 |

TRADE RECOMMENDATION

SELL MCX Mentha Oil August contract below 531 with target of 526, then 524. Put stop loss at 534. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

| Origin/Grade | Centre | 17.08.07 | 16.08.07 | Change |
|--------------|-----------|----------|----------|--------|
| Mentha Oil | Sambhal | 542 | 548 | -6 |
| | Chandausi | 543 | 550 | -7 |
| | Rampur | 538 | 550 | -12 |
| | Barabanki | 515 | 520 | -5 |

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