



## ■ MENTHA

■ Aug. 22nd, 2007

### SPOT MARKETS

The prices of Mentha Oil continued its firmness at most of the major markets in UP amidst good demand from locals against lower arrivals. Demand from exporter remained subdued or absent during the Tuesday's trade. Some demand from Pharma, tobacco companies etc. supported the market sentiment. On other hand farmers and stockists are unwilling to sell their stocks at lower prices, sources reported. Thus, range bound movement is expected in the market in coming days. However, in medium to long-term prices are expected to remain on the lower side due to bumper production and huge carry over stock this year 2007-08. The arrivals at all the major mandis have been declined compared to Monday's. Barabanki received the highest arrival of 190 barrels followed by Chandausi and Sambhal at 175 barrels. Rampur received the lower arrivals of 125 barrels.

### FUTURES MARKETS

Mentha oil futures at MCX traded weak. August contract opened firm at Rs.533.90 then its previous close of Rs.532.60 and initially traded up testing a high of Rs. 537.3. However, prices traded down thereafter on increased selling pressure and settled in the negative territory at Rs 527.00. August contract traded in the range of Rs 527.00-537.30 with declining open interest and increasing volume.

### PRICE DRIVERS

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

### WAREHOUSE STOCKS

Exchange	Stock as on 16.08.07
MCX	291,758,950 Kg

### TECHNICALS:

A bearish candlestick is formed with long upper shadow, which reflects selling pressure at higher level. Prices closed below the EMAs indicating further weakness in prices. MACD is dipping down in neutral region, which shows decrease in bullishness. Stochastic is moving down in the oversold region while RSI is moving down in the 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	513	515	527	531	534

### TRADE RECOMMENDATION

**SELL** MCX Mentha Oil August contract below 526 with target of 520, then 518. Put stop loss at 529. Trade

### Spot Market Prices

Origin/Grade	Centre	21.08.07	20.08.07	Change
Mentha Oil	Sambhal	543	541	+2
	Chandausi	547	544	+3
	Rampur	545	541	+4
	Barabanki	520	518	+2

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