



MENTHA

Aug. 13th, 2007

SPOT MARKETS

Mentha Oil spot market witnessed mixed sentiment during the Saturday's trade. The prices of Mentha oil in Sambhal and Chandausi market eased on week demand against increased arrivals, while prices improved in Rampur and Barabanki markets on some demand from exporters against steady arrivals. Demand from locals remained subdued in the market due to higher prices while mild demand is reported from exporters, traders reported. It was also reported that exporters are interested 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. Taking into account the above factors, the mentha oil prices are likely to remain range bound in coming days. During Saturday's trade, Sambhal and Chandausi received the highest arrivals of 280-300 barrels each where as both barabanki and Rampur received 200 barrels each.

FUTURES MARKETS

Mentha oil futures at MCX traded firm with some selling pressure at higher level. August contract opened flat at its previous close of Rs.541 and traded up on renewed buying interest testing a high of Rs 547.5 before it closes at Rs 543.2. The August contract traded in the range of Rs.541.0-547.5. Open interest remains steady while volume declined.

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

Spot Market Prices

Origin/Grade	Centre	11.08.07	10.08.07	Change
Mentha Oil	Sambhal	544	546	-2
	Chandausi	545	548	-3
	Rampur	544	542	+2
	Barabanki	522	520	+2

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TECHNICALS:

Long upper shadow of the candlestick reflects selling pressure at higher level. The prices closed above short term EMAs. MACD is moving down in the neutral region. Stochastic is moving down in the neutral region, while RSI is moving flat in the neutral region. Market is expected to trade range bound with weak bias.

EMA(9) 537.70 (18) 529.36



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-August Contract	529	527	543.2	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.