



■ MENTHA

■ Aug. 30th, 2007

SPOT MARKETS

Spot market prices of Mentha Oil declined further at various markets in UP amidst improved arrivals against sluggish demand. Higher stocks position in warehouses also weighing heavily on prices. Demand from locals (Pharma, Cosmetics, etc.) and exporters remained silent in the market, as they already have ample stocks, sources reported. Arrivals at the majority of markets improved during the Wednesday's trade. Chandausi and Sambhal received the higher arrivals of 200 barrels each followed by Rampur and Barabanki at 175-180 barrels each. On other hand bumper production this year and estimated huge carry over stock restricted the up move in prices. Thus, considering the above factors prices are expected to remain weak in coming days.

FUTURES MARKETS

Mentha oil futures traded weak at MCX. September contract opened firm at Rs.531.10 then its previous close of Rs.530.20. Contract then traded down on increased selling pressure testing a low of Rs 524 before it closes at Rs 527.90. In Sept. contract volume increased while open interest remains steady.

PRICE DRIVERS

1. Improved arrivals; higher stocks in warehouses
2. Sluggish demand from locals and exporters
3. Bumper production & huge carry over stock this year

WAREHOUSE STOCKS

Exchange	Stock as on 25.08.07
MCX	532,172.625 Kg

TECHNICALS:

A dark candlestick is formed indicating weakness in prices. MACD & EMA remains weak for the medium-term. MACD entered in the negative region. Stochastic is moving down in the oversold region while RSI is moving down in the neutral region. Market is expected to trade down following steady to slightly firm opening.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-September Contract	518	516	527.9	530	532

TRADE RECOMMENDATION

Sell MCX Mentha Oil September contract below 526 with target of 522, then 520. Put stop loss at 528. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	29.08.07	28.08.07	Change
Mentha Oil	Sambhal	530	Closed	-
	Chandausi	532	Closed	-
	Rampur	528	Closed	-
	Barabanki	515	Closed	-

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