



## ■ MENTHA

■ Aug. 21st, 2007

### SPOT MARKETS

The prices of Mentha Oil quoted up at most of the major markets in UP on normal demand against lower arrivals. Sources reported that the farmers and stockists holding back stocks in anticipation of price rise, which imparted bullishness in the market. Normal demand from exporters and locals reported during the Monday's trade. Thus, considering the above factor prices are expected to remain range bound in coming days. However, taking into account the bumper production during the current season coupled with higher stocks in the exchange warehouses prices are expected to remain in the lower side in medium to long-term. The arrivals at all the major mandis have been declined compared to Saturday's. Chandausi received the highest arrival of 250 barrels followed by Rampur, 225 barrels and Barabanki, 200 barrels. Sambhal received the lower arrivals of 175 barrels.

### FUTURES MARKETS

Mentha oil futures at MCX traded firm. August contract opened firm at Rs.530.20 then its previous close of Rs.528.5 and initially traded down testing a low of Rs. 529.1. However, prices recovered thereafter on buying interest and tested a high of Rs 535.0 before it closes at Rs 532.2. Open interest increased slightly where as volume declined marginally.

### 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:

Candlestick chart pattern shows indecision in market. Long upper shadow show selling pressure at higher level. The prices closed between the 9 and 18 days EMAs. MACD is dipping down in neutral region, which shows decrease in bullishness. Stochastic is moving down in the oversold region while RSI is moving up 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	524	521	532.2	539	541

### TRADE RECOMMENDATION

**SELL** MCX Mentha Oil August contract below 535 with target of 529, then 527. Put stop loss at 538. Trade cautiously with intraday outlook.

### Spot Market Prices

Origin/Grade	Centre	20.08.07	18.08.07	Change
Mentha Oil	Sambhal	541	539	+2
	Chandausi	544	540	+4
	Rampur	537	535	+2
	Barabanki	518	514	+4

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