



■ MENTHA

■ Aug. 29th, 2007

SPOT MARKETS

Mentha Oil spot markets in UP remained closed during the Tuesday's on the occasion of Raksha Bandhan. No trade took place during the day. However, considering the recent demand - supply situation and increasing stocks in warehouses coupled with bumper production this year with a huge carry over stock, the prices are expected to remain on the lower side in medium to long-term.

FUTURES MARKETS

Mentha oil futures traded firm at MCX. September contract opened weak at Rs.525.00 then its previous close of Rs.527.90. Contract then traded up on renewed buying interest testing a high of Rs 531.80 before it closes at Rs 531.00. In Sept. contract both volume and open interest declined during the Tuesday's trade.

PRICE DRIVERS

1. Improved arrivals; higher stocks in warehouses
2. Weak 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 long hollow candlestick is formed indicating firmness in prices. MACD & EMA remains weak for the medium-term. MACD is about to enter in the negative region. Stochastic is moving down in the oversold region while RSI is turned up 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	526	525	531	536	537

TRADE RECOMMENDATION

Sell MCX Mentha Oil September contract below 534 with target of 530, then 528. Put stop loss at 536. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	28.08.07	27.08.07	Change
Mentha Oil	Sambhal	Closed	532	-
	Chandausi	Closed	535	-
	Rampur	Closed	530	-
	Barabanki	Closed	516	-

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