



■ MENTHA

■ Sept. 1st, 2007

SPOT MARKETS

Amidst good physical demand against lower arrivals the prices of Mentha Oil at various mandis in UP improved during the Friday's trade. Arrivals at the majority of markets declined from the Thursday's level across the mandis in UP as the farmers and stockists holding back stocks in anticipation of price rise. Barabanki and Rampur received the higher arrivals of 170 barrels each. Chandausi and Sambhal experienced the arrivals of 150 barrels each. Good demand from locals as well as exporters further aided to the firmness. Meanwhile, the record production this year coupled with huge carry over stocks would enough to impede the price progress on higher side.

FUTURES MARKETS

Mentha oil futures traded firmed at MCX. September contract opened firm at Rs.531 against to previous close level at Rs.528.90 and traded down initially testing a low of Rs 529.10. However, prices recovered thereafter on increased buying interest testing a high of Rs 534.90 before it closes at Rs 532.5. In Sept. contract volume and open interest increased.

PRICE DRIVERS

1. Lower arrivals; higher stocks in warehouses
2. Farmers & stockists holding back stocks
3. Bumper production & huge carry over stock this year

WAREHOUSE STOCKS

Exchange	Stock as on 30.08.07
MCX	596,981.125 Kg

TECHNICALS:

Candlestick chart pattern shows indecisive market. MACD & EMA patterns suggested medium-term bearishness. MACD is showing slightly recovery in negative region. Stochastic is moving upward following a bullish crossover in oversold region while RSI is also moving up in the neutral region. Market is expected to trade range bound with firm bias.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil- Sept. Contract	532	530	532.5	540	542

TRADE RECOMMENDATION

BUY MCX Mentha Oil September contract near 534 with target of 537, then 538. Put stop loss at 532.5. Trade cautiously with intraday outlook.

Spot Market Prices

Origin/Grade	Centre	31.08.07	30.08.07	Change
Mentha Oil	Sambhal	537-538	534	+4
	Chandausi	539-540	536	+4
	Rampur	538	535	+3
	Barabanki	517-518	515	+3

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