



## ■ MENTHA

■ Aug. 27th, 2007

### SPOT MARKETS

Mentha Oil spot prices traded weak at various markets in UP on weak physical demand against steady arrivals. Demand from exporters and locals remained absent in the market, as both are having ample stocks, sources reported. Sources also reported that the exporters as well as locals are waiting for prices to fall further so that they can buy at lower prices. On other hand, higher stock position in warehouses also weighing heavily on prices. Also the prices are expected to remain lower during the current FY on the back of bumper production and huge carry over stock. Arrivals at major markets stood steady at Friday's level. Barabanki received the higher arrival of 180 barrels followed by Chandausi and Sambhal at 150-160 barrels each. Rampur received the lower arrivals of 125 barrels. Further, stockists holding back stocks in expectation of price rise, sources reported.

### FUTURES MARKETS

Mentha oil futures traded weak at MCX. September contract opened weak at Rs.540.00 then its previous close of Rs.542.00 and initially traded up testing a high of Rs. 542.20. However, prices tumbled thereafter on increased selling pressure testing a low of Rs 535.70 before it closes at Rs 536.40. In Sept. contract volume and open interest declined.

### PRICE DRIVERS

1. Steady 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 23.08.07
MCX	486,477.925 Kg

### TECHNICALS:

Candlestick chart pattern shows weakness in market. Prices closed below the short-term EMAs indicating further weakness in prices. MACD remains weak for the medium-term. Stochastic and RSI is moving down 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-September Contract	528	526	536.4	537	540

### TRADE RECOMMENDATION

**Sell** MCX Mentha Oil September contract below 535 with target of 532, then 530. Put stop loss at 536.5. Trade cautiously with intraday outlook.

### Spot Market Prices

Origin/Grade	Centre	25.08.07	24.08.07	Change
Mentha Oil	Sambhal	537-38	539	-1
	Chandausi	541-42	543	-1
	Rampur	537	538	-1
	Barabanki	517	518	-1

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