



## MENTHA

Aug. 23rd, 2007

### SPOT MARKETS

Mentha Oil spot prices remained unchanged during the Wednesday's trade on normal demand supply situation. Normal demand from locals as well as exporters reported at lower price level coupled with steady arrivals in the market restricted the downfall in prices. Arrivals at the majority of markets stood steady at Tuesday's level. Barabanki received the higher arrival of 190 barrels followed by Chandausi and Sambhal at 175 barrels each. Rampur received the lower arrivals of 125 barrels. Sources reported that farmers and stockists holding back stocks in expectation of higher prices, which is likely to impart bullishness in the market. However, in medium to long-term prices are expected to remain on the lower side due to bumper production and huge carry over stock this year 2007-08.

### FUTURES MARKETS

Mentha oil futures at MCX traded firm. August contract opened weak at Rs.527.00 then its previous close of Rs.527.90 and initially traded down testing a low of Rs. 521.70. However, prices recovered thereafter on increased buying interest testing a high of Rs 531.00 before it closes at Rs 530.30. In August contract volume increased while open interest declined.

### PRICE DRIVERS

1. Lower Arrivals
2. Normal demand from locals and exporters
3. Expected bumper production this year

### WAREHOUSE STOCKS

Exchange	Stock as on 21.08.07
MCX	451,530.850 Kg

### Spot Market Prices

Origin/Grade	Centre	22.08.07	21.08.07	Change
Mentha Oil	Sambhal	543	543	-
	Chandausi	547	547	-
	Rampur	545	545	-
	Barabanki	520	520	-

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### TECHNICALS:

Candlestick chart pattern shows firmness in market. Long lower shadow indicates good buying support at lower level. MACD & EMA remains weak for the short-term. Stochastic has made a bullish crossover in the oversold region and RSI is moving upward in neutral region. Market is expected to trade up initially with possibility of late downward movement.



### SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-August Contract	528	5268	530.3	539	540

### TRADE RECOMMENDATION

**Buy** MCX Mentha Oil August contract above 531 with target of 535, then 536. Put stop loss at 529. Trade cautiously with intraday outlook.

(in Rs/Kg)