



■ MENTHA

■ Sept. 12th, 2007

SPOT MARKETS

Mentha oil spot prices remained unchanged at Monday's level on subdued trading activity against steady arrivals. Mild demand from locals reported in the market while demand from exporters remained mostly silent in the market. However, sources reported that arrivals increasing gradually in the market as farmers releasing their stock at better available prices. On other hand stock position in warehouses are increasing. Thus, considering the above factor prices are expected to remain in the lower side. Arrivals at the majority of markets stood steady at Monday's level across the major markets in UP. Chandausi and Sambhal markets received the higher arrivals of 225-250 barrels each. In Rampur and Barabanki markets, arrivals stood around 180-190 barrels each. Further, the bumper production and estimated huge carry over stock also weighing heavily on prices.

FUTURES MARKETS

Mentha oil futures traded weak at MCX. September contract opened weak at Rs 536.50 against previous close of Rs.536.90 and traded up initially testing a high of Rs 536.90. However, prices tumbled thereafter on increased selling pressure testing a low of Rs 531.60 and settled at days low. In Sept. contract volume and open interest declined.

PRICE DRIVERS

1. Steady arrivals; higher stocks in warehouses
2. Subdued demand from locals & exporters
3. Farmers releasing stocks
4. Govt. levied VAT on Mentha Oil in Punjab
5. Bumper production & huge carry over stock this year

WAREHOUSE STOCKS

Exchange	Stock as on 10.09.07
MCX	869,106.425 Kg

TECHNICALS:

Candlestick chart pattern shows weakness in market. Prices closed below the short-term EMAs indicating weakness in short term. MACD turned down in negative zone. Both Stochastic and RSI is moving down in neutral region. Stochastic is about to made a bearish crossover. Market is expected to trade range bound with weak bias.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-Sept. Contract	527	525	531.6	533	534

TRADE RECOMMENDATION

Sell MCX Mentha Oil September contract below 531 with target of 529, then 528. Put stop loss at 532.5. Trade cautiously with intraday outlook.

Spot Market Prices

Origin/Grade	Centre	11.09.07	10.09.07	Change
Mentha Oil	Sambhal	540	540	-
	Chandausi	545	545	-
	Rampur	539	539	-
	Barabanki	519	519	-

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