



## ■ MENTHA

■ Sept. 3rd, 2007

### SPOT MARKETS

Spot market prices of Mentha Oil across the major markets in UP improved further on good demand against lower arrivals. Arrivals at the majority of markets declined marginally from the Friday'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 150-160 barrels each. Chandausi and Sambhal experienced the arrivals of around 140 barrels each. Good demand from locals as well as exporters further aided to the firmness. Meanwhile, the traders in Punjab are interested of buy Mentha Oil from UP due to relaxation in Central Sales Tax (CST) of 3% in UP, which aided to the firmness. However, the record production this year coupled with huge carry over stocks and increased stock position in warehouses 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.533.60 against to previous close level at Rs.532.10 and traded down initially testing a low of Rs 532.80. However, prices recovered thereafter on increased buying interest testing a high of Rs 537.00 before it closes at Rs 534.30. In Sept. contract volume declined while 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 31.08.07
MCX	618,933.427 Kg

### Spot Market Prices

Origin/Grade	Centre	01.09.07	31.08.07	Change
Mentha Oil	Sambhal	542	537-538	+4
	Chandausi	544	539-540	+4
	Rampur	541	538	+3
	Barabanki	520	517-518	+3

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### TECHNICALS:

Candlestick chart pattern shows indecisive market. Long upper shadow of the candlestick reflects selling pressure at higher level. Prices closed between the short-term EMAs. MACD is moving flat in negative region. Both Stochastic and RSI is moving upward 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	534.3	540	542

### TRADE RECOMMENDATION

**BUY** MCX Mentha Oil September contract near 535 with target of 538, then 539. Put stop loss at 533.5. Trade cautiously with intraday outlook.