



MENTHA

Sept. 21st, 2007

SPOT MARKETS

Mentha Oil spot prices remained unchanged during the Thursday's trade at most of the major markets in UP on mild demand against lower arrivals. Arrivals across the markets declined from the Wednesday's level of 1050 to around 900 barrels, which restricted the down side in prices. Sambhal and Chandausi received the higher arrivals of 250 barrels and 250-260 barrels respectively. Barabanki and Rampur received the arrivals of around 190-200 barrels each. Some demands from locals are reported at lower price level while exporters' activity remained silent or absent in the market. Source reported that arrivals are expected to increase in coming day's ahead of festivals (Ramzan, Dushera and Deepawali), which may pressurized the prices. Further, the bumper production this year and estimated huge carry over stock further imparting bearishness in the market. Thus, prices are expected to remain weak in coming days.

FUTURES MARKETS

Mentha oil futures traded firm at MCX. October contract of mentha oil opened weak at Rs 517.00 against previous close of Rs. 517.30. Contract then traded up on renewed buying interest testing a high of Rs 525.40 before it closed at Rs 524.30. September contract traded in the range of Rs 507.00-515.00. In October contract both volume and open interest declined.

PRICE DRIVERS

1. Lower arrivals; Increasing stocks in warehouses
2. Farmers releasing stocks
3. Govt. levied VAT on Mentha Oil in Punjab
4. Bumper production & huge carry over stock this year

WAREHOUSE STOCKS

Exchange	Stock as on 19.09.07
MCX	1,210,383.225 Kg

TECHNICALS:

Candlestick chart pattern show firmness in prices. EMA and MACD remain weak for the medium-term. Stochastic is moving down in the oversold region while RSI heading up in the oversold region. Market is expected to trade down following a steady to slightly firm opening.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-Oct Contract	516	515	524.3	527	529

TRADE RECOMMENDATION

SELL MCX Mentha Oil **October** contract below 523 with target of 519, then 518. Put stop loss at 525. Trade cautiously with intraday outlook.

Spot Market Prices

Origin/Grade	Centre	20.09.07	19.09.07	Change
Mentha Oil	Sambhal	522	522	-
	Chandausi	525	525	-
	Rampur	523	523	-
	Barabanki	503	503	-

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt. Ltd.