



MENTHA

■ Sept. 6th, 2007

SPOT MARKETS

Amidst normal demand against lower arrival the Mentha Oil prices across the major markets in UP improved during the Wednesday's trade. Arrivals declined at the majority of markets from the Tuesday's level. Chandausi and Sambhal received the higher arrivals of around 180-190 barrels each followed by Barabanki and Rampur at around 180 barrels each. Sources, reported that the demand from locals as well as exporters are declining gradually in the market as they already have ample stocks. Also they expect that the prices may go down further due to bumper production this year and estimated huge carry forward stock coupled with day by day improving stocks in warehouses. Meanwhile, the traders / dealers in UP not lifting Mentha oil from Punjab as the state govt. is imposing transportation tax in Punjab, which likely to tighten the supplies and boost the prices.

FUTURES MARKETS

Mentha oil futures traded firm at MCX. September contract opened firm at Rs.533.40 against to previous close level at Rs.532.80 and traded down initially testing a low of Rs 531.50. However, prices recovered thereafter on renewed buying interest testing a high of Rs 535.80 before it closes at Rs 535.60. In Sept. contract both volume and open interest declined.

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 04.09.07
MCX	652,031.725 Kg

TECHNICALS:

Candlestick chart pattern shows firmness in prices. Prices closed above the 9 and 18 days EMA indicating firmness in short term. MACD is moving slightly upward in the negative region. Both Stochastic and RSI is moving up 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	534	533	535.6	541	542

TRADE RECOMMENDATION

BUY MCX Mentha Oil September contract near 536 with target of 538, then 539. Put stop loss at 535. Trade cautiously with intraday outlook.

Spot Market Prices

Origin/Grade	Centre	05.09.07	04.09.07	Change
Mentha Oil	Sambhal	542	539	+3
	Chandausi	545	541	+4
	Rampur	539-540	538	+2
	Barabanki	519	518	+1

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