



## ■ MENTHA

■ Sept. 13<sup>th</sup>, 2007

### SPOT MARKETS

Mentha Oil spot prices declined during the Wednesday's trade amidst subdued demand against increased arrivals. Arrivals across the major markets in UP increased further from the Tuesday's level as farmers and stockists releasing stocks at better available prices, reported. Chandausi and Sambhal markets received the higher arrivals of 250-260 barrels each. In Rampur and Barabanki markets, arrivals stood around 180-190 barrels each. On other hand, higher stock position in warehouses weighing heavily on prices. Demand from locals remained subdued in the market while exporters remained silent. Thus, considering the above factor prices are expected to remain in the lower side. However, some firmness is expected in prices if export activity revives. 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 531.40 against previous close of Rs.532.40 and traded up initially testing a high of Rs 532.90. However, prices tumbled thereafter on increased selling pressure testing a low of Rs 529.00 before it closes at Rs 530.20. In Sept. contract volume increased while open interest declined.

### PRICE DRIVERS

1. Improved arrivals; higher stocks in warehouses
2. Subdued demand from locals & exporters
3. Farmers & Stockists 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 11.09.07
MCX	896,466.425 Kg

### TECHNICALS:

Candlestick chart pattern shows indecisive market. Prices closed below the short-term EMAs indicating weakness in short term. MACD moving down in negative zone. Both Stochastic and RSI is moving down in neutral region. Stochastic has made 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	521	519	530.2	531	533

### TRADE RECOMMENDATION

**Sell** MCX Mentha Oil September contract below 529 with target of 525, then 524. Put stop loss at 531. Trade cautiously with intraday outlook.

### Spot Market Prices

Origin/Grade	Centre	12.09.07	11.09.07	Change
Mentha Oil	Sambhal	538-539	540	-1
	Chandausi	542-543	545	-2
	Rampur	536-537	539	-2
	Barabanki	516-517	519	-2

### 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>