



MENTHA

Sept. 4th, 2007

SPOT MARKETS

Mentha Oil prices across the major markets in UP eased on normal demand against improved arrivals. Arrivals at the majority of markets improved from the Saturday's level across the mandis in UP. Chandausi and Sambhal received the higher arrivals of around 200 barrels each following Barabanki and Rampur at around 170-180 barrels each. Normal demand from locals reported during the Monday's trade while exporter activity remained subdued in the market. Thus, prices are expected to remain range bound in coming days. Meanwhile, the traders / dealers 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. 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 weak at MCX. September contract opened slightly firm at Rs.534.50 against to previous close level at Rs.534.30. Contract then traded down on increases selling pressure testing a low of Rs 529.00 before it closes at Rs 529.90. In Sept. contract volume increased while open interest declined marginally.

PRICE DRIVERS

1. Improved 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 01.09.07
MCX	618,933.427 Kg

Spot Market Prices

Origin/Grade	Centre	03.09.07	01.09.07	Change
Mentha Oil	Sambhal	540	542	-2
	Chandausi	542	544	-2
	Rampur	539	541	-2
	Barabanki	519	520	-1

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.

TECHNICALS:

Candlestick chart pattern shows weakness in prices. MACD and EMA remain weak for the medium-term. Stochastic is moving up in the neutral region while RSI is heading down in the neutral region. 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	529.9	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.