



■ MENTHA

■ Sept. 10th, 2007

SPOT MARKETS

Mentha Oil prices across the markets in UP stood steady at Friday's level on normal demand supply situation. Some demand from locals reported in the market during the Saturday's trade, while exporters' activity remained subdued. Arrivals at the majority of markets also remained unchanged at Friday's level. Arrivals at Chandausi and Rampur markets stood steady at around 160-170 barrels. In Sambhal and Barabanki markets arrivals stood steady at around 180 barrels each. Meanwhile, the traders / dealers not lifting Mentha oil from Punjab as the state govt. has levied 12.5 per cent value-added tax on Mentha Oil, which tightens the supplies which likely to boost the prices. On other hand, higher stock position in warehouses restricted the upside in prices.

FUTURES MARKETS

Mentha oil futures traded range bound at MCX. September contract opened firm at Rs 538.50 against previous close of Rs.538.10 and traded both side in the range of Rs 537.00-540.70 and finally settled at Rs 538.30 in negative territory. In Sept. contract volume declined while open interest increased.

PRICE DRIVERS

1. Steady arrivals; higher stocks in warehouses
2. Normal demand from locals
3. Farmers & stockists holding back 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 06.09.07
MCX	686,594.025 Kg

TECHNICALS:

Candlestick chart pattern shows indecisive market. Prices closed above the 9 and 18 days EMA indicating firmness in short term. MACD is emerging from the negative region. Stochastic rising in the neutral region while RSI is moving flat in the neutral region. Market is expected to trade sideways with both side movement.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-Sept. Contract	532	531	538.3	542	545

TRADE RECOMMENDATION

SELL MCX Mentha Oil September contract below 539 with target of 536, then 535. Put stop loss at 540.5. Trade cautiously with intraday outlook.

Spot Market Prices

Origin/Grade	Centre	08.09.07	07.09.07	Change
Mentha Oil	Sambhal	545	545	-
	Chandausi	548	548	-
	Rampur	543	543	-
	Barabanki	522	522	-

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