



■ MENTHA

■ Sept. 5th, 2007

SPOT MARKETS

Mentha Oil prices across the major markets in UP eased further on subdued demand against steady arrivals. Demand from locals as well as exporter remained subdued during the Tuesday's trade. Arrivals at the majority of markets stood steady at Monday's level. Chandausi and Sambhal received the higher arrivals of around 200 barrels each following Barabanki and Rampur at around 170-180 barrels each. Further, higher stock position in warehouses restricted the upside. 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 firm at MCX. September contract opened slightly firm at Rs.530.00 against to previous close level at Rs.529.70 and traded down initially testing a low of Rs 528.50. However, prices recovered thereafter on renewed buying interest and profit taking testing a high of Rs 533.90 before it closes at Rs 533.60. In Sept. contract both volume and open interest declined.

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

TECHNICALS:

Candlestick chart pattern shows firmness in prices. Prices closed above the 9 days EMA indicating firmness in short term. MACD is moving flat in negative region. Stochastic is moving up in the neutral region while RSI is heading 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	531	529	533.6	540	542

TRADE RECOMMENDATION

BUY MCX Mentha Oil September contract near 534 with target of 537, then 538. Put stop loss at 532.5. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	04.09.07	03.09.07	Change
Mentha Oil	Sambhal	539	540	-1
	Chandausi	541	542	-1
	Rampur	538	539	-1
	Barabanki	518	519	-1

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