



■ MENTHA

■ Sept. 11th, 2007

SPOT MARKETS

Amidst subdued physical demand against improved arrivals, Mentha Oil spot prices tumbled across the major markets in UP. Higher stocks in warehouses further imparted bearishness. Demand from locals as well as exporters remained subdued in the market. Arrivals at the majority of markets improved from the Saturday's level during the Monday's trade, as farmer and stockists offloaded their stocks. Chandausi and Sambhal markets received the higher arrivals of 225-250 barrels each. In Rampur and Barabanki markets, arrivals stood around 180-200 barrels each. Meanwhile, bumper production and estimated huge carry over stock also weighing heavily on prices.

FUTURES MARKETS

Mentha oil futures traded firm at MCX. September contract opened weak at Rs 535.50 against previous close of Rs.538.30 and traded down initially testing a low of Rs 531.40. However, prices recovered thereafter on renewed buying interest testing a high of Rs 538.00 before it closes at Rs 537.30. 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 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 08.09.07
MCX	734,114.025 Kg

TECHNICALS:

Candlestick chart pattern shows firmness in market. Prices closed above the short-term EMAs indicating firmness in short term. MACD is emerging from the negative region. Stochastic rising in the neutral region while RSI is heading down 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	535	533	537.3	544	545

TRADE RECOMMENDATION

BUY MCX Mentha Oil September contract above 538 with target of 541, then 542. Put stop loss at 536.5. Trade cautiously with intraday outlook.

Spot Market Prices

Origin/Grade	Centre	10.09.07	08.09.07	Change
Mentha Oil	Sambhal	540	545	-5
	Chandausi	543	548	-5
	Rampur	539	543	-4
	Barabanki	519	522	-3

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