



■ MENTHA

■ April 30, 2007

SPOT MARKETS

Spot markets witnessed steady to slightly ease in prices. Slight improvement in arrivals and unaltered demand status helped to ease the prices little bit. Chandausi experienced the arrivals of 50-60 barrels while Sambhal market received little lower arrivals of 40-50 barrels on Saturday. Rampur and Barabanki witnessed arrivals of 50-60 barrels and 40-45 barrels respectively. As per trade sources, the acreage of mentha crop will be higher during this season. Consequently the production is expected to increase. But presently, as the crop is mainly in the fields and only some scattered harvest are being seen in some of the growing regions, fresh arrivals from the farmers are limited, which in turn is supporting the prices at higher levels. Thus, prices are expected to remain steady to slightly firm in a short run on the back of lower supply. In the futures market in April contract, short sellers would be under pressure to liquidate their position ahead of expiry. In the process, the prices might edge higher ahead of expiry.

FUTURES MARKETS

MCX Mentha oil contracts observed firm sentiment with bullish tone. May contract, opened firm at Rs.570.00 against the previous close of price of Rs. 566.40 and traded downward initially testing a low of Rs.567.30. However, increased buying supported the futures and finally settled green. May contract traded in range of Rs.577.00-567.30. Volume declined significantly while open interest increased marginally.

PRICE DRIVERS

1. Moderate Exporter's demand
2. Lower local demand
3. Slight improvement in arrivals

WAREHOUSE STOCKS

Exchange	Stock
MCX	2.70.174.920 Ka

Spot Market Prices

Origin/Grade	Centre	28.04.07	27.04.07	Change
Mentha Oil	Sambhal	593-594	590-595	-1
	Chandausi	590-592	590-594	-2
	Rampur	585-587	585-588	-1
	Barabanki	580-582	588-590	-8

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TECHNICALS

Charts are showing firmness in the market. The prices closed above short term EMAs, which support bulls. MACD is moving up in neutral region, which shows increase in bullishness. Stochastic is also supporting bulls in neutral region. Market is expected to trade upwards following a steady to slightly firm opening.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-May Contract	572	570	574.6	588	590

TRADE RECOMMENDATION

BUY MCX Mentha Oil May contract above 575 with target of 583, then 585. Put stop loss at 571. Trade cautiously with intraday outlook.

(in Rs/Kg)