



MENTHA

May 01, 2007

SPOT MARKETS

Spot markets witnessed steady ease in prices on the back of higher arrivals in the market and less exporter's participation on Monday. Demands in the market were mainly from the locals whereas stockists swelled the markets with higher supply. Chandausi experienced the higher arrivals of 100 barrels while Sambhal market received little higher arrivals of 50 60 barrels. Rampur and Barabanki witnessed higher arrivals of 70-80 barrels and 50 barrels respectively. Exporters presences in the markets were not found today mainly due to continuous depreciation of Dollar against Rupee for the last few days. 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. Thus, prices are expected to remain ease on the back of higher supply and lower participation of the exporters.

FUTURES MARKETS

MCX Mentha oil May contracts observed lack lustre trade with bearish undertone. May contract, opened weak at Rs.572.00 against the previous closing price of Rs. 574.60 and traded upward initially, testing a high of Rs.574.70. However, futures finally settled at negative side on the back of increased selling pressure. May contract traded in range of Rs.574.70-568.40. Volume increased significantly while open interest had a marginal decline.

PRICE DRIVERS

1. Less Exporters demand due to Dollar depreciation Against Rupee.
2. Lower local demand
3. Increase in arrivals

WAREHOUSE STOCKS

Exchange	Stock
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Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	30.04.07	28.04.07	Change
Mentha Oil	Sambhal	588	593-594	-5
	Chandausi	588	590-592	-3
	Rampur	585	585-587	0
	Barabanki	575	580-582	-5

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TECHNICALS

Charts are showing weakness in the market. The prices closed above short term EMAs. MACD is moving sideways in neutral region. Stochastic is about to made bearish cross over in neutral region. Market is expected to trade range bound following a steady to slightly firm opening.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-May Contract	563	561	570	576	579

TRADE RECOMMENDATION

SELL MCX Mentha Oil May contract below 574 with target of 568, then 566. Put stop loss at 577. Trade cautiously with intraday outlook.