



## ■ MENTHA

■ May 15, 2007

### SPOT MARKETS

Mentha oil spot market witnessed mixed sentiment during the Monday's trade. The prices eased at the major markets of Sambhal and Chandausi on the back on increased arrivals against weak demand. Stockists offloaded their stock at higher price level. Sambhal market experienced the arrival of 75-85 barrels while Chandausi market experienced the arrival of 10-20 barrels. On other hand, prices improved slightly at the markets of Rampur and Barabanki amidst slight demand from locals against steady arrivals. Arrivals at Rampur and Barabanki stood at 20-25 barrels. Exporters activity remained subdued in the market. Some downward pressure is expected over the prices in coming days due to increasing arrivals. However, lower stock position in exchanges would fuel the prices in short term.

### FUTURES MARKETS

MCX Mentha oil May contracts witnessed weak sentiment with bearish undertone. May contract, opened slightly weak at Rs.593.5 against the previous closing price of Rs. 593.9. Futures traded up thereafter initially testing a high of Rs. 595.0. However, prices slipped thereafter erasing the initial gains and settled in the negative side at Rs 587.2. Open interest remained steady while volume declined significantly.

### PRICE DRIVERS

1. Low demand from Exporters and Locals
2. Higher arrivals in the market.
3. Expected bumper production this year

### WAREHOUSE STOCKS

Exchange	Stock
MCX	2,69,332.520 Kg

### TECHNICALS:

Charts are showing weakness in market. The prices closed above the short term EMAs that indicates short-term & medium term firmness. MACD is moving down in neutral region while stochastic is moving up in neutral region following bullish cross over. Market is expected to trade up following a steady to slightly firm opening with possibility of slight late downward movement.



### SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-May Contract	582	584	587.2	599	600

### TRADE RECOMMENDATION

**BUY** MCX Mentha Oil May contract above 589 with target of 594, then 597. Put stop loss at 586.5. Trade cautiously with intraday outlook.

### Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	14.05.07	12.05.07	Change
Mentha Oil	Sambhal	593-94	594-595	-1
	Chandausi	608	610	-2
	Rampur	600	598	+2
	Barabanki	580	577	+3

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