



■ MENTHA

■ May 31st, 2007

SPOT MARKETS

The prices of Mentha Oil at Sambhal and Barabanki markets are remained unchanged with that of the Tuesday's price on subdued trade while in Chandausi and Rampur, the price of Mentha oil further declined on the back of increased arrivals against subdued demand. The heavy fresh arrivals impacted the fall of Mentha Oil prices in Chandausi. The arrivals in most of the markets are remained same with that of the Tuesday's arrival except at Chandausi which received the higher arrival of around 500-600 barrels. Rampur and Barabanki also received the arrivals of 125 and 100 barrels respectively during the Wednesday's trade. Sambal received an arrival of 100-125 barrels. Although the prices of Mentha Oil somehow recovered but low demand still continues. Thus, considering the present trend of heavy fresh arrivals and low demand will further lead to the decline in Mentha Oil prices.

FUTURES MARKETS

MCX Mentha oil witnessed lackluster trade with bearish undertone. June contract, opened weak at Rs.499.0 against the previous closing price of Rs. 501.1 and traded up initially testing a high of Rs 504.4. However, prices tumbled thereafter on increased selling pressure and settle down at Rs 495.6.2. June contract traded in the range of Rs 494.4-504.4 with increasing Open interest and declining volume.

PRICE DRIVERS

1. Subdued demand from locals and exporters
2. Increased arrivals in the market.
3. Expected bumper production this year

WAREHOUSE STOCKS

Exchange	Stock as on 28.05.07
MCX	1,49,668.750 Kg

TECHNICALS:

Charts are showing weakness in market. Long upper shadow indicates selling pressure at higher levels. MACD and EMA indicate for further weakness in market. Stochastic is moving down in over sold region. Market is expected to trade down following a steady to slightly firm opening with possibility of late upward movement.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-May Contract	484	483	495.6	498	500

TRADE RECOMMENDATION

SELL MCX Mentha Oil June contract below 496 with target of 490, then 486. Put stop loss at 499. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	30.05.07	29.05.07	Change
Mentha Oil	Sambhal	518	518	-
	Chandausi	520	525	-5
	Rampur	516	520	-4
	Barabanki	495	495	-

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