



■ M E N T H A

■ May 24th, 2007

SPOT MARKETS

The spot market prices of Mentha Oil recovered at most of the major markets amid good demand against restricted arrivals. Good demand from locals witnessed during the Wednesday's trade while demand from exporters remained subdued or silent in the market. At Sambhal market arrival declined to 40-50 barrels with no arrival reported in Chandausi. Rampur and Barabanki experienced the arrival of 15-20 barrels. Thus, prices are likely to remain slightly firm in coming days due to good demand against lower arrivals. However, expectation of bumper production of Mentha oil this year prices likely to remain in the lower side in medium term. According to the state run Spices Board, India exported 16,250 tonne of mint product during 2006-07 against the last year's 14,544 tonne. India is the largest producer of Mentha oil and exports nearly 75-80% of its produce.

FUTURES MARKETS

MCX Mentha oil witnessed firm sentiment with bullish tone. May contract, opened weak at Rs.574.5 against the previous closing price of Rs. 576.8 and traded down initially testing a low of Rs 573.8. However, prices recover thereafter on increased buying interest and settled in the positive side. May contract traded in the range of Rs 573.8-596 with declining Open interest and increasing volume.

PRICE DRIVERS

1. Good demand from locals
2. Subdued demand from exporters
3. Lower arrivals in the market.
4. Expected bumper production this year

WAREHOUSE STOCKS

Exchange	Stock as on 22.05.07
MCX	1,14,724.650 Kg

TECHNICALS:

Charts are showing firmness in market. MACD and EMA indicate for firmness in prices. Stochastic is moving down in neutral region. Market is expected to trade up following a steady to slightly firm opening.



SUPPORT / RESISTANCES

Contract	S1	S2	PCP	R1	R2
MCX-Mentha Oil-May Contract	590	589	593	606	608

TRADE RECOMMENDATION

BUY MCX Mentha Oil May contract above 594 with target of 600, then 604. Put stop loss at 591. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	23.05.07	22.05.07	Change
Mentha Oil	Sambhal	582	580	+2
	Chandausi	596	595	+1
	Rampur	-	590	-
	Barabanki	568	565	+3

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