

MENTHA

May 09, 2007

SPOT MARKETS

Spot markets witnessed a weak sentiment in prices on back of little higher arrival in the market and increase in local and export demand on Tuesday. Except Chandausi, arrival increased in all the market. Sambhal experienced the arrivals of 60-70 barrels. Rampur and Barabanki also witnessed the arrivals of 30 barrels and 25 barrels respectively. Exporter's participation increased little. Present arrivals are mainly coming from the stockists. Arrivals of fresh crop are expected in mid to end of May. Prices are expected to remain firm in coming days due to low arrivals and increasing demand in the market.

FUTURES MARKETS

MCX Mentha oil May contracts experienced weak sentiment with bearish undertone. May contract, opened slightly firm at Rs.592.80 against the previous closing price of Rs. 591.80. May contract traded up initially, testing a high of Rs.597.00 and then on the back of higher selling pressure, futures tumbled testing a low of Rs.586.00 and finally settled at bearish side at close of Rs.587.00. Open interest increased marginally while volume declined significantly.

PRICE DRIVERS

1. Increase in Exporters demand
2. Increasing local demand
3. Very lower arrivals in the market.

WAREHOUSE STOCKS

Exchange	Stock
MCX	2,84,567.870 Kg

TECHNICALS

Charts are showing weakness in market. The prices closed above the short term EMAs. MACD is moving upward in neutral region while Stochastic is about to make a bullish cross over. 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	586	584	587	599	602

TRADE RECOMMENDATION

BUY MCX Mentha Oil May contract above 589 with target of 595, then 597. Put stop loss at 586. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	08.05.07	07.05.07	Change
Mentha Oil	Sambhal	590-591	593-595	-3
	Chandausi	605	603	+2
	Rampur	598-600	604-605	-6
	Barabanki	580	580	0

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