



■ MENTHA

■ May 17, 2007

SPOT MARKETS

The spot market prices of Mentha Oil remained unchanged at most of the major markets on subdued trading activity against restricted arrivals, while prices eased slightly at Chandausi market on the back of marginal improvement in arrivals. Chandausi market experienced the arrival of 15-20 barrels while the arrivals at Sambhal market stood steady at 45-55 barrels. Rampur and Baranki experienced the arrivals of 15-20 barrels during the Wednesday's trade. Demand from exporters and locals at the majority of markets remained subdued. Some improvement is expected in short run due to good demand against lower arrivals. However, expectation of bumper production this year would depress the prices in medium to long term.

FUTURES MARKETS

MCX Mentha oil May contracts witnessed firm sentiment with bullish tone. May contract, opened firm at Rs.591.0 against the previous closing price of Rs. 589.5 and traded down initially testing a low of Rs 587.2. However, prices recovered thereafter on increased buying interest and finally settled in the positive side. May contract traded in the range of Rs 587.2-593.9. Open interest declined marginally while volume declined significantly.

PRICE DRIVERS

1. Subdued demand from Locals
2. Subdued export demand
3. Lower arrivals in the market.
4. Expected bumper production this year

WAREHOUSE STOCKS

Exchange	Stock
MCX	1,52,816.720 Kg

TECHNICALS:

Charts are showing firmness in market. Long lower shadow shows good buying support. The prices closed above the short term EMAs that indicates short-term & medium term firmness. MACD is moving slightly up while a stockist 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	592.9	602	604

TRADE RECOMMENDATION

BUY MCX Mentha Oil May contract above 592 with target of 596, then 598. Put stop loss at 590. Trade cautiously with intraday outlook.

Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	16.05.07	15.05.07	Change
Mentha Oil	Sambhal	594	594	0
	Chandausi	605	608	-3
	Rampur	600	600	0
	Barabanki	580	580	0

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