



## MENTHA

May 30th, 2007

### SPOT MARKETS

Due to heavy new arrivals coupled with weak physical demand from both locals and exporters, the prices of Mentha Oil eased further at most of the major markets. All the major markets today witnessed the further decline of prices of Mentha Oil as well as heavy fresh arrivals. The heavy fresh arrivals impacted the falling of Mentha Oil Price. At Sambhal market arrival stood at 100-125 barrels and Chandausi market received the higher arrival of around 350-400 barrels. Rampur and Barabanki also received the higher arrivals of 125 and 100 barrels during the Tuesday's trade. Thus, considering the present trend of heavy fresh arrivals and low demand will further decline the Mentha Oil prices.

### FUTURES MARKETS

MCX Mentha oil witnessed lackluster trade with bearish undertone. June contract, opened weak at Rs.502.0 against the previous closing price of Rs. 503.7 and traded up initially testing a high of Rs 505.0. However, prices tumbled thereafter on increased selling pressure and settle down at Rs 500.2. June contract traded in the range of Rs 496.9-505.0 with increasing Open interest and declining volume.

### PRICE DRIVERS

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

### WAREHOUSE STOCKS

Exchange	Stock as on 26.05.07
MCX	1,49,668.750 Kg

### TECHNICALS:

Charts are showing weakness in market. MACD and EMA indicate for further weakness in market. Stochastic is moving down in 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	490	489	500.2	503	504

### TRADE RECOMMENDATION

**SELL** MCX Mentha Oil June contract below 502 with target of 494, then 492. Put stop loss at 506. Trade cautiously with intraday outlook.

### Spot Market Prices

(in Rs/Kg)

Origin/Grade	Centre	29.05.07	28.05.07	Change
Mentha Oil	Sambhal	518	525	-7
	Chandausi	525	540-42	-17
	Rampur	520	535	-15
	Barabanki	495	520	-25

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